

# Governance Program

Economic & Public Sector Program

## Economic and Public Sector Program



## Completion Report

Experience and Analysis of an Australian Aid Governance Program  
Papua New Guinea (2010-2016)

June 2016

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## Basic activity information

<b>Project name</b>	Economic and Public Sector Program
<b>Activity number</b>	54683
<b>Description</b>	The Economic and Public Sector Program was a six-year AUD 115,731,791 funded program designed to strengthen key government institutions to support equitable service delivery to the men, women and children of Papua New Guinea.
<b>Location</b>	Papua New Guinea
<b>Delivery by</b>	Coffey International Development on behalf of the Australian Department of Foreign Affairs and Trade
<b>Key dates</b>	<p>Project design document – May 2009</p> <p>Commencement – 1 June 2010</p> <p>End initial contract period – March 2014</p> <p>First extension period – December 2014</p> <p>Second extension – November 2015</p> <p>Third extension period and completion – 30 June 2016</p>
<b>Approved costs</b>	AUD 115,731,791
<b>Actual costs</b>	AUD 101,108,120
<b>Savings requested by AHC</b>	AUD 14,623,671
<b>Form of aid</b>	Primarily aimed at capacity development of central agencies delivered through technical assistance, research, targeted training and grants. Support provided to provincial and district bureaucracies in the later stages of the program.

# Contents

<b>Executive Summary .....</b>	<b>vi</b>
<b>1. Introduction .....</b>	<b>1</b>
<b>2. Relevance .....</b>	<b>1</b>
2.1. Initiation of the Program .....	1
2.2. Context and Rationale .....	1
2.3. Innovative processes .....	2
2.4. Program purpose and goals .....	2
2.5. Program result areas .....	2
2.6. Annual Strategic Planning .....	2
2.7. Program Management Group .....	2
<b>3. Effectiveness .....</b>	<b>3</b>
3.1. Design .....	3
3.2. Innovation .....	4
3.3. Evolution .....	8
<b>4. Efficiency .....</b>	<b>12</b>
4.1 Program inception .....	12
4.2. Business processes .....	12
4.3. Value for Money .....	12
4.4. Expenditure .....	13
4.5. Commitment .....	14
4.6. Risk management .....	14
<b>5. Impact .....</b>	<b>15</b>
5.1. Results Framework .....	15
5.2. Achievements .....	15
<b>6. Sustainability .....</b>	<b>30</b>
6.1. Sustainability Strategy .....	30
6.2. Ownership and leadership .....	31
6.3. Capacity development .....	31
6.4. Adviser and counterpart sustainability planning .....	32
6.5 Independent research .....	32
6.6. Culture of monitoring and evaluation .....	33
6.7. Transition planning .....	33

6.8. Risks to sustainability .....	33
<b>7. Lessons learned .....</b>	<b>34</b>
7.1. Cultural Understanding .....	34
7.2. Stakeholders .....	34
7.3. Contextualised and politicised workplaces .....	35
7.4. Research and analysis.....	37
7.5. Communications and new technologies .....	37
7.6. Program governance and management .....	38
<b>8. Conclusion.....</b>	<b>39</b>

## Annexes

Annex 1	EPSP reports, reviews, research and publications .....	40
Annex 2	EPSP Results Framework.....	43
Annex 3	Case studies .....	45
Annex 4	Video insert transcriptions.....	97

# Acronyms

ACIG	Australian Continuous Improvement Group
AFIA	Activity Fund Imprest Account
AGO	Auditor General's Office
AHC	Australian High Commission
ANU	Australian National University
AoPE	Association of Professional Evaluators
APEC	Asia Pacific Economic Cooperation
ASF	Advisory Support Facility
AUD	Australian Dollar
AusAID	Australian Agency for International Development
BP	Business Processes
CACC	Central Agency Coordinating Committee
CAPDEV	Capacity Development Study
CDA	Capacity Development Agreement
CIMC	Consultative Implementation and Monitoring Council
CNA	Capacity Needs Analysis
CoP	Community of Practice
CRS	Cash Receipting System
CSO	Civil Society Organisation
CSTB	Central Supply and Tenders Board
DA	District Administrator
DAC	Development Assistance Committee
DAI	District Accountability Initiative
DCT	Development Cooperation Treaty
DEC	Department of Environment and Conservation
DFAT	Department of Foreign Affairs and Trade
DfCD	Department for Community Development
DHERST	Department for Higher Education, Research, Science and Technology
DJAG	Department of Justice and Attorney General
DLIR	Department of Labour and Industrial Relations
DNPM	Department of National Planning and Monitoring
DoE	Department of Education
DoF	Department of Finance
DoL&PP	Department of Lands and Physical Planning
DoT	Department of Treasury
DPM	Department of Personnel Management
DPLGA	Department of Provincial and Local Government Affairs
DSP	Development Strategic Plan
DSIP	District Services Improvement Program
DT	District Treasurer
ECT	Establishment Comparison Table
EFTPOS	Electronic Funds Transfer at Point of Sale
EPM	Education Project Management
EPSG	Economic and Public Sector Governance
EPSP	Economic and Public Sector Program
FAID	Fraud and Investigation Division
FFR	Financial Framework Review
FTB	Finance Training Branch
GESI	Gender, Equality and Social Inclusion
GoA	Government of Australia
GoPNG	Government of Papua New Guinea
GSA	Governance Support Agreement

GST	General Services Tax
HR	Human Resource
HRAS	Human Resources Advisory Service
HR CONNECT	Connecting On-line Networks for Enhanced Capability and Technology
HRMIS	Human Resources Management Information System
ICCC	Independent Consumer and Competition Commission
ICT	Information Communication Technology
IFMS	Integrated Financial Management System
IHRPS	Integrated Human Resource Payment System
INA	Institute of National Affairs
1PPP	One Position, One Person, One Pay
IRC	Internal Revenue Commission
IT	Information Technology
LES	Locally Engaged Staff
LLG	Local Level Government
LLGSIP	Local Level Governments Service Improvement Plan
LNG	Liquified Natural Gas
M4D	Mobiles for Development
M&E	Monitoring and Evaluation
MAN	Male Advocacy Network
MBP	Milne Bay Province
MTDP	Medium Term Development Plan
NACS	National AIDS Council Secretariat
NCD	National Capital District
NEC	National Executive Council
NDoe	National Department of Education
NDoH	National Department of Health
NEFC	National Economic and Fiscal Commission
NGO	Non-Government Organisation
NTRD	Non-Tax Revenue Division
NRI	National Research Institute
OECD	Organisation for Economic Cooperation and Development
ODW	Office of Development Women
OHE	Office of Higher Education
OSS	Office of State Solicitor
OU	Office of Urbanisation
PA	Provincial Administrator
PAC	Public Accounts Committee
PCaB	Provincial Capacity Building Program
PEFA	Public Expenditure Financial Accountability
PEPE	Promoting Effective Public Expenditure
PFM	Public Financial Management
PGAS	Provincial Government Accounting System
PGF	Papua New Guinea Governance Facility
PGK	Papua New Guinea Kina
PIP	Public Investment Program
PLGP	Provincial and Local-level Governments Program
PLLSMA	Provincial and Local Level Services Monitoring Authority
PM&NEC	Department of Prime Minister and National Executive Council
PMG	Program Management Group
PMO	Program Management Office
PNGAoPE	PNG Association of Professional Evaluators
PNGFA	PNG Forests Authority
PNGICSA	Papua New Guinea Immigration and Citizenship Service Authority
PNGIPA	PNG Institute of Public Administration
PSIP	Provincial Services Improvement Plan

PSWDP	Public Sector Workforce Development Program
PT	Provincial Treasurer
RTMS	Revenue and Tracking Monitoring System
SD	Service Delivery
SDSA	Service Delivery Support Agreement
SGP	Strongim Gavman Program
SMS	Short Message Service
SMT	Senior Management Team
SNP	Sub National Program
SUG	Super User Group
RAS	Revenue Accounting System
SIGTAS	Standard Integrated Government Tax Administration System
TA	Technical Adviser
ToR	Term of Reference
UNSW	University of New South Wales
UPNG	University of Papua New Guinea
WNB	West New Britain
WHP	Western Highlands Province
WIL	Women in Leadership
WoG	Whole-of-Government
WPA	Waigani Payment Account
WW	Wokabaut Wantaim





## Executive Summary

The Papua New Guinea Economic and Public Sector Program Completion Report describes and analyses activities and outcomes under the Economic and Public Sector Program (EPSP) from June 2010 until June 2016. The program's objective was to contribute to capacity development and improved services from central Government of Papua New Guinea (GoPNG) agencies, and throughout its six years the program adapted to the changing forms of Australian aid and refocused on delivering whole-of-government initiatives until its completion in June 2016.

The report is framed by the Organisation for Economic Co-operation and Development (OECD) Development Assistance Committee (DAC) indicators of relevance, effectiveness, efficiency, impact, sustainability, and lessons learned. Links to the program's detailed quarterly (2010–2014) and six-monthly (2014–2015) reports, agency report cards, research and evaluation reports and other key documents are found in Annex 1. The report also includes the EPSP results framework (Annex 2), case studies (Annex 3) and videos and transcripts (in-text and Annex 4) to give voice to the program's ultimate beneficiaries: the men, women and children of Papua New Guinea.

### Background

EPSP represented the next phase of Australian Government (GoA) support to economic and public sector governance in PNG, following the close of AusAID's PNG Advisory Support Facility (ASF). While ASF support was typically focused on the development and implementation of policies, plans and systems in HR, financial management and corporate and strategic planning, EPSP was guided by operating principles of partnership and mutual accountability.

### Goal

EPSP sought to 'achieve incremental improvements in public sector performance through a long-term capacity development approach' (EPSP Design Document 2009 p.15), with the program goal at inception:

***An effective and efficient public service that focuses on service delivery for the men, women and children of PNG and creates an enabling environment for broad-based economic growth***

The goal was revised in the 2013 Strategic Plan and a higher level goal was introduced:

***Equitable, effective and accessible services for the men, women and children of PNG***

### Refocus

EPSP demonstrated great flexibility and efficiencies in responding to the changing aid environment. Institutional, structural and organisational changes in the AHC governance sector and policy changes in GoPNG impacted on the direction of the program throughout its lifetime. The growing self-confidence of the state of PNG with increased revenues from liquefied natural gas (LNG) projects and as a stronghold in the Pacific, evidenced by hosting the Pacific Games in 2015 and Asia-Pacific Economic Cooperation (APEC) Economic Leaders' Meeting in 2018, strengthened its approach and expectations.

Program extensions (in 2014 and 2015) helped to refocus the program away from a strong capacity development program to one that focused on whole-of-government initiatives working with line of sight from the national to the sub-national level. Working jointly with the Provincial and Local level Governments Program (PLGP) it developed its new focus on citizen accountability initiatives. By program end, there were four discernable phases:



Program delivery towards the end of the program was a mix of agency-based advisory support and program specialist inputs from the Program Management Office (PMO). In October 2015 the AHC requested EPSP to generate savings in its budget of over AUD14 million by terminating some program components.

## Innovations

Innovations in both design and activities helped EPSP remain flexible, adaptable and ultimately successful. From the Program Management Group (providing a direct link to GoPNG stakeholders), the highly successful gender and social inclusion (GESI) policy, to its mobile phones for development research and citizen accountability initiatives such as Tanim Graun and action research programs, EPSP provided innovative solutions and activities through its lifetime.

## Results

EPSP achieved outcomes in each of its five results areas with the program making substantial contributions to public sector development. Some results include:

1. **A more skilled and effective public sector workforce** – research and contribution dialogues with stakeholders confirmed that capacity development occurred in ‘most cases’; long-term advisers working with agency Secretaries/Deputy Secretaries promoted change in agency policy, practices and performance; rejuvenation of the PNG Institute of Public Administration through EPSP’s involvement of the Pacific Leadership and Governance Precinct.
2. **Improved use and management of public financial resources** – stronger financial controls within the Departments of Finance and Prime Minister and National Executive Council; research studies of budget preparation, execution and controls to inform government financial management.
3. **Government is more informed, transparent and accountable** – increase in public hearings and reports tabled in Parliament; improved audit review processes; monitoring and evaluation training; introduction of citizen accountability initiatives to engage in government decision making.
4. **Policy and regulatory settings are supportive of sustainable broad-based growth** – support of Strongim Gavman Program at the Department of Finance; transformation of the Internal Revenue Commission into a modern tax organisation; strengthening of the Independent Consumer and Competition Commission; Legal adviser assistance at the Department of the Prime Minister and National Executive Council.
5. **Effective and efficient whole-of-government service delivery systems** (added after 2013 review) – payroll cleansing of majority of GoPNG agencies and provincial hospitals; institution of ‘one person-one position-one pay’ protocols; identification of large systems weaknesses through the pilot Staffing and Establishment Review; introduction of the gender and social inclusion program and resulting activities (GESI) in the Department of Personnel Management.

## Lessons learned

EPSP has provided significant lessons that will benefit future governance programs. These include:

- The reaffirmation of the value of partnerships between the Governments of Australia and PNG based on principles of ownership, engagement and accountability.
- The importance of stakeholder identification and engagement, and the coalitions formed in contextualised spaces in the public sector, between bureaucrats and politicians.
- The importance of interpersonal relationships at counterpart level, and AHC and GoPNG executive levels as the basis of effective development.
- The importance of working politically to understand the political environment and power relationships to address difficult issues across levels of government and the bureaucracy.
- The opportunities and limitations of long-term and short-term adviser placements.

# 1. Introduction

This completion report describes and analyses activities and outcomes of the Papua New Guinea Economic and Public Sector Program (EPSP) from June 2010 until June 2016. The program's objectives were to contribute to capacity development and improved services from central Government of Papua New Guinea (GoPNG) agencies. Throughout its six years the program adapted to the changing forms of Australian aid and refocused on delivering whole-of-government initiatives until its completion in June 2016.

EPSP commenced as an innovative capacity development program based on contemporary thinking about good development practices of ownership engagement and accountability. The following sections of the report look at the development and effectiveness of the program and how it refocused its direction on several occasions from a capacity development program, to analysis and interventions in whole-of-government issues affecting good governance, and finally to a responsive provider of technical and research support to contribute to the development aims of GoPNG.

The report is framed by the Organisation for Economic Co-operation and Development (OECD) Development Assistance Committee (DAC) indicators of relevance, effectiveness, efficiency, impact, sustainability, and lessons learned. Links to the program's detailed quarterly (2010–2014) and six-monthly (2014–2015) reports, agency report cards, research and evaluation reports and other key documents are found in Annex 1. The report also includes the EPSP Results Framework (Annex 2), case studies (Annex 3) and videos and transcripts (in-text and Annex 4) to give voice to the program's ultimate beneficiaries: the men, women and children of Papua New Guinea.

# 2. Relevance

## 2.1. Initiation of the Program

EPSP succeeded the PNG Advisory Support Facility (ASF), which assisted the Government of PNG (GoPNG) to improve public sector administration through the placement of advisers in central and key line agencies. ASF support was typically focused on the development and implementation of policies, plans and systems in HR, financial management and corporate and strategic planning. The Economic and Public Sector Program (EPSP) represented the next phase of Australian Government support to economic and public sector governance in PNG and builds on the work of the ASF.

EPSP was designed in 2009 and was based on sound contemporary development principles espoused at that time in documents such as the Paris Declaration on Aid Assistance (2005) and the Accra Agenda for Action (2008).

## 2.2. Context and rationale

Research reports on the public sector in Papua New Guinea (Pieper 2004; Government of Papua New Guinea Review of the Public Sector Reform Program - Report to the Chief Secretary 2007, Morgan 2008; AusAID 2010) had consistently pointed to challenges facing the public service and weaknesses in leadership, policy development and coordination, management, implementation, monitoring and evaluation and reporting.

EPSP was guided by operating principles of partnership and mutual accountability as set out in the PNG Commitment on Aid Effectiveness (2010) and the PNG-Australia Partnership for Development including: alignment and effectiveness; coherence; learning and managing for results; flexibility with focus; and equity. It was also aligned with GoPNG major planning documents including Vision 2050 and the Medium Term Development Plan (2010-2015) together with the Development Cooperation Strategy between PNG and Australia.

## 2.3. Innovative processes

The design of EPSP included innovative processes including a direct link to GoPNG through the Program Management Group (PMG) to the Central Agencies Coordinating Committee and the National Executive Council; capacity diagnostics; formal capacity development agreements as outcomes of capacity diagnostics; multiple modes of capacity development; a results-based framework using program logic; and monitoring and evaluation of progress and performance through contribution dialogues and analysis.

## 2.4. Program purpose and goals

EPSP commenced in June 2010 and sought to 'achieve incremental improvements in public sector performance through a long-term capacity development approach' (EPSP Design Document 2009 p.15), with the program goal at inception:

***An effective and efficient public service that focuses on service delivery for the men, women and children of PNG and creates an enabling environment for broad-based economic growth***

The goal was revised in the 2013 Strategic Plan and a higher level goal was introduced:

***Equitable, effective and accessible services for the men, women and children of PNG***

## 2.5. Program result areas

The program was framed by a targeted results framework that reflected the aid assistance agreement between GoPNG and Australia. The framework initially contained four result areas and twelve outcomes. It was revised in 2013 to include an additional Result Area 5 and three more outcomes (Annex 2). The final result areas were:

1. A more skilled and effective public service
2. Improved use and management of public financial resources
3. Government is more informed, transparent and accountable

4. Policy and regulatory settings are more supportive of sustainable economic growth
5. Effective and efficient whole-of-government service delivery systems.

## 2.6. Annual strategic planning

Annual strategic plans, providing direction for the program, were produced by EPSP and presented to the PMG for approval from 2010 to 2015. Links to these plans are included in Annex 1.

## 2.7. Program Management Group

The Program Management Group (PMG) was the primary governance body providing decisions for the strategic direction of the program. The PMG met quarterly and was chaired by the Chief Secretary to the Government of PNG. It consisted of seven Deputy Secretaries from key central agencies including Department of Finance (DoF), Department of Treasury (DoT), Department of National Planning and Monitoring (DNPM), Department of Prime Minister and National Executive Council (PM&NEC), and Department of Personnel Management (DPM), a women's representative, and Australian Government and EPSP representatives.

The PMG had direct reporting links to the GoPNG's most powerful planning and approval groups, the National Executive Council (NEC) through the Central Agencies Coordinating Committee (CACC).



### 3. Effectiveness

The program was a successful capacity development program. It refocused its direction on several occasions and evolved to include analysis and interventions in whole-of-government issues affecting good governance, and became a responsive contributor to the diverse development aims of the Government of PNG.

The EPSP design document stated that 'Achieving the targeted results is not wholly within the scope of EPSP, but its efforts are intended to make a substantial contribution to achieving them' (EPSP Design Document p. 58).

The program, over a five year period, made substantial contributions to achieving an 'effective and efficient public service' in selected and agreed areas of the public sector.

Major factors that contributed to the program's achievements included the partnership arrangement between AHC and GoPNG conducted through the PMG; agreed activities based on principles of ownership, engagement and accountability; effective management of capacity development activities by EPSP; and an iterative and adaptive approach by the program to respond rapidly to changing development priorities of the governments of Australia and PNG.

Capacity Development Agreements (CDAs) were important and successful features of the program from 2011 to 2014. CDAs were formal documents developed and in most cases completed with agencies. CDAs indicated the kind and timing of EPSP support to agencies to improve agency and staff capacities and service delivery.

#### 3.1. Design

##### Theory of Change

EPSP adopted a conventional program logic approach (theory of change) for capacity development programs that indicated how assistance would be provided and the expected results and outcomes.

The EPSP theory of change was based on three steps:

1. Public sector organisations can describe their own strengths and weaknesses and plan for improved performance; use skills, knowledge and information effectively if they are given these; and achieve better outcomes with improved performance.
2. The public sector system can be improved if organisations that set the rules and whose responsibilities cover systemic issues have sufficient capacity and are managed effectively; and coordination structures enable organisations to work together and are implemented.
3. External assistance can play a role in improving public sector performance by: improving the understanding of performance issues in the system; building the capacity of organisations and carefully chosen parts of the system; improving the capacity and process for organisations to better coordinate; and promoting a culture of good leadership by supporting good and emerging leaders and managers.

##### Direct line of sight

The EPSP program logic was appropriate for agencies which had direct lines of sight to service delivery. For example, PNG Immigration and Citizenship Service Authority (PNGICSA), a line agency, approved work permits for the public and private sectors and received advisory support from EPSP. The support aimed at reducing previously long periods of time to secure permits to more acceptable periods of time for employers.



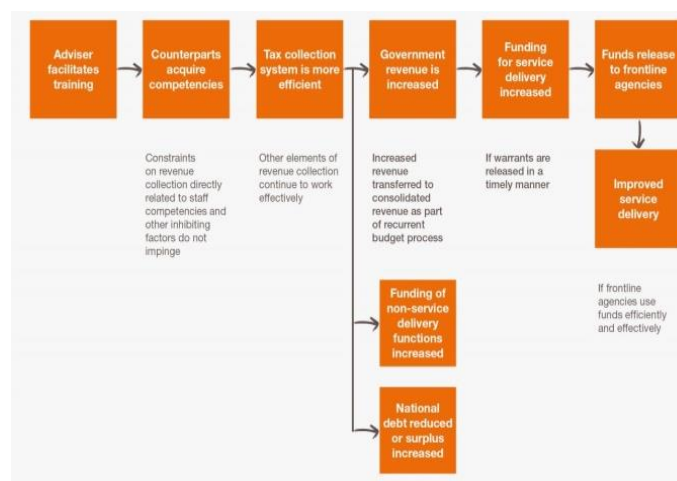
##### Indirect line of sight

Central agencies are necessary for government service delivery. They provide the funds, define human resource management rules and procedures, operate financial management systems, coordinate policy making and allocate and deliver money through the budget and planning systems.

Central agencies needed to test their performance according to their effectiveness in

enabling line agencies and provincial and district administrations to deliver services. The work of EPSP could have been more pointed from the beginning had it aimed at more analysis and understanding of the links and impediments between different levels of government. This would result in improved services provided by central agencies to line agencies and provincial and district administrations from inception. The program and the AHC focused on these relationships later in the program's life when harmonisation with the Provincial and Local-level Governments Program (PLGP) was emphasised.

EPSP mostly engaged with central agencies that had an indirect connection with service delivery rather than line agencies. The following diagram describes a second program logic for EPSP that recognised the role of central agencies as enablers rather than directly impacting on service delivery.



## 3.2. Innovation

EPSP design included innovative features that distinguished it from other Australian aid programs in Papua New Guinea at the time.

### Joint Capacity Diagnostics

Capacity diagnostics were an innovation designed to assist EPSP and agencies 'to identify problems, priorities and initiatives ... to distinguish between system-wide issues affecting an agency and issues that are specific to them' (EPSP Design Document p.19).

The first action for EPSP at inception, outlined in the design document, was to be 'a joint diagnostic of the links in the chain between

central agencies and ultimate service delivery agencies ... diagnostic will focus on policy, financial management, organisational and human resource issues, both of a technical and non-technical nature ... also seek to identify the strengths in the chain: those aspects that are working well and that offer opportunities to support emergent or established successes' (EPSP Design Document p.18).

The joint diagnostic did not take place with central and line agencies. The AHC Policy Adviser recommended a 'quick analysis' and a consultant, with much experience of the PNG public sector, spent two days in country and produced a report mostly about public financial management issues. The report was considered at a workshop at Loloata Island in September 2011 involving representatives from AHC, EPSP, DoT, DoF, DNPM, and PM&NEC. The workshop determined which agencies should receive support from EPSP rather than identifying 'links in the chain'.

The consultant's report and decisions at Loloata focused annual EPSP Strategic Frameworks for the next three years firmly on agency specific issues rather than systemic issues. Systemic issues came to be recognised by AHC as critical issues requiring attention later in 2014.

### Agency Capacity Diagnostics

Agency capacity diagnostics were completed by mostly teams of two national consultants with wide experience of the public service who worked with agency management and staff to analyse agency strengths and weaknesses and to indicate critical areas that would benefit from program support. Case Study Three in the EPSP Annual Report 2011 provides details of the capacity diagnostics process.

Twelve diagnostics were completed by consultants for EPSP between 2011 and 2013 which were effectively needs analysis that determined the design of capacity development interventions. Ten of those diagnostics were translated into Capacity Development Agreements (CDAs).

## Capacity Development Agreements

Capacity Development Agreements (CDAs) were formal documents signed by GoPNG agencies, the PMG and GoA that indicated roles and responsibilities of the agency and EPSP to accept and provide support aimed at improving agency capacity and services. Case Study One in the EPSP Annual Report 2012 provides a detailed analysis of the diagnostics process and CDAs.

CDAs formed the basis of the majority of EPSP work from 2011 to 2014. The process and outcomes from CDAs were generally understood as appropriate and successful by GoPNG, AHC and EPSP.

The ten GoPNG agencies that signed CDAs were: PAC, DPM, IRC, DoF, DLIR, PNGICSA, DoT, ICCC, DoT and PM&NEC.

The agreements were successfully implemented in all ten cases. Monitoring and evaluation frameworks included in CDAs provided direction and the basis for assessing progress and performance of each of the activities in the agreements. Section 5 of this report provides examples of successful, and less successful, CDA directed activities from 2010 to 2016.

Advisory and financial assistance was also provided by EPSP prior to CDAs from 2010-2013 to DfCD, National Statistical Office (NSO), Central Supply and Tenders Board (CSTB), National Aids Council Secretariat (NACS), Department of Environment and Conservation (DEC), Department of Lands and Physical Planning (DL&PP), Office of Urbanisation (OU), PNG Forests Authority (PNGFA), PNGIPA, Public Sector Workforce Development Program (PSWDP) and UPNG. These supports were carried over from ASF, the preceding governance program.

## Modes of capacity development

A further innovation was the modes of capacity development that were available to the program for capacity development. Previous programs provided long-term advisory support only. EPSP had an array of modes of capacity development available for use, including:

- technical assistance (long-term advisers and short-term consultants)
- targeted training
- targeted research and analysis including information and communication initiatives

- management support
- twinning
- grants
- procurement.

The CDAs employed these modes in a deliberate attempt to reduce the dependency on long-term advisers. Examples included:

- selected district and provincial staff from DoF to gain firsthand experience of financial management from large regional centre councils and shires in Australia and receive advice direct from visiting Australian counterparts
- short-term consultants employed to assist with agency website development and other information technology needs in DLIR, DoF, DoT, IRC, NRI
- twinning arrangement with SGP and AGO;
- linking DPM with an Australian State Government
- financial incentives for culture change at AGO
- research support to DPM to review Public Service General Orders
- legal research assistance to IRC regarding Tax legislation
- private sector recruitment for IRC and PM&NEC
- whole-of-government support for gender based issues.

Short-term consultancies and the provision of research and analysis were most effective. Training, grants and procurement of equipment to support agencies were used from 2010 to 2013, but were less relevant in 2014 with the conclusion of CDAs.

It was anticipated that short-term consultancies would take the place of long-term advisers over time. This was closely monitored by the program.

Long-term advisory assistance remained the dominant form of assistance provided by the program.

A total of 52 long-term advisers were novated to EPSP from ASF in 2010. This figure reduced to 20 (10 males and 10 females) by the end of 2011; increased to 21 (14 males and 7 females) in 2012; reduced to 14 advisers (10 males and 4 females) in 2013; increased to 25 advisers (17 males and 8

females) in 2014; and fell to 19 advisers (12 males and 7 females) at the end of 2015.

The largest number of short-term consultants in any one year was 12 (8 males and 4 females) in 2012.

Most agency Secretaries, however, preferred long-term advisory support. *From Human Capacity Development to National Capacity Development (CAPDEV) study, completed in 2014, provided responses from counterparts and senior agency staff about the effectiveness of short-term consultants in capacity development roles:*

*“[Senior staff] did cite that they had a short-term consultant in the department to do some training courses but when he left the courses ceased...Also, ‘part-time’ Advisers are not suitable where they only come in a few days a week. This was the case for some consultants brought in through another arrangement, not with EPSP. We suggested that we needed full-time Advisers who stay for an extended time. This was essential as we deal with human beings who are complex and need time to deal with change.”*

GoPNG counterparts were similarly unimpressed with short-term consultants:

*“I needed an Adviser not a consultant to help fill the gap because an Adviser has a genuine interest in trying to help someone develop their knowledge and skills. A consultant comes to do a small project, gives advice and leaves, and then isn’t around to see it through.*

*Short-term is only good for a specific job or product. Also short-term visits are of questionable value as people are not committed locally and not available on the ground.”*

### Targeted Training

Targeted training commenced in 2011 with Wokabaut Wantaim and Monitoring and Evaluation training provided by EPSP across GoPNG agencies. Targeted training was affected by the change in AHC thinking about the value of capacity development to the Australian aid program in 2013 and 2014 and, except for M&E training, was discontinued as a major capacity development mechanism for the program.

### Snapshot

#### Case Study One: Developing capacities

**Wokabaut Wantaim (WW)** was an innovative program developed by EPSP from 2011 to 2013 and aimed at training Australian aid program advisers in high-level inter-personal and relationship-building skills. The training would help them transfer technical skills, particularly within the cultural, social, political and developmental context of PNG.

The program aimed to develop greater coherence across programs and sectors in adviser and counterpart understanding of approaches, aid principles, work contexts, culture and systems, with the goal of advisers and counterparts working more effectively together.

**See the attached case studies in Annex 3 for more information**

### Capacity Development Fund

A Capacity Development Fund – incorporating co-funding of GoPNG initiatives and incentive-based grants was an important part of the design of EPSP.

Co-funding did not take place because of limitations of recurrent funding in GoPNG agencies. Incentive-based grants became a small grants program based on needs rather than an incentive for good performance and was finally discontinued under AHC direction in 2014.

EPSP provided 12 grants to eight agencies from 2011-2013. A final single grant was made to the Department of Higher Education, Research, Science and Technology (DHERST) in 2014 and was successfully completed in 2015.

### Snapshot

#### Case Study Seven: Non-tax Revenue Collection

A small financial investment from an EPSP grant led to significant benefits, including improved systems, processes, capacity and revenue collection for PNG’s Department of Finance (DoF).

One of DoF’s core activities is the identification and collection of non-tax government revenue; the Non-tax Revenue Division (NTRD) was established to manage this. Early analysis by NTRD showed that the amount of revenue



reported was not commensurate with the growth in economic activities in PNG in the previous decade, suggesting revenue was lost at various collection points, resulting in additional pressure on budgetary controls and public sector management.

An initial grant of AUD 108,000 was approved for EPSP to support both the DoF and NTRD through mechanisms including an accounting compliance adviser to develop revenue monitoring processes, on the job training of division officers and grants to implement automated revenue collection software. The grant aimed to increase revenue received into the Waigani Public Account which in turn would lead to improved service delivery, particularly in the health and education agencies, and the law and justice sector.

Despite some limiting factors such as poor literacy, financial and accounting skills of provincial staff, weak infrastructure resulting in unreliable power suppliers, the grant was considered somewhat successful with 25 computers installed, officer training conducted and a computerised receipt system (CRS) established in the provinces.

A second grant of AUD 216,000 to scale up the CRS in all provincial territories (except Hela Province) and in most districts of PNG was implemented leading to the establishment of an EFTPOS system in the provinces and in high volume districts to improve accountability measures.

**See the attached case studies in Annex 3 for more information**

### **Contribution analysis**

In addition to conventional M&E, EPSP employed an innovative mechanism of contribution dialogues and analysis to understand individual staff and agency change as a result of program support from 2011 to 2013.

The program was intended to measure progress and achievements based on contribution rather than attribution: 'Achieving the targeted results is not wholly within the scope of EPSP, but its efforts are intended to make a substantial contribution to achieving them' (EPSP Design Document p. 58).

Contribution dialogues were successfully held with CDA agencies to assess the contribution that EPSP supports were making to change in agencies and capacity development of staff.

Contribution dialogues followed by contribution analysis were innovative processes used by the program where substantial advisory support was provided to a single agency.

The finalisation of CDAs and the introduction of GSAs in 2014 downplayed the value of contribution analysis as teams of advisers were no longer placed in agencies. Conventional monitoring and evaluation processes by the program were more appropriate where a single adviser was placed in an agency.

### **Snapshot**

#### **Case Study Three: Research and Evaluation**

##### *Contribution dialogues*

An important component of research and evaluation within an agency setting is the process of contribution dialogues. This structured research tool brings stakeholders together with evidence of people and agency changes to determine the effectiveness of EPSP support.

The participants in contribution dialogues have first-hand knowledge and experience of EPSP-supported agency activities. The goal of these dialogues is to reach consensus about the extent of the contribution made by EPSP to perceived changes. The contribution dialogue meetings explore a set of key questions around the agreed intended outcomes for activities:

- What changes (skills, knowledge, behaviour, service improvement) have taken place in your workplace since the EPSP intervention?
- What evidence is there that changes have taken place?
- Were changes experienced differently by men and women and what is the significance of any differences?
- How sustainable are these changes?
- Would these changes have occurred without EPSP support? Explain.
- What else has contributed to the changes?
- Describe the extent of the contribution of EPSP to these changes?
- Have there been any negative effects from the EPSP intervention?

- What should the focus be in future, in order to achieve the desired changes?
- Should the target outcomes be changed for the future?

#### Contribution Analysis

Contribution analysis is a process used by EPSP that provided information about how the program contributed to expected outcomes. EPSP used six steps in its contribution analysis:

1. Developed the results chain
2. Assessed existing evidence on results
3. Assess alternative explanations
4. Assembled the performance story
5. Sought out additional evidence and
6. Revised and strengthen the performance story.

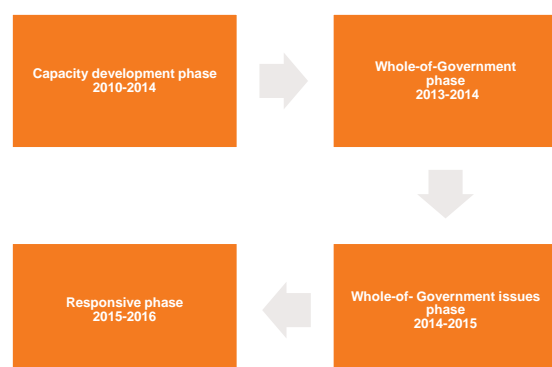
Contribution analysis offers 'plausible association' of contribution to outcomes, acknowledging that – particularly for a program like EPSP – it takes time for results to occur, and so does not attempt to prove an impact before impacts can realistically be achieved.

**See the attached case studies in Annex 3 for more information**

### 3.3. Evolution

EPSP did not remain a singular capacity development program throughout its life.

The program adapted to changes in the economic, social and political context of PNG during its lifetime, with four discernible phases of the program: (1) capacity development 2010-2014; (2) whole-of-government 2013-2014; (3) whole-of-government issues 2014-2015; and (4) responsive phase 2015-2016.



#### Capacity development

At inception, EPSP was clearly a capacity development program and remained that way from 2010 until 2014. Development assistance was based on clear capacity development principles, focused on selected central agencies, determined by diagnostics and, where CDAs defined agreed development assistance, owned by both GoPNG and GoA. The focus of the program was on strengths and weaknesses in central GoPNG agency organisation around corporate and strategic management, human resources, financial management, information technology and gender.

EPSP was effective in achieving what it was expected to do between 2010 and 2014. All 108 CDA activities in that period were delivered by March 2014.

#### Snapshot

##### Case Study One: Developing capacities

EPSP's focus from its inception in 2010 until 2014 was capacity development. The program's activities were determined by a robust theory of change. The process involved diagnostics and negotiated development agreements with selected GoPNG agencies. Most capacity development activities were facilitated by long-term advisers with counterparts in face-to-face and on-the-job training along with adviser-based workshops. Training was also provided by the private providers from 2011 to 2015.

Long-term advisers facilitated 757 workshops for 15,376 public servants between January 2011 and June 2015 in training aimed at enhancing the skills, knowledge, behaviour and motivation of public services. Private sector training providers delivered programs such as Wokabaut Wantaim (2011 to 2013) and Monitoring and Evaluation Training (2011 to 2015) to develop greater coherence across programs and sectors. The Program Management Office (PMO) also provided staff capacity training until 2013.

Grants were another mechanism used with 12 grants approved between 2011 and 2014 with funds delivered to agencies such as the Department of Finance and the Department of Higher Education, Research, Science and Technology.

**See the attached case studies in Annex 3 for more information**

The regular reporting by the program to PMG and AHC provided examples of successful agency change and capacity development (Annex One). There is considerable monitoring and evaluation evidence in EPSP quarter and six month reports and quarterly report cards to indicate agency improvement in systems, policy, processes and practices. Individual staff improved capacity through mentoring, on-the-job training and workshops. These data were collected using contribution dialogues and analyses in the early years of the program and conventional monitoring and evaluation methods such as user groups, surveys and independent evaluations towards the end of the program.

**‘The implementation of the Capacity Development Agreements has been excellent examples of GoPNG ownership, alignment, harmonisation, accountability for results and mutual responsibility – the aid effectiveness principles articulated in our Aid Treaty with Australia’**

#### **The Chief Secretary to the Government of Papua New Guinea, EPSP Annual Report 2012**

##### **Whole-of-Government**

By 2011, three key events occurred with implications for the program. The Development Cooperation Treaty was reviewed and as a consequence the Australian aid program focus for PNG changed. Four new Partnerships for Development Schedules were developed which focused on health/HIV, education, law and justice, and transport. The previous Governance schedule was removed under the new framework. AHC and GoPNG, as a consequence, found it necessary to review the relevance and direction of EPSP and two program reviews were completed between 2011 and 2012 to indicate appropriate directions for the program.

The removal of the Governance schedule shaped EPSP’s decision to provide support to HR CONNECT as it was focused on hospitals and the health sector.

##### **EPSP Strategic Review 2011**

The EPSP Strategic Review 2011 provided the strategies required to maintain EPSP’s relevance to the Australian aid program. It recommended a whole-of-government systemic problem resolution as an additional focus for the program to improve service delivery and strengthen coordination, synchronisation and coherence with the Sub

National Program (SNP). EPSP would continue its core work of capacity development and implementing CDAs with national agencies.

The Strategic Review was accepted by PMG at the December 2011 which altered EPSP’s business model and a revised EPSP 2012 Strategic Framework was produced.

##### **Whole-of-Government Issues**

###### *Independent Program Effectiveness Review 2012*

An Independent Program Effectiveness Review was completed in late 2012 which called for a shift from central agency governance support, to engaging in whole-of-government (WoG) service delivery systemic issues. As a consequence, the March 2013 meeting of the PMG endorsed the EPSP Strategic Framework 2013 with a planned transition in 2013 and 2014 from central agency capacity development to a WoG service delivery issue focus.

At the December 2013 PMG, it was decided to better align EPSP to a service delivery focus with fewer central agencies focusing on fiscal agencies: PM&NEC, DNPM, DoT, DoF, IRC, AGO, PAC, DPM, National Economic Fiscal Commission (NEFC) and Provincial and Local Level Government Affairs (PLGP) with advisers working on issues-based approaches rather than capacity development support. A stronger alignment between EPSP and PLGP was required to address whole-of-government issues.

In addition, the initial contract was due to expire in March 2014 at which time CDAs would end as well. Two new instruments were developed by AHC, GoPNG and EPSP to enable support to be continued to GoPNG. Governance Support Agreement (GSA) and Service Delivery Support Activity (SDSA) were conceptualised through a process of expert consultations and PMG working groups in late 2013.

GSAs were designed to continue support to GoPNG agencies that had received assistance through CDAs. SDSAs were designed to respond to the new direction of the program to whole-of-government initiatives.

In December 2013, the PMG agreed to four focus areas for SDSAs: the funding of provinces for service delivery; provincial service delivery performance audits; a review of provincial and district treasuries; and the

transparency of finance in provinces and districts. Further, it was agreed that the approach taken for SDSA implementation should be flexible, somewhat experimental and innovative, with a view to deriving lessons learned on the approach for incorporation into future program designs. Three SDSAs were completed in the form of short-term consultant reviews:

- Review of Provincial and District Treasuries.
- Performance Monitoring at National and Sub-National Level.
- Cash flow.

Reports were presented to GoPNG confirming much of what had been previously thought as impeding effective public financial management.

Only one SDSA was developed with AGO as a long-term EPSP Service Delivery Performance Adviser from 2014 to 2015. The adviser made good progress (including refocusing the activity to the district level), but was unable to complete the terms of reference for the placement because of a need for program savings in late 2015.

The development of GSAs became the focus of the program and was used more often than SDSAs to fulfil ongoing priorities and commitments to improved governance following the expiry of the agency-based CDAs. GSAs were signed with IRC, DoF, DoT, AGO, PM&NEC, DPM, DNPM, and PAC. New agencies were added from 2014 to 2015: PNGIPA, PNG Electoral Commission, PNG Sports Commission and APEC support. GSAs had a strong focus on addressing constraints in the PNG financial system and strengthening leadership, rather than capacity development, and continued to operate until the end of the program in June 2016.

## Snapshot

### Case Study Five: Gender Equity and Social Inclusion

The Gender Equity and Social Inclusion (GESI) program was the first GSA to be developed with DPM in 2014 following the launch of the national GESI policy in January 2013.

A full time gender specialist was incorporated into EPSP design, and at the program's inception and after capacity diagnostics took place, and CDAs were developed and agreed,

seven agencies were identified as needing short-term consultancy support to improve gender relations in the workplace. However in 2012, the Program Management Office (PMO) amalgamated the seven agencies short-term consultancy into a single long-term whole-of-government gender equity and social inclusion (GESI) adviser. This role was to work across agencies to ensure a more effective, uniform approach to gender issues and management. The adviser was located in DPM because of its critical role in driving GESI across the public sector.

One of PMO Gender Specialist's earliest activities was to develop a Gender Community of Practice (CoP) with broad representation from government and non-government agencies, donors and the private sectors. A GESI strategy was developed in mid-2011 that focused on integrating gender equality, disability and HIV and AIDS by mainstreaming into key program activities.

The launch of the Kirapim Wok GESI in November 2012 signalled the start of twelve months of GESI activities and showed that there was considerable political will to improve the lives of women and girls in PNG. Central government and public sector agencies took concrete action to address gender inequality and discrimination in the workplace, including the Oath to Stop Violence against Women campaign; 90 women and 93 men signed the Oath at the launch. From here, a national GESI policy was developed by the DPM and was approved by the National Executive Council for launch in 2013.

EPSP's GESI work included the Gender Community of Practice, a GESI toolbox for agencies, Focal Points within agencies, GESI awareness and training, funding for agency GESI activities, gender help desks, Women in Leadership group, and the Male Advocacy Network (MAN).

The implementation of GESI is considered to be an outstanding success. Gender was a single issue of equality for women prior to 2013, but the implementation of the national GESI policy forged a much deeper understanding of women's status and positioning in the public sector.

**See the attached case studies in Annex 3 for more information**

There was a re-emergence of innovation, engagement and GoPNG ownership in mid-2014 with a new focus for the program and



understanding development from a political analysis perspective. EPSP and PLGP were requested to develop stronger links with GoPNG agencies at all levels of government to better understand formal and informal decision-making processes and coalitions of players that effectively lead to change and development in PNG.

This development led to increased interest by PMG, EPSP and PLGP in provincial and district affairs and the newly created District Development Authorities as well as citizen accountability initiatives.

### **Responsiveness**

EPSP continued to respond swiftly to new directions from AHC and GoPNG in 2014 and 2015 to support a range of activities very different from what was envisaged in the design of EPSP. These activities met emerging needs from the GoPNG and GoA partnership. These included:

- Assist GoPNG with advisory support to the Pacific Leadership and Governance Precinct;
- Funding to the National Research Institute to negotiate with Australian universities for research staff;
- Funding to the Institute of National Affairs to support local research activity;
- Financial management advisory support to the PNG Electoral Commission;
- Support GoPNG public servants seconded to the Asia Pacific Economic Cooperation Secretariat in Singapore; and
- Support the PNG Sports Commission and West New Britain Province with advisory assistance to plan and host the PNG Games scheduled for 2016.

A new focus of Australian aid also emerged at this time and led to a series of pilot activities aimed at strengthening citizen accountability around government decision making and development.

EPSP developed innovative approaches such as public opinion surveys, action research in remote districts, and district accountability initiative to engage citizens directly in government processes. These initiatives proved to be very successful during 2015, but funding constraints in the later part of 2015 meant that these activities could not be taken

as far as intended with the exception of the public opinion surveys.

The kind of assistance that was provided during the life of the program shifted from the provision of technical advisory support developing capacity in areas such as corporate and strategic planning; human resource development and financial management. EPSP focused on addressing specific agency and systemic issues affecting the financial management system such as control of trust accounts, ledger and audit practices. Towards the end of the life of EPSP, the program was asked to provide technical and financial assistance for a range of GoPNG activities such as the Asia Pacific Economic Commission forum and the Pacific Leadership and Governance Precinct. In addition, the program proactively developed and initiated citizen accountability activities using its own specialist staff.

## 4. Efficiency

### 4.1 Program inception

Coffey signed contract number 54683 with the Australian Government to conduct the Economic and Public Sector Program (EPSP) from 1 June 2010 to the 31 March 2014 for original funding of \$76,500,000.

Figure 4.1 indicates the original funding included in the first contract and three amendments to the contract and additional funding was approved bringing the final funding to a total of \$115,731,791.

**Figure 4.1: EPSP Original and Final Funding (2010-2016)**



- Amendment # 1 dated 02 January 2013 - schedule changed and did not include fees;
- Amendment # 2 dated 20 March 2014 and extended the program to 01 December 2014. The starting financial limit was \$76,500,000 with an increase of \$17,007,896. The new financial limit was \$93,507,896.
- Amendment # 3 dated 19 May 2015 - schedule change for Contract – the new closing date was 30 June 2016. The starting financial limit was \$93,507,896 with an Increase of \$21,706,674. The new financial limit \$115,574,287.
- EPSP was requested by AHC in October 2015 to generate savings from Amendment # 3. By terminating agreed activities including advisory support and activities such as Tanim Graun, M&E

workshops and citizen accountability initiatives and not using unallocated funds, the program achieved savings of over AUD 14,000,000.

EPSP ceased operational activities on 30 June 2016.

### 4.2. Business processes

In accordance with the terms of the PNG – Australia EPSP Head Contract, EPSP maintained procedures that were consistent with the Public Governance, Performance and Accountability Act 2013 regarding coherent systems of governance and accountability for public resources, with an emphasis on planning, performance and reporting. EPSP structured its business practice around the goals and objectives of the Commonwealth Resource Management Framework underpinning expenditure and the management of money and resources.

Central to this was the application of process in accordance with the Commonwealth Procurement Rules (CPR 2014) which strengthened the underlying value for money approach of the program. Adherence to the policy and procedure delivered EPSP an accountable and transparent business processes that ensured a successful and inherently robust financial management model and value for money solutions for the Government of Australia.

### 4.3. Value for Money

EPSP ensured value for money (VfM) outcomes through efficient, effective, economical and ethical business process supported by accountable and transparent decision making, reasonable engagement with risk and consideration of all financial and non-financial costs underpinning procurement. The VfM approach was embodied in the following:

- **Procurement framework** EPSP managed an accountable and repeatable process from the needs analysis and procurement decision stage including risk assessment, approach to market, contracting, service delivery, contract management and disposal, supported by the EPSP Financial Management and Procurement Manual - September 2014.
- **Procurement method** was determined in consideration of the type of goods or

service and timeframe available given the client urgency (GoPNG/AHC) and small to medium enterprise (SME) availability to deliver for services however, all procurements were in accordance with the CPR (2014) and approved EPSP procurement thresholds.

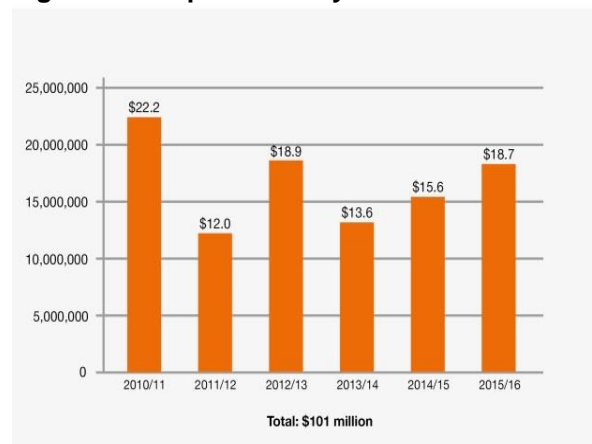
- **Planning and performance** to frame and manage budget, program planning, financial reporting and program governance, EPSP maintained a regular schedule of high level planning and management meetings with the PMG, senior agency and AHC staff. Adviser performance was assessed annually against contract Terms of Reference and General Service Agreement undertakings.
- **Managing risk** and EPSP internal accountability was achieved through reference to Coffey International policy and procedural manuals such as the EPSP Financial Management and Procurement Manual - September 2014, regular senior management meetings supporting all activity planning, and the application of internal and external audit such as the October 2015 Audit of the PNG Economic and Public Sector Program – Adviser Salaries and Reimbursable Costs.
- **Financial delegation** was appointed to EPSP staff through a 'Schedule of Financial Delegation for Reimbursable Funds'. This instrument provided authority to commit and vary funding, manage assets, approve payment and waive Request for Quote and Request for Tender requirements as appropriate. These delegations were tested and audited at least annually.
- **Managing property** and assets in accordance with Commonwealth Property Management Framework for the registration, audit and disposal of all assets over PGK2000 in value.

## 4.4. Expenditure

Total expenditure from 2010/11 to 2015/16 financial years was AUD 101,261,037.

The high expenditure in Figure 4.2 for 2010/11 was the result of 52 long-term advisers who were novated from ASF and start-up costs.

**Figure 4.2: Expenditure by Financial Year**



There was a reduction in expenditure in 2011/12 with a decrease in adviser numbers from 45 to 20 as a result of the Australia-PNG Review of Advisers during the second half of 2010.

The objective of the Adviser Review was to examine the role that technical advisers play in the aid program, confirm the priority attached to each adviser position, and assess whether each position was an effective response to mutually agreed development needs and priorities.

An outcome of the review was that GoPNG and Australia agreed that over one-third of advisory positions would be phased out by 2012.

Figure 4.2 shows a large increase in expenditure in 2012/13 due to payments made for research, M&E workshop activity and a tranche payment for HR CONNECT representing the bulk of the funding provided for the project. Long-term advisers increased by one and twelve short-term consultants were employed. EPSP saw this as a significant change and trend to use more short-term consultants with a reduction in long-term advisers.

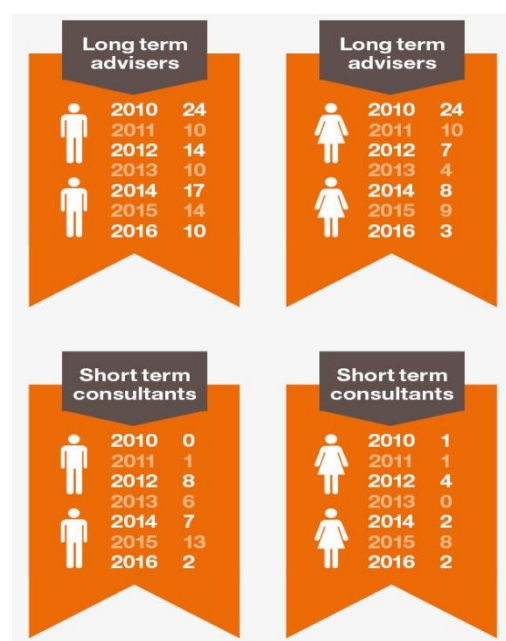
Research payments for Mobiles for Development (M4D) activities, GESI workshops and rollout to the provinces and the CAPDEV study were the major expenditure items in 2013/14.

Expenditure in 2014/15 consisted of increased adviser and consultant costs, late supplier invoicing and the timing of payments in accordance with funding agreements such as that with the National Research Institute and the Institute for National Affairs.

Figure 4.3 indicates the number of advisers and consultants in December of each year

from 2010 to 2015. The 2016 data are as at March 2016.

**Figure 4.3: Number Advisers and Consultants by Year and Gender**



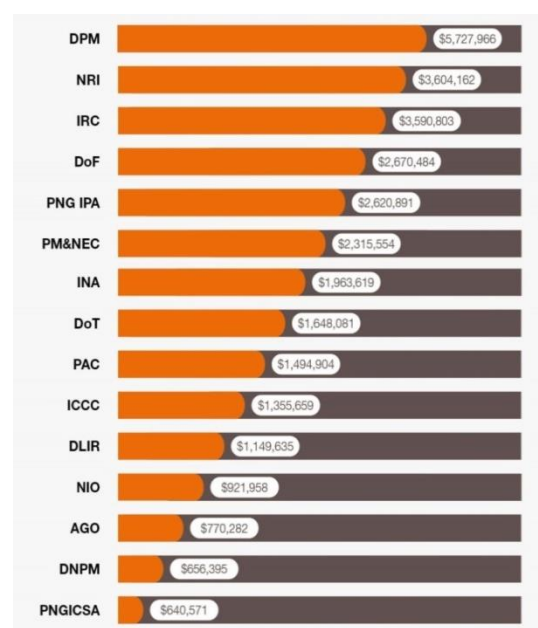
Monthly expenditure was anticipated to increase during 2015/16 to an average of AUD 2 million due to increased number of advisers working on GSAs and funding requirements for other program activities. The requirement for program savings reduced monthly expenditure from January 2016 onwards to below AUD 1 million per month.

The largest expenditure each year from 2011 to 2016 was on long-term adviser and short-term consultant emoluments shown in Figure 4.4 followed by expenditure related to agency CDAs implemented between 2011 and 2014 and GSAs from 2014 to 2016 indicated in Figure 4.5.

**Figure 4.4: Total Emoluments to Advisers and Consultants**



**Figure 4.5: Expenditure by Agency (>\$500,000)**



## 4.5. Commitment

Analysis of budgetary forecasting indicated that the strategic and operational planning component of engagements was well considered and consistently described in sufficient detail to allow forecasting to be achieved monthly and annually to within several per cent of the actual expenditure across all program years.

Value for money was achieved through the application of the Adviser Remuneration Framework (ARF) and other financial management guidance as part of the Head Contract, coupled with strict adherence to Commonwealth Procurement Rules and value for money principles.

Monthly financial reports were provided to the Australian High Commission and audits satisfactorily completed as required by AHC.

## 4.6. Risk management

EPSP framed all planning and expenditure around a risk identification and mitigation framework maintained across the life of the program. Risk matrices were provided in all quarter and six month reporting to AHC from inception of the program. All activities were considered in relation to their risk analysis that included Commonwealth issues such as reputation through to management categories such as fraud.



## 5. Impact

### 5.1. Results Framework

The program used a results framework based on program logic, or the theory of change, to understand progress and performance rather than a logical framework matrix with multiple performance indicators (Annex Two). Program logic is based on understanding inputs, developing activities which lead to definable outputs, expected outcomes and long-term results and impacts.

Activities were aligned with agency requirements, existing agency planning documents and staff work plans. Outputs were understood in terms of the objectives of planned activities and immediate and longer term outcomes were expected from those outputs. Longer term impacts were described, but mostly to be outside the life of the program. Advisers and consultants provided quarterly reports using a common template that referred to early contextual analysis, adviser terms of reference (ToR) and expected outputs and outcomes reporting aligned to adviser ToRs. In addition, the program used multiple monitoring and evaluation methods (contribution dialogues, focus groups, interviews, document analyses, user group analysis and independent research) to collect data on program progress and performance.

PMG and AHC received quarterly report cards from 2011 to 2016 on the progress and performance of the 118 adviser based activities determined by mutual agreement with GoPNG agencies and aligned with the EPSP Results Framework (Annex Two).

### 5.2. Achievements

#### Program Management Group

A significant achievement of EPSP that underpinned and guided the program over a five year period was the establishment and evolution of the PMG that reported directly to the Central Agencies Coordinating Committee (CACC) and the National Executive Council (NEC). The PMG evolved into the most high powered management group of any AHC program in PNG. It was chaired by the Chief Secretary to the Government of PNG and consisted of Secretaries and Deputy Secretaries from key central agencies,

provincial administrators and a women's representative.



**Video 1: Dickson Guina (Secretary DPLGA and Deputy PMG Chair) on evolving role of PMG**

The PMG achieved much. It steered EPSP through debates about the purpose of the program; promoted the credibility of the program with communications to agencies from the Office of the Chief Secretary; aligned the program to developing GoPNG policies and plans such as District Development Authorities (DDAs), Provincial Health Authorities (PHAs) and national Gender Equity and Social Inclusion (GESI) strategies; enabled Minister Counsellors from AHC to meet a wide range of key GoPNG agencies to discuss mutual interests; and developed a strong partnership with AHC to determine the best support it could provide GoPNG such as strengthening the 2014 legislative arrangements for the introduction of DDAs.

PMG and AHC received quarterly reports and report cards from 2011 to 2016 on the progress and performance of the 118 adviser based activities determined by mutual agreement with GoPNG agencies and aligned with the EPSP Results Framework (Annex Two).

### Result Area 1: A More Skilled and Effective Public Sector Workforce

This result area was concerned with enhancing leadership; public service capacity and motivation; and strengthening human resource policies and implementation.

#### Leadership

Effective leadership is a crucial factor contributing to the success of public sector reform in PNG. The EPSP design document noted '... most critical driver of public sector reforms to be political credibility, ownership and leadership'. (PNG Review of the Public Sector Reform Program 2007, p.4)

The two agencies that received most support from EPSP and achieved much between 2010 and 2016, DPM and IRC, retained the same Secretaries and Deputy Secretaries for that period of time. Other agencies that received considerable support with mixed results such as DLIR, DoT and DoF had two or three Secretaries and Deputy Secretaries during the life of the program.

### Mentoring

A substantial contribution to enhancement of leadership in the public sector by EPSP was mentoring support provided to senior executives in agencies. EPSP was based on a model that required, in most cases, advisory assistance and a key counterpart from the agency who would work closely with the adviser.

A total of 26 EPSP advisers between 2010 and 2016 had Secretaries or Deputy Secretaries of agencies as key counterparts including: IRC, DPM, PM&NEC, DPM, PNGICSA, DfCD, NRI, INA, NSO, PNGIPA and PAC.

### Working with executive staff

Advisers respected the position of the executive staff and chose mentoring roles in preference to training roles. Three EPSP advisers who participated in the CAPDEV study in 2013 commented on their working relationships with executive staff:

*Direct training is probably not so effective at the most senior levels, as most of these people see themselves as very experienced and knowledgeable, and therefore feel slighted when it is suggested that a Development Plan be devised for them! Mentoring on specific issues and difficulties is probably the most effective strategy at this most senior level.*

*Mentoring and action learning were the strategies used to facilitate learning and understanding [for leaders]. This needed to be subtle but sure. Too strong an influence would be poorly received; yet consistent and clear messages regarding the value of democratic leadership and the importance of management that empowers and rewards staff performance were made on a daily basis and have proved to effectively impact upon the leadership and management of the secretariat.*

*Training and mentoring of the Secretary has proved less effective, whilst he is often receptive to one-on-one mentoring he did not make the effort to complete work tasks, or*

*follow-up on work that was actually done for him. I did not envy his position, staff performance has been a significant issue and the underperformers are his relatives.*



**Video 2: Betty Palaso (Commissioner-General IRC) on advisers as mentors**

### Training

EPSP also focused on middle management decision makers at Grade 16 level and above. Many capacity development initiatives were aimed at FAS and AS levels. For example, seventeen (15 males and 2 females) DPLGA divisional directors successfully completed the two day EPSP-designed *Using Monitoring and Evaluation for Effective Decision Making* workshop in 2013.

The Pacific Leadership and Governance Precinct (known as the Precinct) was established in 2015. DPM is responsible for the PNG Institute of Public Administration (PNGIPA) which is part of the Precinct together with the University of Papua New Guinea (UPNG). DPM developed a leadership policy in 2014 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'. The policy set the scene for new leadership in the public sector.

EPSP contracted three long-term advisers for PNGIPA in May 2015: (1) Strategic Planning and Management; (2) Operations Manager; and (3) Quality Improvement Adviser, together with five short-term consultants: (1) Design and Implementation; (2) Monitoring and Evaluation; (3) Communications; (4) Multimedia; and (5) Gender Equity and Social Inclusion (GESI) to underpin the transformation of the PNGIPA School of Government.

The total investment in the PNGIPA of AUD 2,741,618 has the potential to revitalise leadership training for public servants in PNG over the next five years.

PNGIPA for the first time since 2012, with strong support from Australian universities and training provider, recommenced training and enrolled 186 males and 51 females in twelve-month long Diplomas in Public Administration in Accounting, Human Resources and Local Level Government Management in 2015.

### **Political leadership**

There had been a growing recognition by EPSP and others of the influence of political leaders directing the work of the public sector in PNG for some time. EPSP acknowledged the shift in influence and developed positive relationships with local members of parliament to introduce new initiatives such as public opinion surveys, action research, district accountability initiatives and district development authorities.

### **Snapshot**

#### **Case Study Two: Citizen Accountability**

Citizens and communities can be unexpected and valuable sources of information and knowledge about development assistance. The design of EPSP focused clearly on information provision and that government departments should provide greater dissemination of information about budgets and services to its citizens. Much of EPSP's early work revolved around the online availability of information from government agencies, for example, developing websites where financial information (other than that contained in annual budget papers) could be made available for public viewing.

In 2014 EPSP proposed to develop citizen accountability initiatives, including public opinion surveys, district accountability initiative, and remote district action research.

The success of these citizen accountability initiatives implemented in 2015 showed that clearly people want to have a stronger role in determining development decisions in their local areas and are eager to express their views about service delivery. Unexpectedly, bureaucrats and political leaders embraced all three initiatives understanding that they provided valuable information – such as gaps in services – not available before.

**See the attached case studies in Annex 3 for more information**

EPSP commissioned three research papers at the behest of GoPNG to further understand leadership and policy making. The papers

were titled: Economic Policy Formulation; Leadership and Policy Making in the Public Sector; and the Appointment of Departmental Heads in the Public Sector in 2015. An issues paper titled The Timing of Subnational Function Grant Transfers and the Implications for Frontline Service Delivery in Papua New Guinea was completed in 2016. The Chief Secretary to the Government of PNG wrote 'the development of detailed case studies, across a range of policies may be of more use. This would allow the Government of PNG to develop a better picture of what is happening and what success (in a PNG context) would look like.' (Correspondence to EPSP dated 25 September 2015)

These papers outlined next steps to further understand issues identified in the initial papers. The papers generated interest from GoPNG to discuss the process of policy formulation. Unfortunately, EPSP was unable to take this work further as savings were required in 2015/2016.

### **Improving capacity and motivation**

Capacity development outputs were an important ongoing initiative from inception of EPSP.

### **Snapshot**

#### **Case Study One: Developing Capacities**

Most capacity development activities between 2010 and 2014 were facilitated by long-term advisers with counterparts in either face-to-face, on-the-job training, or adviser-based workshops. Training and learning was also provided by the private training sector from 2011 to 2015. EPSP grants also provided opportunities for agencies to develop particular capacities mostly through training and learning where recurrent budgets failed to do so. The EPSP Program Management Office (PMO) was conscious of the need to improve its own staff capacities as well and training opportunities were available for PMO staff.

### **Adviser-based capacity development**

A total of 73 individual EPSP long-term advisers facilitated 757 workshops for 15,376 public servants (8,207 male and 7,169 female) between January 2011 and June 2015. The workshops were aimed at enhancing skills, knowledge, behaviour and motivation of public servants.

**See the attached case studies in Annex 3 for more information**

The majority of the adviser-based training was determined by the CDAs. As a result, training focused on financial management, human resource development, information technology and gender.

The CAPDEV study commissioned by EPSP noted that 'capacity development occurred' between advisers and agency counterparts, but was more likely to take place where 'cultural respect and understanding was evident between adviser and counterpart'. The research team pointed out that 'most research participants reported that it was necessary to sustain continuous or regular capacity development to maintain good quality public services within the changing social, political and economic circumstances of PNG'.

### Snapshot

#### Case Study Three: Research and Evaluation

*From Human Capacity Development to National Capacity Development: a report on capacity development in the economic and public sectors of PNG during 2006-2013.*

This study was conducted by Education Project Management based in Melbourne, Australia and focused on the use of advisers to develop public service capacity in PNG from 2006-2013. Qualitative and quantitative surveys were conducted with 81 advisers and 91 counterparts engaged, all employed under ASF or EPSP.

Most research participants reported that it was necessary to sustain continuous or regular capacity development to maintain good quality public services within the changing social, political and economic circumstances of PNG. It was not a single 'boost' of capacity development that was required by PNG for its national development.

**See the attached case studies in Annex 3 for more information**

CDAs were finalised in June 2014 which was an opportunity for AHC to redirect its aid to more appropriate forms of assistance. GSAs were introduced and a new phase of assistance commenced.

### Human resource development

#### Recruitment

EPSP capacity diagnostics in ten GoPNG agencies in 2010 and 2011 indicated vacancy rates from 40-60 per cent across GoPNG central agencies.

The CDAs with DPM, DLIR, IRC, PNGICSA, DoT, UPNG, DfCD, PNGIPA and DoF supported long-term HR adviser positions from 2011 to 2013 to improve recruitment processes and training policies. DoT, for example, reduced turnaround time in recruitment from 3-6 months to 6-8 weeks. IRC developed a corporate recruitment strategy to deal with a 44 per cent vacancy rate. Seventy long-term vacancies (41 males and 29 females) were filled by 2013. The independent evaluation of HR at DLIR by the Australian Continuous Improvement Group (ACIG) commented: 'By the middle of 2013, a major reduction in both the recruitment process time and the total backlog had been achieved'.

All human resource support to agencies was finalised other than the continuation of business process workshops at DPM in 2015 with the refocusing of the program in 2014.

#### Training

It was clear early on to EPSP that, despite the devolution of HR powers by DPM to the provinces, the majority of HR practitioners in GoPNG agencies did not have sufficient experience in policy, operational and strategic HR functions necessary to support GoPNG HR policy and agency activities.

Component 4 of HR CONNECT: Improving HR Management in Public Sector Agencies commenced in 2013 and was EPSP's response to these weaknesses. Training was aimed at improving HR practices and 50 HR Business Processes, part of the newly developed Public Service General Orders, were developed with the assistance of the EPSP HR adviser. The overall aim was to reduce widespread abuse of proper procedures and corrupt practices around travel, living allowances and payment of market based allowances.

Nine workshops were conducted between 2014 and 2015 for 346 males and 199 females. The workshops were attended by provincial administrators, CEOs of hospitals, senior and middle managers, district administrators and LLG presidents.

HR CONNECT contributed greatly to improving the knowledge and skills of managers and HR practitioners at the sub-national level. It is hoped that the training will be incorporated into PNG IPA as a standardised module for public servants.



## Snapshot

### Case Study Four: HR COnNECT

HR COnNECT – Connecting On-line Networks for Enhanced Capability and Technology – was a human resources initiative driven by the DPM and supported by EPSP with long-term HR COnNECT Program Manager, Human Resources adviser and a Human Resources Management Information Systems adviser. It was the first EPSP initiative that was designed to address systemic issues within GoPNG.

HR COnNECT had four projects: Component 4 aimed at improving HR practices and implementation of 50 HR Business Processes (BP).

Two workshops took place in Sandaun and Manus Provinces in 2014. EPSP visited both provinces nine months after the workshops to interview provincial administration and public health authorities. The purpose of the visits was to establish if participants were applying knowledge and skills in the work place. The follow-up study reported significant improvements in both knowledge and confident practical application of the business process in the workplace by HR staff participating in the workshops. There was inadequate flow-on of training however to other administration staff by the HR participants.

**See the attached case studies in Annex 3 for more information**

## Result Area 2: Improved use and management of public financial resources

This result area was concerned with budget preparation, budget execution and financial management controls. Altogether, 17 long-term advisers were contracted by EPSP in financial management and audit areas from 2010 to 2016 with DoT, DoF, UPNG, PM&NEC, PNGIPA, AGO, NSO, PNGICSA and PNG Electoral Commission.

### Budget Preparation

The diagnostics conducted on selected agencies by EPSP in 2011 showed a lack of alignment between agency corporate plans, annual plans, staff work plans and budget cycles with little concern shown by agencies to remedy poor planning and budgeting. Technical support focused mostly on building

capacity of finance and administration staff and facilitating planning and budgeting workshops, improving financial systems, processes and expenditure controls, establishing regular reporting protocols, and monitoring of progress.

EPSP financial management advisers in DoF contributed to a better understanding of non-tax revenue and established processes for provinces to increase revenue collection between 2010 and 2012.

### Budget Execution

Research studies provided valuable information about budget execution. An EPSP Budget Process Consultant with DoT in 2013, for example, outlined weaknesses in the current budget process and decision making and the need for an integrated budget process rather than separate recurrent budget and development budget. The paper stimulated action, according to a Deputy Secretary with DNPM, '[the report] has informed budget reforms that will assist Treasury and National Planning and Monitoring to provide a more unified Budget; with greater emphasis on the quality of the forward estimates; and sectors to provide coordinated prioritised submissions to the Budget process'.

The Promoting Effective Public Expenditure (PEPE) study by ANU and NRI from 2012 to 2014 provided rigorous data for agencies such as DoT and DoF to better understand the allocations and distribution of national budget funds and the analysis of benefits to people in areas such as Health and Education services. Secretaries for Education, Health, Treasury and Finance attended seminars and commended the research for providing 'insightful analysis to help the budget processes'.

## Snapshot

### Case Study Three: Research and Evaluation

The *Promoting Effective Public Expenditure* in Papua New Guinea (PEPE) study was conducted by ANU and NRI from July 2012 to April 2014. The study had two components. The first component focused on analysing past budget trends to understand how PNG allocated its public resources at the national level over the last decade. The second component focused on understanding expenditure dynamics through a major expenditure tracking and facility survey in

remote locations in education and health across PNG.

The study reported, amongst many findings, that 'The ability of the government to fund core services was compromised by recent budget developments and reforms' and '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 ... almost 50%, despite reports of 2013 final expenditure figures showing that the government was unable to spend all of its rapidly expanding development budget. The study concluded that 'prioritising the development budget is leading to the underfunding of front-line services which require recurrent funding to pay for staff and materials'.

A series of seminars conducted by the team indicated notable improvements in education as a result of increased expenditure, while the health sector displayed a state of general decline over the past decade despite significant increases in funding to the sector. Secretaries of agencies such as DoT, DoF, Education and Health attended seminars and commented that data provided 'insightful analysis to help the budget processes'. The research team provided extensive briefings to the Secretaries of Education and Health in 2014 as further analysis of the data was completed. The Secretaries, at their cost, requested further research by the team to assist agency planning and budget analysis and execution.

**See the attached case studies in Annex 3 for more information**

EPSP commissioned an independent review of the achievement of the Provincial Capacity Building Program Phase II (PCaB II) in ten pilot provinces in 2014 to inform the strategy for the continuation of sub-national Public Financial Management (PFM) capacity building. PFM capacity building was relevant to effective budget execution in PNG. New governance initiatives such as Provincial Health Authorities and District Development Authorities increased the need for PFM capacity building in all provinces rather than the ten pilot provinces.

The review was 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 PFM capacity building in PNG. Advice from SGP

indicated that the roles and responsibilities of key stakeholders involved in PCaB II needed to be revisited before taking any further action. The new Secretary for DoF considered the review in the light of the agency's three strategic objectives: Public Expenditure Financial Accountability (PEFA), Financial Framework Review (FFR) and District Treasury Rollout, and advice from SGP and decided not to take any further action in 2015.

### Controls

PNG has a history of bureaucrats and politicians spending public funds outside of approved budget appropriations. Control mechanisms were available but not properly instituted. The GoPNG Integrated Financial Management System (IFMS), for example has the potential for lasting improvement in financial management controls and expenditure reporting. Implementation of IFMS was slower than expected by DoF and much more costly than anticipated. Few agencies had been fully trained and incorporated the system into their financial management by 2016.

IFMS is the principal GoPNG system for financial reporting. A single system for financial input/reporting will enhance financial operations throughout the public sector. There were significant variations in IFMS reports and internal reports produced by agencies. The variations inhibited the Government's ability to hold agencies to account for their financial performance. Agencies resisted its full implementation until its accuracy could be consistently proven.

The EPSP Financial Planning Adviser with PM&NEC, working closely with DoF, assisted the PM&NEC to 'go live' in 2015 and IFMS was fully reconciled with the main agency drawing account and Trust accounts. PM&NEC was the first agency, outside of DoF, to establish IFMS.

A further strengthening of financial controls involved the EPSP Trust Accounts Adviser working with the DoF Trust Accounts Division and who updated all GoPNG trust accounts, including trust instruments; requested and received regular bank statements and balances from the Central and commercial banks for the first time; and conducted a stocktake of documentation relating to past Trust activity and closed inactive Trust accounts.

The Cash Management Branch, with advisory assistance from EPSP and IMF, achieved improved expenditure and revenue analysis in 2015 along with a range of cash forecasting initiatives; revised revenue collection processes including the creation of revenue hubs and daily account sweeping; and establishment of a Group Account with the BPNG which included all government accounts including the Waigani Public Account.

There are potentially many benefits in pursuing the changes to banking arrangement for the management of public cash assets, including better receipting of revenues and improved cash flow management.

DoF required considerable assistance to improve efficiencies and effectiveness at a time when revenue from minerals and LNG is declining. EPSP recruited advisers for five long-term operational positions in late 2015: Accounting, General Ledger, Financial Framework Review, Cash Management, and Provincial and District Treasury Reporting and Management Framework to support the agency in critical financial management areas in response to advice from SGP.

## Snapshot

### Case Study Six: Agency transformation- Internal Revenue Commission

The Revenue Accounting System (RAS 1) was introduced by IRC in 1995. It captured taxpayer assessment and revenue collection details manually, but no longer met the requirements of a growing economy or IRC. The International Monetary Fund recommended RAS I be replaced. The IRC 2010-2012 Corporate Plan replaced RAS I with a new system.

#### *Revenue Accounting System II*

The Revenue Accounting System Two (RAS II) was expected to deliver greater efficiencies in tax collection both through technology upgrades and the concurrent business systems development which allowed a more sophisticated approach to tax collection.

RAS II was the project name that installed the Standard Integrated Government Tax Administration System (SIGTAS) at IRC. SIGTAS is an integrated information system designed to meet the needs of developing countries to increase control over state revenue by equipping governments with a computerised taxation system. SIGTAS

automates the work of what a team of people would have done manually calculating tax liabilities and doing assessments. The tax payer completes a form and the information is transferred to the RAS system which automatically generates the assessment and prepares an invoice and payment advice.

The RAS II Project was an IRC managed project funded from the GoPNG development budget. EPSP was one of several stakeholders contributing to the development and implementation of RAS II together with CRC-Sogema which developed SIGTAS and Adam Smith International which provided project management of SIGTAS.

**See the attached case studies in Annex 3 for more information**

## Result Area 3: Government is more informed, transparent and accountable

This result area was concerned with improved information flows within government, more effective scrutiny of government, and greater involvement of citizens in government decision making.

### Information Flows

#### *National Framework*

The Department of National Planning and Monitoring (DNPM), because of its planning role, is a key agency in the flow of information for GoPNG. EPSP had encountered difficulty engaging with the agency from 2010 to 2014, but with a change in Minister and a new Secretary in 2014, DNPM requested assistance with the review and further development of the National Policy Monitoring and Evaluation Framework which provides templates for all GoPNG agencies at all levels of government to provide important data for planning and evaluation purposes.

A long-term EPSP M&E specialist was recruited to assist with the successful design of the first ever national framework endorsed by key stakeholders in 2015. This was an important step in improving information flows between all levels of government.

The Policy M&E Framework contributes to the effective monitoring and reporting of the Service Delivery Partnership Agreements with Provinces and Districts. The Policy Framework was endorsed by Provincial and Local Level



Services Monitoring Authority (PLLSMA) members in 2015 as the main monitoring and reporting mechanism to track service delivery outcomes at the provinces and districts.

### *M&E Workshops*

Another mechanism for an informed government is effective agency M&E processes and practices. EPSP recognised the lack of M&E culture and skill levels in all agencies across PNG and provided basic M&E workshops for middle managers and senior executives using a private contractor from 2011 to 2015. Altogether 241 males and 183 females from national, provincial and district agencies successfully participated in 32 M&E workshops.

An independent review of M&E training requested by EPSP in 2013 surveyed 170 public servants and civil society organisations (CSO) staff whom had completed EPSP workshops. Fifty eight per cent of them indicated that they were applying M&E knowledge/skills in their work places. The Sandaun Provincial Monitoring team, for example, conducted a social audit of District Services Improvement Program (DSIP), Provincial Services Improvement Program (PSIP), Local-level Governments Services Improvement Program (LLGSIP) and Public Investment Program (PIP) expenditure; and staff from Morobe Province conducted an impact evaluation of a provincial scholarship scheme based on the skills and knowledge developed during M&E training.

### **Snapshot**

#### **Case Study One: Developing Capacities**

Monitoring and Evaluation training was facilitated by EPSP from 2011 to 2015 to improve agencies' M&E quality and extent. At EPSP's inception, agencies collected data but there was little processing or analysis. In 2010 there were no dedicated M&E positions in any agencies including the Department of National Planning and Monitoring (DNPM) and the public sector lacked a culture of monitoring and evaluation. Monitoring and evaluation frameworks were built into CDAs but without agency based skills in M&E there was little chance that agencies would monitor activities. EPSP M&E workshops were designed to fill these gaps.

There were two kinds of workshops developed by EPSP: a five-day basic M&E workshop *Developing Monitoring and Evaluation Frameworks* which used cutting edge program logic with nine exemplary steps of good M&E

practice. The workshops, aimed at middle managers and technical officers, were hands-on and participants developed a monitoring and evaluation framework during the workshop with skills and knowledge readily transferable to the workplace. A total of 241 males and 183 females attended 24, five-day workshops.

The second M&E workshop was a two-day *Using Monitoring and Evaluation for Effective Decision Making* aimed at First Assistant Secretaries, Deputy Secretaries and Secretaries to acquaint them with processes and the language of monitoring and evaluation, and the application of findings to effective agency decision making. A total of 74 males and 29 females attended eight two-day workshops.

### **See the attached case studies in Annex 3 for more information**

### *Independent Information Flows*

A further mechanism to support knowledge generation and information flows was financial and technical assistance from EPSP to the National Research Institute (NRI) and the Institute for National Affairs (INA) to strengthen research, policy analysis and advice to government.

NRI used EPSP funding in 2014 and 2015 to employ a senior researcher from the University of New South Wales (UNSW) in Lands Research Program and coordinated the NRI role in the NRI/ANU PEPE study. A series of papers were produced by an ANU researcher such as Analysis of Work Permit and Migration Data together with new research proposals on Provincial Roads in PNG: Issues of Management and Employment, and Impact of LNG on Employment in PNG. The researcher also mentored junior research staff about research methodologies and data analysis, and field work and reporting protocols.

INA received financial assistance to support its operations and research agenda and a short-term EPSP Business Management consultant in 2015 to improve the overall effectiveness of management and accountability of the Institute and to identify ways to improve the funding position of the Institute. The program provided financial support to INA for hosting the PNG Turning Forty Symposium. The event facilitated PNG-led constructive review of forty years of independence, covering four themes: PNG as a nation-state; PNG as a developing economy; PNG as a multi-ethnic society, and PNG in the Pacific, Asia and the world. To



encourage open discussion the symposium was conducted under the Chatham House Rule and involved a carefully balanced spectrum of luminaries from a range of fields. The symposium was followed by public dissemination of commissioned papers and a post-symposium dialogue to promote wider discussion with the aim of influencing public policy.

### **External Scrutiny**

EPSP supported the strengthening of accountability and scrutiny processes in key GoPNG agencies such as the Public Accounts Committee (PAC), IRC, AGO through adviser placements, research and reviews.

EPSP placed a Legal Adviser with PAC Secretariat from inception of the program. Significant support was provided by the adviser with complex legal advice and the preparation of legal briefings and writing reports for Parliament. The program also assisted the Secretariat to be more efficient and effective through procurement of office and reporting equipment, transcription services and, for the first time, video recording capability of hearings available as evidence during court cases. A total of 56 Parliamentary Reports based on public financial hearings were tabled by PAC between 2010 and 2015 with assistance from the EPSP Legal Adviser. The focus covered large scale agencies such as DoH, DoF and Education as well as provincial hospitals, provincial administrations and Reports of the Office of the Auditor-General.

AGO received support from two advisers from 2014 to 2015 to strengthen the role of the AGO from a whole-of-government perspective and auditing of GoPNG financial management practices. The Service Delivery Performance Adviser completed two important reports during 2015. A Service Delivery Performance Review and an AGO Performance Methodology Report raised critical constraints affecting resource allocation at the district level, misuse of DSIP funding and disproportionate funding limiting development in remote areas. The Audit Systems Project Manager developed formalised methodologies to conduct DSIP and PSIP audits replacing the former draft set of manuals and test plans that were often created from memory of previous audits.

EPSP also supported an Internal Audit and Compliance adviser at DoT from 2012 to

2014 to undertake major investigations of allegations of financial mismanagement in key government agencies reporting to the Minister for Treasury and Finance. Fraud case investigations are complex and often carried out by people with specialised knowledge of payment and audit processes. Over two years the EPSP adviser mentored the Fraud and Investigation Division's investigation in a key fiscal agency and assisted to compile the investigation report. The report led to action by Task Force Sweep and the PNG judicial system.

An Integrity and Investigation Adviser was placed at IRC from 2010 to 2015 and assisted IRC staff to conduct investigation of fraud cases and the Commission to develop its 'zero tolerance to fraud and corruption' policy for internal staff and external clients of the Commission. The investigations contributed to termination of employment of people for minor fraud and referrals to police of major cases. The work of the EPSP adviser contributed to the transformation of the Commission into a modern and efficient tax organisation. This EPSP adviser position was finalised at the end of 2015 because of a request from AHC to make savings from the program in late 2015.

### **Citizen Accountability**

The refocusing of the program in 2014 delivered strong outcomes on accountability of GoPNG to its citizens using pilot methodology to test ideas and develop solutions for scaling up successful pilot programs to wider audiences. Three accountability initiatives were developed by PMO specialist in 2015: public opinion surveys, district accountability initiatives, and action research.

#### *Public opinion surveys*

Two pilot public opinion surveys gathered perceptions about improvements in service delivery from citizens in remote districts in 2015. The sites were chosen by the Chief Secretary to the Government of PNG from a list of ten districts supplied by DPLGA. The two pilots showed that surveys could be conducted using the Short Message Service (SMS) technology in remote districts of PNG; that citizens were prepared to complete lengthy surveys about district services performance; and bureaucrats and local Members of Parliament wanted feedback from citizens about their perceptions of development. Public opinion surveys were conducted in the five PLGP priority districts in 2016. Effective

scaling up of the surveys resulted from the experience of the two pilots and at a substantially reduced cost.

## Snapshot

### Case Study Two: Citizen accountability

EPSP conducted two successful pilot district public opinion surveys in Alotau, Unggai-Bena in 2015 following a well-developed process involving stakeholder identification, stakeholder activity,

The pilot surveys in Alotau District confirmed two research questions: 'Could public opinion surveys conducted in remote areas using mobile phones and SMS technology be effective and recipients would respond?' and 'Would recipients complete all 22 questions in a lengthy survey?'. Both research questions were positively confirmed.

As a result of the success of the pilot surveys, the initiative was scaled up and a further four surveys in Mul-Baiyer Lumusa, Nawaeb, Nuku, and Talasea districts were completed in 2015 and 2016.

The data from the surveys contradicts some of the generally accepted views that education, health and law and justice services are declining in all parts of the country. There are clear implications for politicians and bureaucrats at provincial, district and local government levels, and the private sector, from current research activities around planning, resources allocation and the value of increased engagement with citizens.

EPSP considered the careful planning and identification and involvement of all stakeholders in this activity as the major reasons for the success of this activity.

**See the attached case studies in Annex 3 for more information**

### *District Accountability Initiative*

District Accountability Initiative (DAI) is an innovative approach developed by EPSP and PLGP to assist grassroots people, and others, who have genuine grievances with the public sector about the delivery of mandated and promised services. The purpose of the initiative is the rapid administrative resolution of service delivery complaints at a district level. EPSP partnered with the Consultative, Implementation and Monitoring Council (CIMC), a GoPNG-funded organisation that liaises with communities through regional

workshops, completed the first two stages of a four stage initiative. Data from communities were gathered and analysed about their experiences with districts and provinces in securing mandated and promised services.

The research identified the need for improved understanding by bureaucrats and citizens about new government initiatives such as District Development Authorities and Provincial Health Authorities; new roles and responsibilities arising from policy changes; cultural reasons for lack of action by some communities; responsive bureaucratic and political leaders to remedy neglect by former bureaucrats; and examples of community based actions to provide the services that government did not provide.

The third stage was the development of training packages of awareness materials about citizen rights, roles of district bureaucratic staff, and case studies of successful, and not so successful strategies used by communities that could be used by community groups, bureaucracies and advisers. The final stage involved a mechanism established in districts to maintain the initiative and to gain improved services over the longer term.

Stages three and four were held over because AHC requested the program to generate savings in its budget in 2015/16.

### *Action research*

A trial action research project commenced in Abau District in Central Province in April 2015 with a focus on improving gender equity in a district based on the DPM national GESI policy. The action research report (2015 p. 28) concluded:

*The action research teams developed evidence-based understandings of the causes and consequences of the problems that they were addressing through their actions. With such knowledge they were strengthened in purpose and intention to help their own community. This suggests that an extension of this work in other remote areas of PNG may be successful.*

## Snapshot

### Case Study Two: Citizen accountability

#### *Action Research*

An action research project commenced in Abau District in Central Province in April 2015. It was a pilot activity to assess the effectiveness of action research in a remote district in PNG with a focus on gender equity based on the strategies contained in the DPM National GESI policy.

The research was a collaboration of Australian and Papua New Guinean academic staff. A great deal of stakeholder consultations took place to prepare the ground for the research team. EPSP conducted meetings with DPM, Department of Provincial and Local Government Affairs (DPLGA), Central Province Provincial Administrator, Abau District Administrator and administration staff, and the Open Member for Parliament to provide awareness about the project and to gain permissions to proceed. This was a crucial step to inform all stakeholders of the project to ensure its success.

The research team's final report set out a number of ideas how action research could be rolled out at a much lower cost than the pilot. The most realistic action was to partner with a recognised tertiary institution, such as Divine Word University, which would offer action research training as part of its Master's program in research methods.

Sir Puka Temu, the Minister for Public Service and a champion for Gender Equity and Social Inclusion in PNG at the presentation of findings at Abau in November 2015 project said the action research was an example of the sort of 'rural democratisation' that he had long championed, and he would like to see similar projects undertaken elsewhere in PNG. 'It is through this type of project that we realise the real value of community engagement, community involvement, community empowerment,' he said. 'I am a strong advocate that this is what builds nations; this community-level inclusiveness.'

**See the attached case studies in Annex 3 for more information**

A recommendation from the report indicated a strategy to train citizen action researchers through a locally based formal training program in 2016 to facilitate action research in other remote communities in 2017 and onwards. The report was forwarded to AHC for

its consideration how the success of the pilot could be scaled up through the PNG Governance Program.

The continuation of action research in Abau and other districts by EPSP was held over because AHC requested the program to generate savings in its budget in 2015/16.



#### **Video 3: Sir Puka Temu (Minister for Public Service) on GESI action research in Abau**

#### *Tanim Graun*

Tanim Graun was a successful monthly discussion forum organised by EPSP for government, private sector and citizens to debate local and national development issues.

It was difficult to gain a reliable understanding of the contributions that Tanim Graun made to increased awareness and knowledge of developmental issues. EMTV, a nation-wide television provider, screened the program at a prime viewing time on Sunday evenings with a claimed viewing audience of 1.5 million people at that time slot. Attempts were made by the program to collect data from the Tanim Graun Facebook page. The available data were small, but indicated that viewers took actions as a result of the programs such as discussions with others, contacting panel members and changing behaviours towards people with disabilities and gender relationships. A number of tweets and messages to EPSP also indicated a high level of learning, rethinking positions, discussing with others and behavioural changes resulting from the program.

## Snapshot

### Case Study Eight: Communications

In 2012 EPSP ran a series of monthly seminars aimed at bringing together advisers and their counterparts to present on agency information. While it was a worthwhile networking initiative, its impact was limited. There was opportunity to take risks and explore how this type of forum could reach a broader audience with a more

meaningful impact.

In 2013 the monthly seminars were transformed after partnership with PNG's premier news station EMTV who would broadcast the debate nationally, and where Ministers and CEOs were engaged in panel discussions facilitated by a host on the program Olsem Wanem.

The Q&A series evolved rapidly and by the end of 2013 EMTV allocated the show a primetime slot and a PNG contractor was engaged to produce the debate through their concept 'Tanim Graun' literally translated as 'to turn the earth'. While the topics were responding to PNG development issues, the Australian Government continued to maintain oversight over the topic, questions and appointment of knowledgeable panelists.

In July 2015, 'Tok Aut' videos (using drone technology) were added to represent provincial stories on each of the topics, as well as enhance the interactivity of episode. Audience questions were staged to encourage debate. In a December 2015 survey, 87 per cent said they shared the Tanim Graun information and encouraged others to watch the episodes, 50 per cent said they took action regarding ideas from the program.

Topics have included:

- How corruption affects government, private sector and communities (July 2012)
- Influence of mobile phones in PNG (August 2012)
- Access to quality drugs (May 2013)
- Empowering women in leadership (November 2013)
- Churches and Governance in PNG (August 2014)
- Agriculture for Development (November 2014)
- Law and Order (February 2015)
- Disability removing barriers (June 2015)
- Energy Poverty in PNG: challenges and solutions to powering development (August 2015)
- Is youth unemployment a ticking time bomb? (September 2015)
- Is life improving for women in Papua New Guinea? (October 2015)

**See the attached case studies in Annex 3 for more information**

## **Result Area 4: Policy and regulatory settings are supportive of sustainable broad-based growth**

This result area was focused on improved policy formulation for economic growth, improved regulatory environment, and more efficient public institutions operating in the economic sector to contribute to sustainable broad-based growth.

### **Policy settings**

EPSP was not directly involved in macro policy development leading to sustainable economic growth in PNG. SGP played a much stronger role in this area during the life of EPSP.

EPSP advisers supported the work of the SGP with technical assistance and research and analysis. The Secretary of DoT with support from the SGP Team Leader, for example, requested three tax consultants to be employed by EPSP to work with the Tax Review Secretariat at DoT in 2015. The consultants assisted by developing issues papers and drafted final reports for the Committee concerning broad directions for taxation; small business tax; stamp duty; departure tax; General Services Tax policy; rent withholding tax; and PNG personal income tax.

EPSP supported the work of SGP through independent research, reviews and issues papers that focused on policy development and information about the PNG economy. For example, the Promoting Effective Public Expenditure in Papua New Guinea, PNG Labour Study, review of the 2005 PNG Public Sector Rightsizing Report, and reviews of PCaB II and Audit program contributed to knowledge generation and knowledge management with reports and papers shared with GoPNG, AHC, SGP, PLGP and other stakeholders.

### **Stimulating policy dialogue with GoPNG**

Three issues papers by independent consultants from Australia and the United Kingdom elaborated on critical development issues in PNG using a political analysis approach. The issues papers were: Economic Policy Development in PNG; Leadership and Policy Development in PNG; and Appointment of Departmental Heads in PNG Public Sector.



## Snapshot

### Case Study Three: Research and Evaluation

Issues papers were aimed primarily at assisting the Chief Secretary and GoPNG of matters impinging on the effective work of government in PNG. The papers were designed to raise issues which would generate more research questions requiring further work and deeper analysis to inform government, development partners and contractors working in the areas of governance. The issues papers were expected to lead to long-term knowledge and understanding around broader policy development in PNG.

Three issues papers were completed: Economic Policy Formulation in PNG; Leadership and Policy Making in the Public Sector, Employment of Departmental Heads within the PNG Public Service.

The papers were authored by independent researchers with previous and relevant research experience in PNG. The studies employed a political analysis methodology to better understand informal institutions and formal institutions operated in PNG affecting governance and power in relationships. Questions considered whose interests were best served in decisions made and what coalitions of people came together to influence development decisions.

The Economic Policy Formulation in PNG paper raised issues around the integrity of the budget, functionality of agencies, and accountabilities for economic policy. The Chief Secretary responded to the Economic Policy Formulation paper:

*'The paper on economic policy formulation suggested the only way to improve policy making is through an honest government of PNG process. Any externally driven process would be of little assistance and would most likely be dismissed. I completely agree with this conclusion.'*

*'As suggested by the author, the development of detailed case studies, across a range of policies may be of more use. This would allow the Government of PNG to develop a better picture of what is happening and what success (in a PNG context) would look like' (Correspondence to EPSP dated 25 September 2015).*

Issues papers were just that with the intention of raising deeper research questions and issues.

### See the attached case studies in Annex 3 for more information

Issues papers are an innovative means developed by EPSP to assist GoPNG with

independent views about the effectiveness of government which may not be provided by bureaucrats at all times and encourage and stimulate public policy dialogue and debate. The Chief Secretary wrote that the papers 'provide very useful insights with a high level of sensitivity and a good understanding of the practical environment in the PNG public service' (correspondence to EPSP Program Director).

EPSP was unable to extend the investigation of issues identified in the papers in 2016 because of savings required from the program in late 2015.

### Regulatory environment

Three EPSP advisers were placed with the Independent Consumer and Competition Commission (ICCC) from 2012-2014 to assist staff to complete complex technical tasks such as modelling prices, investigation of referrals, analysis of issues affecting prices and competition, preparation of legal arguments and reports, and presentation of cases at court hearings.

The work of the advisers contributed to the achievement of crucial outputs which had direct lines of sight to poverty alleviation. For example, an investigation into factory gate prices for rice led to an average 18.2 per cent reduction in the price of rice; and assisted ICCC staff with the preparation of a court brief that resulted in a court determination of a code-share agreement between Air Niugini and Qantas that ensured competition to secure the lowest possible airfares contributed to enhanced 'grass roots' economic growth in hospitality, transport and other tourist-related services.

### Public institutions in the economic sector

DoT and DoF operate in the economic sector contributing to policy formulation, revenue raising budget allocations, and the release of cash warrants to GoPNG agencies that engage with frontline government service providers and private contractors operating in the formal and informal economic sectors.

IRC received advisory support from the program in 2010 and 2011 to develop an effective and efficient electronic platform: Revenue Accounting System (RASII) that streamlined the administration of tax collection and strengthened IRC's governance. EPSP provided additional consultancy support in 2013 and 2015 to further develop the system.

The IRC Commissioner General stated in 2015: 'IRC is transforming into a modernized tax administration agency ... the major part was introduction of a new revenue accounting system (RAS) ... which forms the platform for sound management and efficient revenue collection ... and moves to a compliance program to better manage risks to revenue collection and encourages greater levels of voluntary compliance'.



**Video 4: Betty Palaso (Commissioner-General IRC) on transformation of IRC**

EPSP further assisted IRC to become a statutory authority in 2014 with the placement of a Change Management and Governance Adviser from 2012 to 2016. The Commission, no longer subject to the Public Service Management Act, could set its own remuneration packages to retain and attract highly specialised technical staff that it had often lost to the private sector in the past; design and approve its own organisational structure; hire and fire ability outside of DPM processes; and set policy in relation to financial and administrative procedures, information technology and human resources independent of GoPNG regulations.

#### **Snapshot**

##### **Case Study Six: Transformation of the IRC**

Advisory support provided by EPSP through the CDA played a major role in facilitating the transformation of IRC, while its leadership was a vital element in the successful transformation of the Commission into a modern tax organisation. The incumbents in the three most senior positions in the Commission: Commissioner-General and two Deputy Commissioners remained the same from 2010 to 2015 to provide important continuity and vision for the organisation.

The Executive successfully explained and promoted change in IRC to the Prime Minister and the Minister for Finance who supported the transformation through legislative change and recurrent and development budget

funding. This support resulted in the Commission gaining Statutory Authority status from the government in 2014.

IRC transformed into a modern tax organisation embedded change in legislative, policy and practical ways. The Commission gained the status of a Statutory Authority in 2014 with EPSP advisory support and had effectively taken control of its policies and practices on a sustainable basis.

**See the attached case studies in Annex 3 for more information**

Otherwise the level of EPSP activity contributing to Result Area 4 was less than other areas due to the high level of activity by SGP advisers placed in the key fiscal agencies. This division of activity engagement was coordinated at the AHC level. EPSP provided a research function that influenced policy thinking and effected change at ICCG and the transformation of IRC.

## **Result Area 5: Effective and efficient whole-of-government service delivery systems**

This result area was focused on improved public financial systems, gender equity and social inclusion policies, and improved organisation and staffing structures.

#### **Public financial management**

EPSP supported DPM with three long-term advisers and a short-term consultant to implement the Human Resource Connecting On-line Networks for Enhanced Capability and Technology (HR CONNECT) project between 2013 and 2016 as a means to improve whole-of-government public sector payroll performance.

#### **Snapshot**

##### **Case Study Four: HR CONNECT**

HR CONNECT consisted of four components: Integrated HR Payroll System (IHRPS) Rollout; HR Module Project; Staffing and Establishment Control; and HR Capacity Enhancement. The program achieved much of what it was initially designed to achieve. For example, the rollout of Component One: IHRPS was successful with 55 government departments, 25 hospitals, 22 provincial administrations, all village courts and a university all had payroll data cleansed, were online and had 1PPP switched on. Component Two was less successful because the HR modules were internet based and required

reliable and widespread internet connections that linked with central databases. The quality of reception and availability of internet connections at the time in PNG were inadequate to fully utilise the modules. The modules are available for a later time when internet services improve. Training under Component Four was conducted successfully and understanding and implementation of the newly developed Public Service General Orders by HR staff across the country was enhanced.

The expectations of the project changed by 2014 and it was seen as a mechanism to save money by reducing the over expenditure on public sector emolument and allowances. Savings were identified by HR Connect, but achievement of the savings required appropriate actions by GoPNG decision makers.

**See the attached case studies in Annex 3 for more information**

### Gender Equity and Social Inclusion Policies

EPSP initially worked with the Office of Development Women (ODW) in DfCD from 2010 to 2013. ODW was the government's response to improving the status of women in PNG. The Office was poorly staffed with little enthusiasm for its purpose. EPSP's gender specialists based in the PMO commenced activities despite the lack of support from ODW for reform. The DPM Gender Equity and Social Inclusion (GESI) policy was launched in 2013. This was the catalyst for EPSP to take a stronger role assisting DPM to initiate reforms with the appointment of a whole-of-government GESI adviser and the two PMO-based GESI specialists. GESI achieved much from 2013 onwards:

- awareness and sensitivity training
- mainstreaming GESI in GoPNG agencies at national and provincial levels
- continuation of GESI CoP
- agencies included GESI in recurrent budgets
- agency focal points, agency help desks and Male Advocacy Network (MAN) established
- Women in Leadership (WIL) group expanded its membership and awareness and advocacy role
- GESI days of activism and special events successfully conducted.

The success of the GESI program was partly explained by strong and continuous support from political and bureaucratic champions.



**[Video 5: John Kali \(Secretary, Department of Personnel Management\) on GESI](#)**

### Snapshot

#### Case Study Five: GESI

##### Attributing Success

The GESI program was driven by the Secretary and staff of DPM with EPSP financial and technical support including two EPSP Gender staff and a whole-of-government GESI adviser.

The implementation of GESI in 2013 is considered an outstanding success. Gender was a single issue of equality for women prior to 2013. The implementation of the ideas in the national GESI policy have developed a much deeper understanding of the status of women in the public sector including the position of marginalised groups, the antecedents of inequality, and the notion of equity to better frame gender relations.

GESI continued to develop and strengthen its position as a central GoPNG policy from the launch in 2013 to 2016 as agencies introduced mainstreaming of GESI principles and practices in daily operations. The institutionalisation of GESI in DPM was set by creating and staffing a new Division titled Gender Equity and Social Inclusion in 2015, along with writing GESI into the Public Service General Orders, and the circular instructions from the Secretary all underpin the sustainability of GESI in PNG.

The tasks ahead are to continue to embed GESI in all GoPNG agencies; to further develop understanding of issues affecting GESI; and develop responses to enhance the position of women in the public sector.

EPSP provided considerable long-term advisory and financial support to DPM for GESI. In return DPM embraced the program and the consistent and strong leadership shown by the Secretary for DPM and the Minister for Public Service provided significant



male champions to promote GESI across the public sector and at all levels of government. GESI is a good example of the importance of local leadership for lasting results.

**See the attached case studies in Annex 3 for more information**

#### *Organisation and staffing structures*

A major constraint affecting the status of women in the public service in PNG was the lack of opportunities to gain promotion positions and to receive professional development.

#### *Capacity Needs Assessment*

EPSP contracted an adviser in 2013 to assist DPM to develop a training Capacity Needs Assessment (CNA) tool kit suitable for use at national, provincial and district levels. Training protocols were developed and staff from DPM became proficient in conducting CNAs. The toolkit was trialled in Sandaun Province in 2014. A total of 30 interviews were conducted with provincial and district staff to determine the baseline capacity needs for Financial Management Service Delivery Chain.

The adviser's primary counterpart in DPM successfully applied the toolkit as part of the GESI rollout to West New Britain and Gulf provinces in 2014 and 2015. Comprehensive reviews of all positions and training needs were established and both provinces increased opportunities for female staff to receive training equal to male counterparts.

Training plans were developed by each province in 2014, based on that analysis, to enable women to successfully apply for promotion positions within the public sector.

## 6. Sustainability

There is evidence that benefits from the investment in EPSP will continue after the completion of the program in June 2016. The program adopted a number of actions to underpin sustainability:

- a sustainability strategy at inception that underpinned the program
- a high level of engagement with and ownership by agencies and the PMG
- strong support from agency leadership for the program and activities
- supported successful capacity development across central agencies
- collected evidence of activities resulting in reforms and enhancements in agency systems, policies, processes and practices
- commissioned independent research to investigate sustainability issues
- required advisers to develop sustainability plans as part of exit reporting
- reported on sustainability issues in regular reporting to AHC
- completed transition planning with AHC and PNG Governance Facility that commenced in second quarter 2016.

### 6.1. Sustainability Strategy

The program developed a Sustainability Strategy (2010) that listed ten sustainability principles to be followed: partnerships, integration and coordination, linkages, ownership, support PNG systems, realistic expectations, support PNG policies and planning, build capacity in individuals, systems and processes, develop innovative activities and delivery mechanisms, and flexibility based on lessons learned.

These principles were followed in the negotiated capacity development agreements with agencies and by the Program Management Office and advisers throughout the life of the program. The five day orientation that all staff received upon employment stressed these principles as a part of good capacity development. The health checks that EPSP conducted with advisers on a quarterly basis inquired about the relevance of actions taken, the fit with adviser terms of reference



and interviews with counterparts to assess the appropriateness and sustainability of actions taken.

EPSP ensured wherever possible that skills, knowledge and systems that were introduced in activities were appropriate to the needs of the public sector and actions taken were sustainable.

## 6.2. Ownership and leadership

The Sustainability Strategy took a strong ownership and leadership approach to sustainability. EPSP 'will implement the program with a constant focus on strengthening the ownership of the program by our Papua New Guinean counterparts and agencies' and 'ownership is the most important aspect of sustainability'. (EPSP Sustainability Strategy, 2010, p.5)

The PMG provided leadership and took ownership of the program. The PMG was chaired by the Chief Secretary and provided strategic guidance to EPSP and monitored and evaluated the progress and performance of the program. The PMG reported to the CACC and to the Department of Prime Minister and National Executive Council which ensured that decisions and activities affecting EPSP were aligned with key GoPNG policies and planning documents.

The change to more AHC led and SGP influenced activities in 2014 shifted the nature of advisory support to operational areas. Five advisers, for example, were recruited for DoF in late 2015 which were operational appointments in accounting, cash management, provincial and district treasury reporting, general ledger, and financial framework review. Two of these positions did not have a counterpart appointed providing a substitution role rather than a capacity development role. Processes and procedures were improved as a result of the substitution role, but it remains to be seen what happens in these two operational areas when operational advisory assistance is removed.

## 6.3. Capacity development

EPSP advisers and consultants were selected for their ability to impart skills and transfer knowledge to counterparts. Advisers were mentored by the EPSP management team in principles of ownership and ways of ensuring

the integrity of the program's commitment to GoPNG ownership.

Case Study One: Developing Capacities provides examples of successful capacity development with a range of evidence to support claims made. DPM and provincial administrations, for example, embraced the value of training and were determined to maximise the benefit of capacity development activities and maintained funding for regional HR training workshops from recurrent budgets when Australian aid was unable to fund these workshops from mid-2015 onwards.

### Snapshot

#### Case Study One: Developing Capacities

All capacity development activity outputs, either adviser-facilitated or private sector training, were delivered on time and in a cost-effective manner. Adviser-facilitated workshops usually targeted staff within an agency and were conducted at modest costs. Most training was conducted in-house or at training venues where hire and refreshments were the major expenses.

There were occasions where training was aimed at a much wider audience and costs became important considerations.

For example, a major activity for EPSP was training aimed at improving HR practices and developing and training provincial public servants in the use of 50 HR Business Processes relating to the Public Service General Orders. The workshops were aimed at proper procedures and prevention of the abuse of corrupt practices around travel, living allowances and payment of market based allowances. Regional workshops were conducted between 2013 and 2015 for provincial and district staff together with provincial hospital staff.

These workshops were high cost and required a large number of DPM staff to travel and conduct the workshops. Due to funding constraints, EPSP was unable to support the workshops from mid-2015 onwards on the basis of the way they had been organised in the past. DPM embraced and provincial administrations to source GoPNG funding for the workshops.

Overall, this was a positive outcome for the program. It had assisted DPM to redevelop the General Orders in 2012; developed training materials in 2013; and supported workshops in

2014 and 2015 to enhance HR management at the national, provincial and district levels of government.

**See the attached case studies in Annex 3 for more information**

### Contribution dialogues and analysis

Contribution dialogues mostly collected qualitative data from agency staff rather than seeking ratings from staff about the value of EPSP supports. Dialogues were conducted in 2012 and 2013 with IRC, DLIR, DPM, ICC, and DoF to understand individual and agency change as a result of the contribution of EPSP. Case Study Two in the EPSP Annual Report 2012 provides further details about the process of contribution dialogues. Questions were put to individuals and work teams involved with a capacity development activity, and to agency executive management who gave an agency wide response to progress. Questions included: How sustainable are these changes?

A common response from agencies was that the changes brought about through EPSP support would have happened in the agency, but they would have taken much longer to initiate and to implement. The work of EPSP provided stimulus to act. A Deputy Secretary from DPM commented in a contribution dialogue in 2012:

*I think there are two levels [of sustainability]. I think one is at the macro level. Sustainability – a lot more people are now getting involved ... through these interventions we are also reviewing policy documents that we prepared many years ago. With EPSP's interventions policies have been reviewed ... using the policy development guidelines and these things can help sustain in the event of EPSP pulling out. When adviser terms of reference are developed we want to make sure that there is a sustainability program built in and an exit strategy that we want and we are doing that.*

This dialogue identified several sustainability strategies that EPSP developed: identifying and enhancing systems within agencies, and between agencies, to underpin change; strong policy development as the basis for sound decision making; whole-of-government initiatives; tighter terms of reference for

advisers that clearly identify outcomes that are aligned to agency and GoPNG policies and planning documents; and exit strategies and sustainability plans by advisers which contribute to the sustainability of the benefits of the program over the long-term.

## 6.4. Adviser and counterpart sustainability planning

Adviser exit strategies were introduced in 2012 by EPSP and continued in use to the end of the program. EPSP wanted to ensure that the gains that had been made with its support were not lost as soon as an adviser departed. Sustainability planning involved the executive management of the agency and the counterpart to determine what had been achieved, what remained to be achieved and how that would best occur. A sustainability plan was developed by each adviser and counterpart and included a review of the baseline data at the time of advisory assistance; actions completed in response to the placement; actions to be taken by whom and when; and risks outlined should actions not take place. The actions were aligned with the adviser terms of reference and the long term corporate and implementation plans of the agency.

The Capacity Needs Assessment adviser placed with DPM from 2012 to 2013, had assisted DPM with the development and piloting of the national training policy, included in her exit plan that Public Service General Orders 2 and 6 had not been revised consistent with the new policy. DPM officers were identified to do the revisions and a timeline by which to complete the action was provided. This was an important task as the EPSP Human Resources adviser with DPM at the time was developing training materials for 50 business cases from the General Orders and needed the revisions for an effective training program.

## 6.5 Independent research

The independent CAPDEV study (2014) reported mixed results about agency sustainability of EPSP supports, but indicated that 'Counterparts (almost) always reported that they continued to benefit personally from what they had learned and done during the placement'.

Some counterparts reported that the organisation continued to operate according to the capacity development that had been provided. Other counterparts reported that things were only partly sustained and a few reported that things had reverted or even reversed since the placement finished.

EPSP advisers confirmed the views of counterparts that most had benefited from the experience at a personal level, and that the organisation had done so as well. While some advisers reported sustainability and could identify practices and systems that continued as a result of their placement, others were unsure because they had lost contact with the agency and counterparts. Some advisers indicated that sustainability was unlikely once they had left due to organisational inertia, change of policy, or change of senior personnel.

## 6.6. Culture of monitoring and evaluation

Capacity development conducted by EPSP at the provincial level indicated that M&E practices were valued and beginning to appear as good practice in agencies. For example, staff from the Morobe and Manus Provincial Administrations, having attended basic monitoring and evaluation workshops in Port Moresby, set about using the skills and knowledge from the training to evaluate provincial initiatives. Changes were made to the Morobe student scholarship program based on M&E findings in 2014.

An important offshoot of the work EPSP did in developing M&E capacity and the promotion of a culture of monitoring and evaluation in GoPNG agencies was the development of the PNG Association of Professional Evaluators (AoPE). The Association commenced in 2010 with secretarial and technical support from EPSP and by 2012, through the work of the executive, had a membership of 120 mostly from the public sector, but also people from the private and non-government sectors.

This success resulted in a grant from EPSP that supported AoPE to conduct an M&E Showcase and a first ever National Evaluation Conference in 2013. Over 100 papers were presented at the Conference about M&E in PNG which had international presence from Australia, New Zealand and Fiji. The success of these two activities increased awareness

about M&E, at a time when GoPNG was insisting on improved accountability and reporting of government initiatives. EPSP support contributed to strengthening M&E in agencies to better understand effective and ineffective capacity development initiatives and service delivery.

AoPE continued to make progress in 2014 with regular monthly newsletters, monthly lunchtime speaker presentations and commenced preparations for celebrating 2015: the International Year for Evaluation. A grant was approved by Eval Partners, a US-based organisation, to bring an international speaker to PNG in early 2015 to commence the celebrations. The early momentum of the Association fell away towards the end of 2014 and membership benefits declined in 2015. The election of a new executive in 2016 rejuvenated the Association.

## 6.7. Transition planning

In 2015 EPSP completed a comprehensive draft transition plan for the Australian High Commission of those advisers and activities recommended to be transitioned to the PNG Governance Facility (PGF) that replaced EPSP. Selected adviser placements may be novated to the PGF and a number of activities such as GESI and citizen accountability initiatives are likely to be continued under the new facility. Knowledge of the contact points, processes and steps taken by EPSP assisted the smooth transition with little disruption to the work of GoPNG agencies.

## 6.8. Risks to sustainability

The most difficult challenge facing sustainable capacity development is the nature of the 'enabling environment' in PNG. It is a difficult environment to understand, but has been characterised in research reports and reviews of the public sector as lacking political and senior executive leadership; poor agency commitment to reform; absence of clear development strategies and ownership by GoPNG agencies; and low levels of corporate knowledge, organisational leadership, technical capacity and knowledge.

The enabling environment needs to be better understood. The outcomes of the CAPDEV study point to further questions about the likely sustainability of the outputs and outcomes from any form of donor assistance and require

further rigorous investigation. The EPSP issues papers commissioned in 2015 raised insightful issues about the enabling environment in PNG and also warrant further exploration.

Questions about why change takes place in a PNG context is the question that lies at the centre of sustainability. It is not well understood and requires more research.

Post-EPSP studies conducted six to twelve months after program end will allow the sustainability of those activities deemed to have been beneficial to be assessed and lessons learned from such studies are likely to benefit the conduct of the new Governance Facility.

## 7. Lessons learned

### 7.1. Cultural Understanding

Lessons learned from donor programs invariably raise the importance of developing good relationships with partner agencies and with counterparts. There is no doubt that it is important. EPSP through a research approach came to understand relationships in a much deeper and informed way than simply acknowledging its importance.

Good relationships depend on understanding and working within different social and cultural contexts in PNG to those experienced by the majority of advisers, PMO staff and AHC staff.

The CAPDEV 2014 study quoted counterparts pointing out the need for advisers to 'understand the PNG emphasis on personal relationships over data-driven results'; that it is 'essential for advisers to respect the local culture and PNG ways'; and 'that cultural circumstances need to be explained to the advisers' for change to occur. Counterparts insisted it was necessary to teach advisers the 'rules of engagement', and for advisers to understand 'the legislation under which they operate' such as the Public Services (Management) Act and the hierarchical structure of the public service. Counterparts commented that 'some advisers are 'outsiders' who just do the job and leave, others participate in the two-way process so

that the adviser learns and appreciates PNG, as well as the counterpart learning about the job.

As long as advisory assistance remains a major form of assistance there is a place to assist advisers to have a comprehensive understanding of the social and cultural milieu in which they are expected to operate.

It is easy to underestimate the value of these views. Advisers are highly skilled and experienced and know what works in their home countries. It is easy to assume that bureaucratic organisations share the same values about service and how to deliver services. Programs such as Wokabaut Wantaim can help to develop realistic understandings of PNG contexts to maximise the benefits from advisory assistance.

### 7.2. Stakeholders

Stakeholders have interests in the design, activities and outcomes of donor funded development programs. There needs to be effective investment in the identification of stakeholders prior to consultation and engagement and the take-up of activities by relevant stakeholders. This ensures a fully participatory process to mitigate the risk of exclusion in order to underwrite sustainability.

#### Stakeholder identification

Excluding people and organisations from activities and especially new initiatives can easily jeopardise the success of an activity. EPSP advisers have found that without full awareness and understanding of an activity by all staff in an organisation that resentments and covert actions to undermine the activity can occur. Local politics, envy and refusal to change taken-for-granted practices accounted for delays and the successful completion of some development activities.

There is a need for contractors and advisers to develop appropriate and deliverable communication strategies to provide open and regular communication of the aims and objectives and progress of activities and programs with all office staff throughout the entire project lifecycle.

A major issue in the planning of further development assistance is the understanding of relationships and political economy between



agencies for the take-up of successful activities. Prior to activity commencement, it needs to be clear which agencies are required to cooperate for successful implementation. The program and advisers need to develop strategies to address any relationship issues between agencies. Ignoring these issues contributes to 'silo' approaches which pose the risk of failure.

### **Stakeholder consultation and engagement**

Successful programs conducted by EPSP occurred where there was strong political and bureaucratic involvement and understanding of an activity. The role of the Chief Secretary, DPM and DPLGA were crucial at the beginning of action research and the rollout of GESI to the provinces. Provincial and district administrator support was equally important. Local administrators had an interest in successful development activities and 'easily opened doors and gates' for donor based activities that contributed to the success of those initiatives.

The public opinion surveys conducted by EPSP in 2015 created much interest amongst bureaucrats and politicians. They saw the benefits of increased knowledge of what citizens perceived to be good progress in development and how resources could be better allocated. The success of the pilot surveys was partly due to a process employed by EPSP that identified and actively involved all stakeholders in the activity from the beginning to end. Provincial, district, local level government, local members of Parliament, and community stakeholders were identified and actively engaged in the surveys that ensured the success of the activity.

### **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 had to ensure that it identified and addressed issues affecting agencies to work with each other or at least that did not prevent progress in an agency's work. A closer working relationship with PLGP, for instance, assisted EPSP to better understand how central, provincial and districts engage with one another.

Advisers and consultants need to be conscious of competing agendas of agencies that affect efficient implementation of reforms and policies. There were territorial issues between DoT, DoF, DNPM and DPM, for example, about budget decisions and financial management that affected implementation of some interventions.

EPSP worked through the PMG chaired by the Chief Secretary to Government to bring senior agency people together to resolve competing agendas and improve cooperation between agencies.

### **Partners working together**

There were considerable benefits exemplified by GESI working successfully with district, provincial and central agencies such as DPLGA and DPM to take-up successful pilot activities and subsume costs in agency recurrent budgets to continue to promote the work of the program. Collaboration with partners at the district level enhanced the success of EPSP initiatives such as the district accountability initiative. Tanim Graun 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 benefited from private sector expertise (Digicel, Facebook and software companies).

EPSP GESI staff successfully worked with mining companies including Exxon Mobil and Oil Search to conduct sensitivity and awareness sessions for mine employees and shared resource materials with companies to conduct follow-up sessions.

The examples of IRC and DoF pointed to the great value in advisers from different programs actively working together to achieve better results. SGP and EPSP worked closely together with regular meetings to plan and monitor successes at those two agencies.

## **7.3. Contextualised and politicised workplaces**

The CAPDEV study drew attention to the value of political scaling up which involved 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 can take time to complete consultations with a wide range of stakeholders. For example, the pilot activity for HR COnNECT 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 needed to be aware of and understand issues between the bureaucracy and political leadership, making sure the program was not compromised in any way. PLGP advisers provided local political and bureaucratic knowledge about relationships at provincial and district levels and assisted in the successful management of those relationships to implement citizen accountability initiatives.

### **Political analysis**

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 understand this to affect change in agencies and ultimately organisations.

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. Most advisers 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 public funds.

The experience of EPSP was that overt activity or reporting by advisers could jeopardise the position of the adviser to achieve the ToR for which they are employed.

EPSP learned that the program and the advisers had to recognise the environment in which they operated and that there were many 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 were vital. Informal relations were often most productive in understanding various interests and concerns. Technical solutions may not always be what are needed to resolve issues. Rather it was more likely to be leadership and high level direction from government. EPSP advisers needed to adapt to changing circumstances readily and review management plans and practices to accommodate the immediate desires of other key stakeholders; this required flexible terms of reference.

### **Design and managing expectations**

EPSP found that the design and scoping of activities may turn out to be inappropriate over time and with changing circumstances. Component 2 of HR COnNECT involved the introduction of HR modules that required widespread and reliable internet connectivity to be effective which at this stage of PNG's development was unrealistic.

The intent of the HR COnNECT project was to identify 'ghosts' and unattached officers, incorrect levels of allowances, switch on 1PPP and provide training for HR staff on HR business processes. HR COnNECT also focused on the payrolls in provincial hospitals and linked EPSP with the Health sector.

An expectation arose in 2013 and 2014 that HR COnNECT would provide significant payroll savings for GoPNG. That was not the purpose or the design of HR COnNECT and the project was criticised for not achieving savings. The change in thinking about the project made it difficult to discuss achievements and justify its continuation. By 2015, the key achievements from the project of HR training at provincial levels and system improvements to the IHRPS that prevented inaccurate data changes were recognised by stakeholders.

## 7.4. Research and analysis

The inclusion of research and analysis from the inception of the program was an innovation for Australian aid programs. Research gave the program a strong platform for knowledge generation and management to improve understanding and generate knowledge about issues affecting capacity development, service delivery, financial management and the economy.

### Large scale research

The PEPE and CAPDEV studies are reminders of the value of independent research and analysis for 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 due to the implementation of EPSP activities.

The CAPDEV study highlighted that most EPSP advisers operated at a second generation of capacity development which included country ownership and engagement and adherence to fixed terms of reference. Third generation capacity development that encourage the development of processes rather than products can provide an additional capacity development approach for future development work that uses advisory support.

Other studies, reviews and reports such as the PCaB II review and issues papers, aimed at policy development and leadership issues, opened up policy dialogue with GoPNG and opportunities to influence broader policy development in PNG.

### Piloting activities

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, M4D, public opinion surveys, action research and the district development initiative.

The GESI pilot rollout to two districts is a good example of how learning from a pilot activity can support effective scaling up of activities to other provinces and districts in PNG. The Abau District experience with action research provided another mechanism to improve the status of women in PNG. The pilot was

successful and generated ideas about the expansion of action research into other remote districts including engaging with a tertiary institution to provide action research training.

### Generating policy debate

Research commissioned by EPSP also contributed to policy dialogue and debate about the performance of government, how it went about its business, and the nature of issues that facilitated or constrained government processes and decision making. The issues papers focused clearly on key issues confronting government and provided independent viewpoints and suggestions for action.

Similarly, the citizen accountability initiatives forced provincial and district bureaucrats and political leaders to focus more on citizen perceptions about development policies, plans and allocation of resources rather than relying solely on bureaucratic processes and decision making.

### Knowledge management

Effective dissemination of research outcomes has long been an issue for research. Research data traditionally has been restricted to academic journals and high powered meetings. EPSP accessed new technologies as part of its knowledge management strategy to disseminate research findings through e-news and interactive websites and mobile phones.

EPSP and PLGP shared knowledge and learning as the two programs harmonised activities from 2014 onwards. Reporting of data and progress by the two programs benefited from more informed and accurate information. The development of citizen accountability initiatives by EPSP at the district level was facilitated by the field-based knowledge and networks of PLGP advisers that enabled smooth implementation of those activities.

## 7.5. Communications and new technologies

Development activities need to be more alert to the value of new technologies to develop new ways of delivering aid investments.

By 2015, EPSP significantly transformed its communication approach by forming a 'communications pod' as a result of the newly merged EPSP-PLGP programs. The pod harnessed the special skillsets of individuals from both programs in the areas of media engagement, event management, website and online communications, products and branding. Additional activities were added as a result of broader communication support, including: writing tailored briefs for the Australian Government and the production of video 'vignettes'. Combined communications support also increased efficiency, enhanced quality assurance and encouraged innovative solutions.

PMO staff was able to provide quick and effective advice in response to agency requests for communications assistance. A key learning with the development of EPSP's own website was the use of non-intimidating, easy to use Oracle Content Management System technology. The DPM website was developed with assistance from EPSP in 2015 using the Oracle system. The software was appropriate for agencies and gave ownership and effectively engaged local staff in building and managing websites.

## 7.6. Program governance and management

### Iterative adaptive design

Program design, donors who have decision-making authority for programs, and contractors need to have adaptive strategies to respond to quickly changing economic, social, and political conditions. There has never been 'a one fit for all' solution. GESI is a good example of the importance of an iterative approach to design enacted through practical application in the field. Early on, EPSP aggregated five gender positions into a single GESI adviser position based in DPM and to successfully work across GoPNG agencies.

### Adaptive activities

GESI exemplified another aspect of adaptive behaviour to maximise outcomes from program activities. The rollout of GESI to pilot provinces was not based on a fixed formula prescribed for the pilot provinces, but was 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. These actions empowered women and men to take action about reducing workplace violence and improving the economic position of women in the local workforce.

### Innovation

In the past, the views of civil society were more or less neglected by the public sector. EPSP experience indicated that politicians and bureaucrats were increasingly sensitive and responsive to public opinion about governance and public sector reform.

EPSP assisted citizens to have a stronger voice in governance matters than ever before. The program partnered with Consultative Implementation and Monitoring Council (CIMC) to carry out research to better understand community perspectives about government actions and service delivery issues. This work was further supported by other innovative activities such as Tanim Graun, M4D, action research, district accountability initiative and public opinion surveys.

### Program Management Office

The PMO specialists in areas such as communications, GESI, and research and evaluation became more involved in providing program activity inputs rather than administrative support and monitoring and evaluation from 2014 onwards. Activities such as website development, the development of the MAN project, public opinion surveys and the district accountability initiative were successfully designed and implemented by PMO staff. This was a different role for PMO staff which had skills and knowledge in these areas to accommodate an operational shift by the PMO to service delivery improvement.

### Advisory support

Advisory support provided by EPSP was for the most part successful. Nonetheless, experience was uneven and in some cases reached a limit beyond which ongoing assistance yielded decreasing returns in capacity development. There is a case for a deeper analysis of the contextual environment in which support will be provided and



exploration of further innovation. For instance, analysis could explore particular sensitivities associated with support to executive-level positions (adopting simple political economy analysis); the level of technical sophistication envisaged (to assist in sourcing the most appropriate technical adviser); individual personal and character traits that would ensure best-fit with counterparts; and frank assessment of risks covering the likelihood of cultivating long-term dependency.

Additional or alternative options can include long-term periodic support (to ameliorate the common problem of dependence); vertical mobility of advisers (between national and sub-national levels) in the case of decentralisation programs; horizontal mobility (between agencies at the same level) for whole-of-government activities (as illustrated by the GESI initiative); as-needed when-needed support drawing from the entire cadre of in-country advisers; and drawing upon local peers and regional examples of excellence.

Similarly, there is a case for adoption of enhanced approaches to adviser recruitment. The CAPDEV study indicated that interpersonal relationships and cultural understanding contributed more to successful advisory engagements than cutting-edge technical skills. Assessment of interpersonal skills and contextually-appropriate technical proficiency should carry greater weight in adviser selection methodologies; exceptionally high technical proficiency can promote locally inappropriate solutions.

An increased investment of time and effort at the front-end of each planning process would contribute toward enhancing value-for-money returns and ultimately delivering better outcomes for all stakeholders.

## 8. Conclusion

EPSP sought to contribute to enhanced policies, practices, knowledge and skill levels and behaviour of public servants and agencies. It did this through a range of innovative modalities including advisers, consultants, research, targeted training and grants to varying degrees of success.

EPSP provided high quality long-term advisory and short-term consultancy services to nine

GoPNG agencies as evidenced by report cards, agency feedback, adviser and counterpart reports, internal evaluations and reviews, and independent research. This was consistent with the program's original design brief up until 2014 when the initial phase of the program came to an end. The program operated innovative and robust monitoring and evaluation processes and practices and provided cutting edge M&E training for agencies during this phase.

The program was focused on agencies that were chiefly concerned with improved use and management of public financial resources. Research and analysis commissioned by EPSP 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 continued to grow as a program from inception to end and developed innovative activities such as Tanim Graun and GESI. The program explored the use of new technologies to build a better public sector that interacted with citizens of PNG and focused on improved service delivery.

EPSP gradually moved from an adviser in-agency focused program to developing and implementing activities with expertise from within the PMO that stretched across the whole-of-government.

Changes also took place in the PNG governance environment and the aid priorities of the Australian Government in 2013 and further changes in mid-2014 demanded effective problem solving skills and thinking from the program. 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 exemplified the dynamic focus of Australian aid in PNG.

The transition period and the preparations for the transition period were supported by the program's resources with adviser positions and activities to be transitioned to the PGF by June 2016.

# Annex 1

EPSP reports, reviews, research and publications

## **EPSP Strategic Plans**

EPSP Strategic Plan 2011  
EPSP Strategic Plan 2012  
EPSP Strategic Plan 2013  
EPSP Strategic Plan 2014  
EPSP Strategic Plan 2015

## **EPSP Quarter Reports**

EPSP Quarter 4 Report 2010  
EPSP Quarter 1 Report 2011  
EPSP Quarter 2 Report 2011  
EPSP Quarter 3 Report 2011\*  
EPSP Quarter 1 Report 2012  
EPSP Quarter 2 Report 2012  
EPSP Quarter 3 Report 2012\*  
EPSP Quarter 1 Report 2013  
EPSP Quarter 2 Report 2013  
EPSP Quarter 3 Report 2013\*

## **EPSP Six Month reports**

EPSP Six Month Report Jan-June 2014  
EPSP Six Month Report July-Dec 2014  
EPSP Six Month Report Jan-June 2015

## **EPSP Annual Reports**

EPSP Annual Report 2011  
EPSP Annual Report 2012  
EPSP Annual Report 2013\*\*

\* Staff at the Australian High Commission and EPSP agreed that Quarter 4 reports were included in annual reports provided to AHC.

\*\* Staff at the Australian High Commission and EPSP agreed that an annual report for 2014 was not required and was replaced by a six monthly reporting cycle and the six month report for July to December 2015 was replaced by this completion report up to June 2016.

## **EPSP Reviews**

Mooney, J., Elvy, G., (2011) EPSP Strategic Review. Canberra. AusAID.

Saldanha, C., Dobunaba, F., and Edwards, M. (2012) Independent Progress Review of the PNG-Australia Economic and Public Sector Program. Canberra. AusAID.

## **EPSP Commissioned Research and Reviews**

Australian Continuous Improvement Group: Service Delivery in a Governance Program in PNG: Six Case Studies. ACIG, Melbourne, Australia.

Dominic, M. (2012) Strengthening Organisational and Technical Capacity for Mainstreaming Gender among the Central Agencies for Effective Service Delivery. EPSP. Port Moresby.

Dominic, M (2013) Literature Review: Women in Management and Leadership in the Public Sector across the Pacific Islands. An Annotated Bibliography. EPSP, Port Moresby.

Heijkoop, P. (2014) Provincial Capacity Building Program Phase II. Draft Evaluation and Validation Report. EPSP, Port Moresby.

Institute of National Affairs (2014) PNG Labour Study. Institute of National Affairs. Port Moresby.

Lovai, B., and Kidu, C. (2012) Women leaders in the Public Sector in PNG. Coffey. Adelaide.

Makambo Consulting (2013) Outcomes of Monitoring and Evaluation Workshops conducted by EPSP. EPSP from 2011 to 2013, EPSP, Port Moresby.

NRI/ANU (2014) Promoting Effective Public Expenditure in PNG. EPSP, Port Moresby.

Nuzami Consulting (2015) Action Research in a Remote District of Papua New Guinea. Final Report. EPSP. Port Moresby.

Raka, S (2014) Review of the Public Sector Audit Program. EPSP. Port Moresby.

Ryland, K., Evans, T. and Miller, R. (2014) 'From Human Capacity Development to National Capacity Development: a report on capacity development in the economic and public sectors of PNG during 2006-2013. Education Project Management. Melbourne, Australia.

Staun, D. (2014) HR CONNECT Program review. EPSP. Port Moresby.

Tonkiave Consulting (2015) Review of GESI Project Activities: (Focal Points, Community of Practice and Male Advocacy Network. EPSP. Port Moresby.

### **EPSP Video Productions**

Kirapim GESI (2013)

Male Advocates for Human Rights (2015)

Male Advocacy Network (2016)

Tanin Graun episodes – all 26 programs and Tok Aut available on YouTube and the EPSP Website.

### **EPSP Issues Papers**

Anderson, M., and Dobunaba, F. (2015) Employment of Departmental Heads within the PNG Public Service. Coffey, Adelaide, Australia.

Cairns, A. (2016) The Timing of Subnational Function Grant Transfers and the Implications for Frontline Service Delivery in Papua New Guinea. Coffey, Adelaide, Australia.

Kemp, Jo., and Van der Lyne, H. (2015) Leadership and Policy making in the Public Sector. Birmingham University, UK.

Osborne, D. (2015) Economic Policy Formulation in PNG. Adam Smith International, Melbourne Australia.

### **M4D Publications**

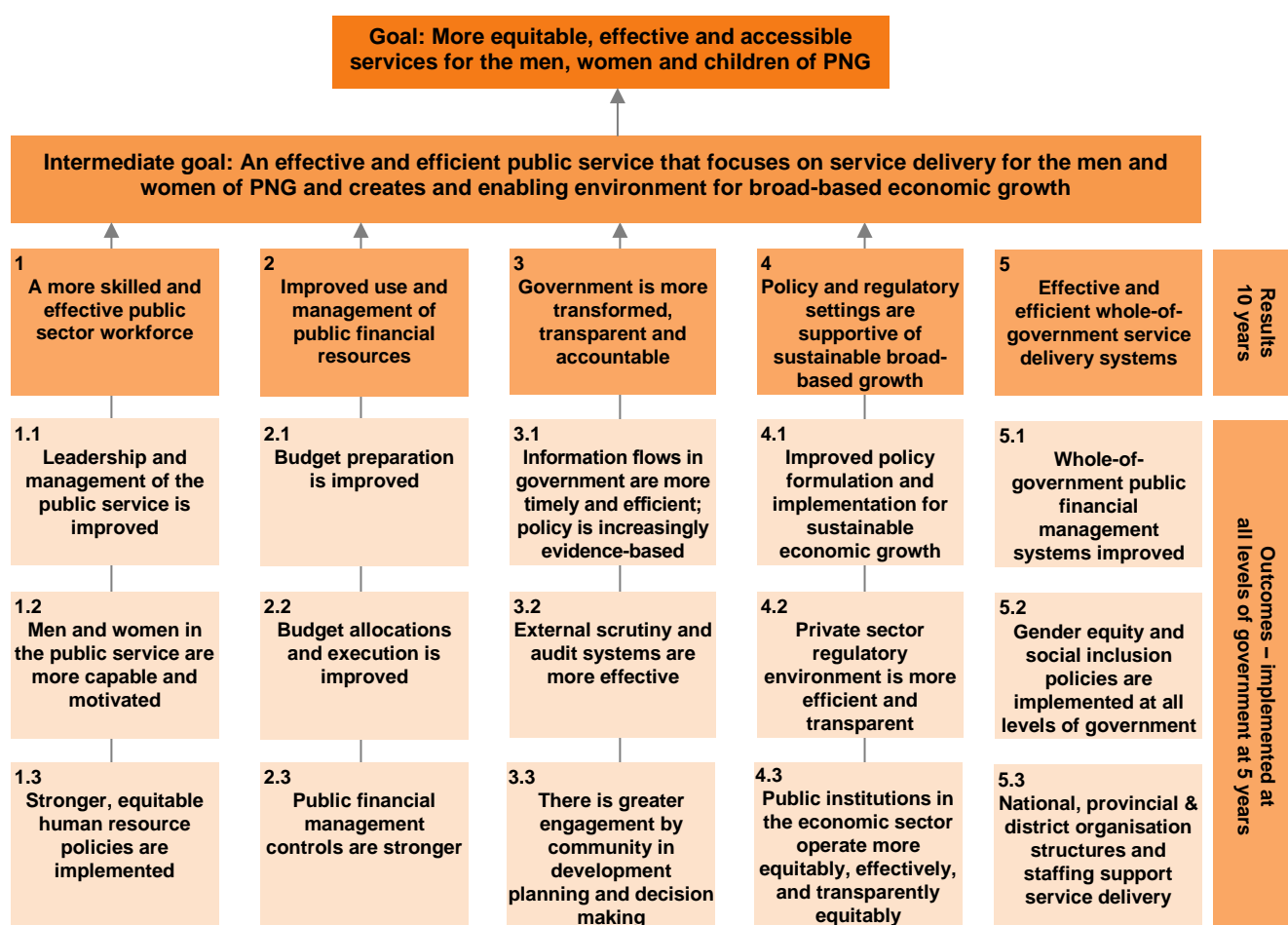
Watson, A H A (2015), Facilitating development through the use of mobile phones, Contemporary PNG Studies DWU Research Journal, Volume 22, May, pp. 141-151.

Watson, A H A and Morgan, E (2015), M-government for courts systems: A data collection trial in Papua New Guinea, in Robertson, A. (ed), Commonwealth Governance Handbook 2014/15. Cambridge: Nexus/Commonwealth Secretariat, pp. 34-36.



# Annex 2

## EPSP Results Framework



# Annex 3

## Case Studies

1. Developing Capacities (2010-2014)
2. Citizen Accountability (2015-2016)
3. Research and Evaluation (2010-2016)
4. HR COnNECT (2013-2016)
5. Gender Equity and Social Inclusion (2010-2016)
6. Transformation of the Internal Revenue Commission (2013-2016)
7. Non-tax Revenue Collection: DoF (2012-2013)
8. Communications (2012-2016)

## Case study one: Developing capacities (2010-2014)

This case study looks at the role of training and learning for development at the commencement of the Economic and Public Sector Program (EPSP) with its strong focus on developing capacities of GoPNG agencies and staffs between 2010 and 2014.

### Relevance

The findings of major research reports and reviews, such as the PNG-Australia Development Cooperation Program: Joint Review of Technical Adviser Positions (2010) consistently pointed to weak capacity of GoPNG agencies and staff to deliver effective public services.

The Joint Review, for example, noted that the 'need to build up skills and capacity in PNG remains a high priority [which] will become even more prominent over the next decade as revenues expected from the LNG project (and the resources boom more generally) result in a growing economy that will demand a skilled workforce' (p. 8). It also noted that there were 'critical skills gap in service delivery [for which] adviser support is in many cases the best way to meet them' (p. 8).

EPSP was designed in response to such findings. EPSP set out 'to achieve incremental improvements in public sector performance through a long-term capacity development approach' (EPSP Design Document 2009, p.15). This objective continued, albeit to a much lesser extent, to the end of the program in June 2016.

EPSP had a number of innovative mechanisms available to develop capacities such as long-term advisers, short-term consultants, targeted training, twinning arrangements, research and grants. Section 3.2 of this report discusses the use of each of these mechanisms. In the long run the most used mechanism was long-term adviser-facilitated workshops despite EPSP attempts to diversify capacity development options.

### Effectiveness

Section 3.3 of this report pointed out that EPSP was clearly a capacity development program from 2010 to 2014. It also showed how EPSP driven capacity development activities in GoPNG agencies were determined by a robust theory of change and a process involving diagnostics and negotiated capacity development agreements with selected GoPNG agencies. By 2014, capacity development as a term began to disappear from program discussions. By the end of 2013 and with the looming finalisation of the first phase of the program in June 2014, AHC reviewed its development aid priorities, and in discussion with GoPNG, adopted an issues based approach to development rather than a capacity development approach.

### Developing capacities

Most capacity development activities between 2010 and 2014 were facilitated by long-term advisers with counterparts in either face-to-face, on-the-job training, or adviser –based workshops. Training and learning was also provided by the private training sector from 2011 to 2015. EPSP grants also provided opportunities for agencies to develop particular capacities mostly through training and learning where recurrent budgets failed to do so. The EPSP Program Management Office (PMO) was conscious of the need to improve its own staff capacities as well and training opportunities were available for PMO staff.

### Adviser-based capacity development

A total of 73 individual EPSP long-term advisers facilitated 757 workshops for 15,376 public servants (8,207 male and 7,169 female) between January 2011 and June 2015. The workshops were aimed at enhancing skills, knowledge, behaviour and motivation of public servants.

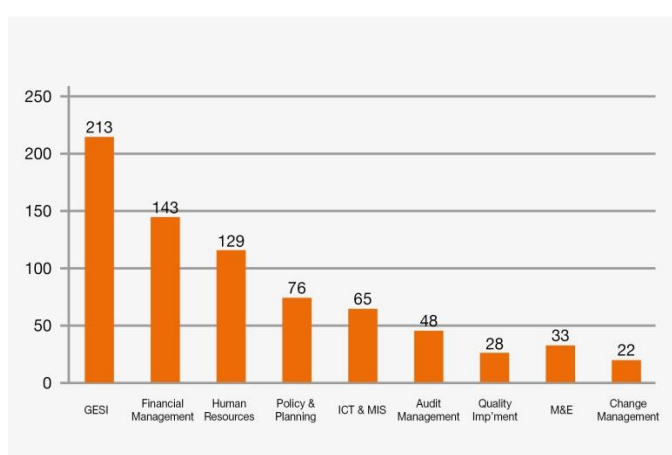


**Figure 1: Adviser Workshops by Number and Gender**



Figure 2 indicates the kind and number of adviser-based workshops conducted from 2011 to 2015.

**Figure 2: Adviser Workshops by Kind of Training**



The regular reporting to AHC from 2010 onwards (Annex One) provided many examples of successful capacity development by advisers and by counterparts. Case Study Three: Research and Evaluation provides details of an independent capacity development study completed for EPSP in 2014: 'From Human Capacity Development to National Capacity Development: a report on capacity development in the economic and public sectors of PNG during 2006-2013 (known as the CAPDEV study) provided evidence that capacity development occurred through EPSP activities and provided examples of positive capacity enhancement.

### **Private sector delivered training**

This case study looks closely at two private sector delivered training programs as examples of effective capacity development by the program: Wokabaut Wantaim and Monitoring and Evaluation.

### **Wokabaut Wantaim**

Wokabaut Wantaim (WW) was an innovative program offered by EPSP from 2011 to 2013. It was aimed at assisting advisers employed across Australian Aid programs in PNG to develop higher order inter-personal and relationship building knowledge and skills to enable advisers to effectively transfer technical skills within the cultural, social, political and developmental context of PNG.

Five modules were designed as part of the program: Adviser/Counterpart Relations; Executive – Change Management; Power Relations; Cultural Competency; and Aid Effectiveness.

The expected outcomes of the program were to develop greater coherence across programs and sectors in adviser and counterpart understanding of approaches; aid principles; work contexts, culture and systems; and to improve knowledge, skills and attitudes of advisers and counterparts to work effectively together.

A total of 33 workshops for 278 males and 225 females were conducted on time and at cost between 2011 and 2013. The total cost of all WW training was \$527,605 which included course development costs, training fees, venue hire and refreshments.

The modules and the workshops were effective according to feedback from participants and Box One shows that workshops were confronting.

Workshop exit reports were received from participants. All workshops scored well on standard Likert measures including workshop organisation, quality of materials and presentations, facilitator expertise, and suitability of venue. Participants at a Power Relations workshop in 2012, for example, gave a mean rating of 8.3 for the workshop. Qualitative data were also gathered from the workshop: *'The facilitator is excellent and the day has been a great learning experience for me. I found the balance of presentation, whole group discussion and small group work very conducive to high participation. It was very enjoyable to take "timeout" to reflect on the power dynamics going on around me every day and think about some positive strategies that can be used to influence change.'*

Participants were asked to keep journals of their observation of power imbalance at their workplace and participated in post workshop interviews six weeks after the training. Box Two is a journal excerpt and an example of change that occurred in PM&NEC as a result of participation in the Power Relations workshop.

In early 2013, concerns were raised by AHC as to the ongoing relevance of WW as a result of the declining number of long-term advisers due to the reduction in adviser numbers across Australian Aid programs; most current advisers and counterparts had already attended training; and the 2012 Independent Review of EPSP which recommended future technical assistance focus on addressing immediate service delivery issues rather than long-term capacity development.

Poor attendance at the first WW program offered in 2013 accelerated the AHC decision to discontinue the activity.

## Monitoring and Evaluation

Monitoring and evaluation (M&E) training and learning was facilitated by EPSP from 2011 to 2015 based on the understanding of EPSP at inception of the poor extent and weak quality of M&E practices in agencies. Much data were collected by agencies but there was little processing or analysis of that data. There were no dedicated M&E positions in any agencies including the key

### Box One: Confrontation

The following conversation took place in a Power Relations workshop. The adviser was impatient at the slow progress of the group discussion. The response from the PNG participant focuses on cultural differences around discussion and decision-making:

**Adviser:** I'm Australian. Forgive me if I seem to be arrogant. I don't mean to be but we need to get on with the job.

**PNG Respondent:** Every time that I have attended workshops or meetings if foreign people are facilitating the program, they ask questions but for most PNG people, they need more time to feel comfortable to answer. Most of the time the people leading the discussion don't wait for us to speak and seem to be a bit embarrassed because we take time to answer. How can we get them to better understand that if they wait, most people will contribute?

### Box Two: Diary Excerpt

**Issue:** How do we change the attitude of male staff in the department?

The core issue concerns how men do not communicate in a proper manner and behaviour towards women.

**What was achieved?** An informal women's group was setup for women to get together and talk about issues affecting them. Through this space a junior female officer was able to talk about a male who was harassing her. The group was able to give her advice on action to take to report the matter to management. The matter went before the management and action was taken against the male counterpart.

**What changed?** Word got around, which sent a strong message to fellow male staff within the department. This created an awareness of unequal power imbalance. Since then a new level of respect towards women colleagues has been observed.

Department of National Planning and Monitoring (DNPM) in 2010. The public sector lacked a culture of monitoring and evaluation. The planning divisions of agencies were responsible for M&E but it rarely occurred and where it did it was of poor quality. The CDAs had monitoring and evaluation frameworks built into them, but without agency based skills in M&E there was little chance that agencies would monitor the progress of activities. EPSP M&E workshops were designed to fill these gaps.

There were two kinds of workshops developed by EPSP. A five day basic M&E workshop 'Developing Monitoring and Evaluation Frameworks' which used cutting edge program logic with nine exemplary steps of good M&E practice. The workshops were hands-on and participants developed a monitoring and evaluation framework during the workshop and the skills and knowledge were readily transferable to workplace contexts.

The basic workshops were aimed at middle managers and technical officers who were often expected to produce monitoring and evaluation reports of divisional progress and performance. A total of 241 males and 183 females attended 24, five day workshops altogether between 2011 and 2015.

The second M&E workshop was a two day 'Using Monitoring and Evaluation for Effective Decision Making' aimed at First Assistant Secretaries, Deputy Secretaries and Secretaries to acquaint them with the language of M&E; the processes involved in producing good M&E reports; and the application of M&E findings to effective agency decision making. A total of 74 males and 29 females attended eight, two-day workshops altogether.

The training was provided by a private M&E training company based in Australia. The total cost of 24 five-day basic workshops and eight two-day executive workshops was \$923,308 including development and upgrading of course materials, participant materials, travel and accommodation costs for training staff from Australia, facilitator fees and venue and refreshment costs.

M&E workshops were attended only by central agency staff until 2012, when three participants from the Southern Highlands province attended a workshop at provincial expense. Provinces were interested and EPSP sent publicity material to all provinces from 2013. There was strong representation from most provinces from that time onwards.

The interest in M&E was provoked by increasing pressure and demands by central agencies such as DoT, DoF, DNPM, PM&NEC, the Department of Provincial and Local Government Affairs (DPLGA) and the Provincial and Local Level Standards Monitoring Authority (PLLSMA) for all levels of government to provide accurate data to planners about compliance spending, value for money, and evaluation of service delivery benefits.

AHC was interested to know how much of the M&E training was translated by participants into workplace practices in 2012. EPSP commissioned an independent evaluation of M&E training by a consultant. The evaluator surveyed 170 public servants and CSO staff who had attended M&E workshops and concluded 'that training was important to develop M&E skills at the middle manager level to overcome the lack of skills to undertake M&E tasks in agencies. 58 per cent of respondents indicated that they were applying M&E knowledge/skills in their work places'. (Makambo Consulting, 2013, page 3-10)

The respondents indicated that GoPNG agencies hardly undertook evaluations or assessed the impact of their work. The data indicated that knowledge and awareness on the importance of M&E was poor among senior GoPNG management. In addition, the organisational culture of GoPNG agencies did not facilitate a learning environment and many officers were constrained from trialling new concepts/ideas such as monitoring and evaluation.

In response to this evaluation, EPSP and the private training provider, developed the two-day M&E workshop: *Using Monitoring and Evaluation for Effective Decision Making*.

By 2014, the value of the workshops was well known and DPLGA requested a basic and an executive workshop for its staff only in 2014. This was an important breakthrough because of the role of DPLGA between central agencies and the provinces. The basic workshop was attended by 14 middle managers (ten males and four females) from the agency and tailored to the agency's corporate plan and key performance indicators as the basis for the development of a Departmental Program Logic was produced. Four teams selected a specific key performance area from the corporate plan and developed an M&E framework around each area. A two-day workshop was also provided two days

later for 17 DPLGA senior executives (15 males and two females) to build on the work produced at the DPLGA middle managers workshop. The workshop facilitators noted:

*'The strategy of targeting the training to one Department appeared to be sound. It enabled a focus on real material rather than a case study and enabled participants to come away with something they could implement, such as a Draft Program Logic against the corporate plan. Gaining participation from both middle and senior executive levels also enabled a progressive approach to be adopted whereby the work of the middle management group was reviewed and further developed by the senior executive group.'*

The demand for training by the provinces also increased in 2014 when requests for training in provincial centres were received by EPSP. This arrangement allowed more provincial and district staff to benefit from training and learning. Substantial savings were made by provinces which no longer had to meet travel, accommodation and living allowance costs of staff travelling to Port Moresby for training.

Workshops were conducted in Manus and Morobe Provinces in 2015. Workshops were planned for Sandaun and East New Britain in 2016, however the workshops were cancelled because of a request from AHC to make savings from the program in late 2015.

All M&E workshops collected exit evaluation data. The M&E workshops were always rated highly and 95 per cent of participants ranked the overall quality of the training at 8 or better out of 10. The strength of the consistent positive feedback provided by participants confirmed the validity of the training approach that was adopted – both in format and in content.

By 2014, GoPNG agencies were beginning to successfully transfer M&E knowledge and skills 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 Morobe Provincial Planner commented:

*'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.'*

*'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.'*

### **Grants and capacity development**

A total of 12 grants were approved by EPSP between 2011 and 2014 to DoF (two grants), IRC (two grants), NRI, PM&NEC, DJAG (two grants), Milne Bay Province, PNG Association of Professional Evaluators, and Department of Higher Education, Research, Science and Technology (DHERST) (two grants) with objectives to improve capacity of staff to do their work better.

The Department of Justice and Attorney-General (DJAG), for example, received a grant to increase awareness of how that agency could better serve State Solicitors located in provinces. Participants indicated that it was difficult to access Principle Legal Officers in provincial administrations. Participants were unaware that the Office of State Solicitor (OSS) in Port Moresby was a resource they could also call upon for assistance in legal matters. OSS made an important first step in developing a relationship with Provincial Legal Officers through these workshops; increasing the availability of free legal services for provincial administrations; and their ability to deliver services to citizens requiring legal advice.

DoF, using grant funds to procure equipment and software, installed the Computer Receipting System (CRS) for cashless payments at seven provincial sites. Provincial staff received hands-on training. This was an important efficiency gain as staff had used manual receipting in the past and revenue intended for DoF was incorrectly allocated to the province rather than DoF (Case Study Eight: Non-Tax Revenue). There continued to be issues with poor infrastructure and poor computer literacy of



many provincial DoF staff. The Milne Bay Provincial Administration received a grant to conduct three-day training to assist twenty local level government presidents how to justify training requests and to understand and complete complex proposal forms in order to secure funding for local development initiatives.

The Department of Higher Education Research Science and Technology (DHERST) received a grant to enrol university 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 some nine months after graduation indicated improved quality assurance processes introduced to Divine Word and Pacific Adventist Universities and increased networking between institutions and DHERST around the quality of tertiary programs. A second grant for the same purpose and based on the success of the first, was approved for DHERST, and a further 20 staff graduated with the award in 2015. There has not been time or funding to follow up any outcomes from this training at the time of writing.

### **PMO staff capacity development**

The Program Management Office (PMO) provided training opportunities for its own staff ranging from support to do part-time tertiary studies, advanced computer skills, health and safety training, to a formal Level 3 Certificate in Frontline Management in which 14 PMO staff (three males and 11 females) commenced in 2013 and graduated in 2014. This training was provided under the Human Resource Development Plan that was funded through the EPSP contract until it was discontinued by AHC in late 2013.

### **Efficiency**

All capacity development activity outputs, either adviser-facilitated or private sector training, were delivered on time and in a cost-effective manner. Adviser-facilitated workshops usually targeted staff within an agency and were conducted at modest costs. Most training was conducted in-house or at training venues at which hire and refreshments were the major expenses.

There were occasions where training was aimed at a much wider audience and costs became important consideration.

For example, a major activity for EPSP was training aimed at improving HR practices and developing and training provincial public servants in the use of 50 HR Business Processes relating to the Public Service General Orders. The workshops were aimed at proper procedures and prevention of the abuse of corrupt practices around travel, living allowances and payment of market based allowances. Regional workshops were conducted between 2013 and 2015 for provincial and district staff together with provincial hospital staff (Case Study Five: HR CONNECT).

These workshops were high cost and required a large number of DPM staff to travel and conduct the workshops. Due to funding constraints, EPSP was unable to support the workshops from mid-2015 onwards on the basis of the way they had been organised in the past. DPM embraced the training and sustained the activity partly from its own recurrent budget in mid-2015 together with funding from provinces and other GoPNG agencies seeking this form of training.

Overall, this was a positive outcome for the program. It had assisted DPM to redevelop the General Orders in 2012; developed training materials in 2013; and supported workshops in 2014 and 2015 to enhance HR management at the national, provincial and district levels of government.

### **Impact and sustainability**

The impact and sustainability of the contribution EPSP made during this period on the skills, knowledge and behaviour can be measured in terms of the outputs from workshop activities. A substantial number of public servants received training. There are examples in this case study and in other sections of this reports of how this training and learning changed workplace practices and increased agency efficiency and effectiveness.

In the long run the benefits and sustainability of training and capacity development in GoPNG agencies is the responsibility of GoPNG and the allocation of adequate funding for capacity needs assessment and increased opportunities for the development of capacities of the public sector.

## **Lessons learned**

It cannot be assumed that the delivery of well-designed training and learning packages provided by development programs such as EPSP will immediately transform the public sector. Enabling factors such as agency leadership, senior management attitude to reform, turnover of personnel and incentives to change can facilitate or constrain the introduction of new processes and practices to the public sector in PNG.

Donor-funded development programs must be responsive and adaptive to changing directions about the kind of support that donor and recipient governments require over time.

## Case study two: Citizen accountability

This case study is a strong example of how changes in thinking about the purpose of development assistance reveal unexpected sources of valuable information and knowledge from citizens and communities about their perspectives on development and how bureaucrats and political leaders are seeking these perspectives to better understand gaps in service delivery.

### Relevance

The EPSP Design Document made several references to the importance of citizen accountability as a mechanism to understand the effectiveness of the program: 'The ultimate accountability is a more informed citizenry and there is scope for EPSP to support the expansion and strengthening of existing public information and community monitoring efforts in PNG' (p.24) and later 'M&E data also provides the basis for accountability to both parties and the citizens of both countries regarding the effectiveness of the investment in the program by both government (p.41).

The design document suggested indicative ways that accountability could be facilitated '...to strengthen public information, government could regularly publish warrant releases and other financial commitments at local level, giving communities greater scope to monitor budget and service delivery (p.24).

Outcome 3.3 of the EPSP Results Framework (Annex 2) focused clearly on information provision: There is greater dissemination of information on government budgets and services to men and women.

Much of the early work by EPSP in this area revolved around website design and development in NRI, ICCC, IRC, DoF, DPM and PAC. The control of information on websites remained with the agency and there has been reticence in the past by agencies to disclose financial information other than that contained in the annual budget papers. Accessibility to the internet and websites in PNG further restricted the flow of information in PNG.

PAC launched its website in April 2014 based on the principle that 'the start of good governance is the dispelling of ignorance and the National Parliament has (possibly unwittingly) done this by allowing the PAC to operate freely. EPSP support has enabled this educative role to continue and improve in quality and quantity'.

The PAC Secretariat used the website to provide information to a wider audience than ever before to have a better understanding of government financial procedures and financial management and the reasons why national development and service delivery has faltered. This kind of information had never been so freely available before.

In 2014 EPSP proposed to AHC to develop citizen accountability initiatives. Three citizen initiatives were successfully piloted in 2015: public opinion surveys, district accountability initiative, and remote district action research.

### Public opinion surveys

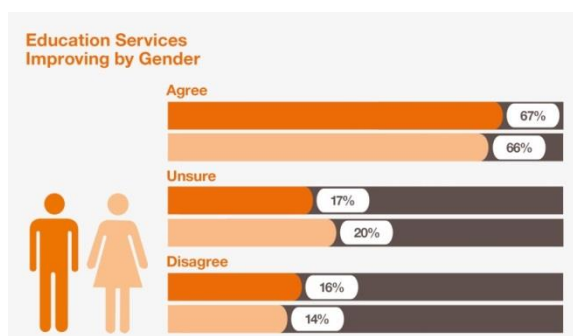
EPSP conducted two successful pilot district public opinion surveys in Alotau, Unggai-Bena in 2015 following a well-developed process involving stakeholder identification, stakeholder activity, and stakeholder data ownership.

The pilot surveys in Alotau District confirmed two research questions: 'Could public opinion surveys conducted in remote areas using mobile phones and SMS technology be effective and recipients would respond?' and 'Would recipients complete all 22 questions in a lengthy survey?'. Both research questions were positively confirmed.

As a result of the success of the pilot surveys, the initiative was scaled up and a further four surveys in Mul-Baiyer Lumusa, Nawaeb, Nuku and Talasea districts were completed in 2015 and 2016.

The data from the surveys contradicts some of the generally accepted views that education, health and law and justice services are declining in all parts of the country. Figures 3 to 6 illustrate the kind of data provided by respondents.

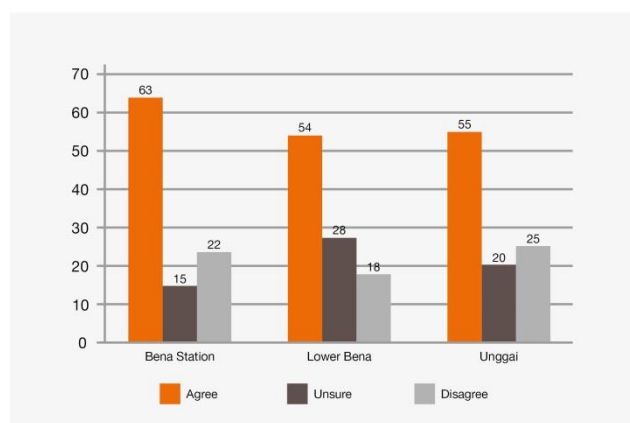
**Figure 3: Education Services – Alotau District** **Figure 4: Health Services – Mul-Baiyer District**



**Figure 5: Attendance of Public Servants Nawaeb District**



**Figure 6: Village Courts Improving Unggai-Bena District**



There are clear implications for politicians and bureaucrats at provincial, district and local government levels, and the private sector, from current research activities around planning, resources allocation and the value of increased engagement with citizens.

## Survey

The first five questions collected biographical information on respondents: sex, age, educational attainment, occupation, and location. There were 16 questions relating to service delivery in the district in health, education, law and justice and infrastructure. Other questions included community involvement in decision making, road maintenance, availability of the local elected Members, public servants and attitudes to women and girls. Data were mostly analysed on sex and location. Cross tabulations allowed more intensive analysis of data.

## Process

EPSP considered the careful planning and identification and involvement of all stakeholders in this activity as the major reasons for the success of this activity.

The process commenced with the Chief Secretary selecting the two pilot districts based on an initial awareness and selection of ten districts by DPLGA and PLGP in 2014.



## **Awareness and Consultations**

The Provincial Administrators were approached and the survey form reviewed and permissions gained. A similar activity occurred with the District Administrators who also brought in Local Level Government Presidents who reviewed the survey, made suggestions for improvement.

## **Collaboration**

The Local-level Government Presidents conducted two weeks of awareness about the survey encouraging people to complete it. The final step was to approach the local member for Parliament and gain permission.

## **Incentives**

Permissions were given by stakeholders with a clear understanding that the survey questions aimed at identifying gaps in development and were intended as an aid to district planning and the allocation of resources rather than criticism of key players.

**Figure 7: Number respondents accepting invitation and completing survey**



200 respondents were placed in a lucky dip to receive a K5 (AUD 2.50) top up if they completed all survey questions. A total of 10,000 mobile phone users were sent an invitation to participate in the Alotau District survey of which 1,337 accepted the invitation (13%) and 1,148 (76%) completed all questions in the survey. Figure 5 indicates the participation and completion rates for the districts which are very high for public opinion surveys conducted anywhere in the world.

## **Data analysis**

A District Public Opinion Survey Data Analysis Package was prepared by research specialists in the Program Management Office and forwarded to the province, district and Open Member. It included:

- PowerPoint with slides for each question showing analysis of data
- Commentary on Power Point slides
- Public Opinion Survey Form
- Cross tabulated data
- Communication Strategy.

Cross tabulations of data were done and analysed for exceptional cases. For example, the Alotau and Unggai-Bena survey data suggested a need to target women and men in the 45-59 year age group working in the informal sector with additional resources to increase awareness and understanding of gender issues in that age group and that workplace.

The Communication Strategy included background to the survey; communication objectives; survey data; Stakeholders to be targeted; key messages; appropriate media; indicative costs; and implementation schedule of media events.

### **Efficiency**

The two pilot public opinion surveys conducted in Alotau District and Unggai-Bena District cost a total of AUD 80,000. The high cost included setup and design costs for the electronic platform and the cost of SMS calls.

The success of the pilots led to a tender for surveys to be conducted in the program's five priority districts: Sohe, Mul-Baiyer Lumusa, Nawaeb, Kandrian-Gloucster (later replaced by Talasea) and Nuku.

The successful tenderer costed the five surveys at a total cost of AUD 45,000. The considerable saving resulted from using the same private IT firm that did the pilots and not having to pay set up and design costs again with a new organisation.

### **Impact**

The public opinion surveys have had a significant impact on many stakeholders. Initially there was scepticism that public opinion surveys would be successful in PNG because of the risk to local politicians, the reticence of citizens to complete lengthy surveys and a lack of willingness to share information. The AHC was fully supportive of continuing surveys to enhance citizen empowerment and another mechanism for holding government accountable.

Provincial, district and local members during awareness by EPSP all indicated that the surveys were important and would help the district to improve planning and services and to understand better the perceptions of people where progress was being made in a district and where gaps existed.

Milne Bay Province on the basis of the success in Alotau District requested surveys to be conducted in the remaining six districts in the province. All of the district administrators want the surveys conducted at least yearly to show trends over time and how DSIP and PSIP funds are spent.

### **District accountability initiative**

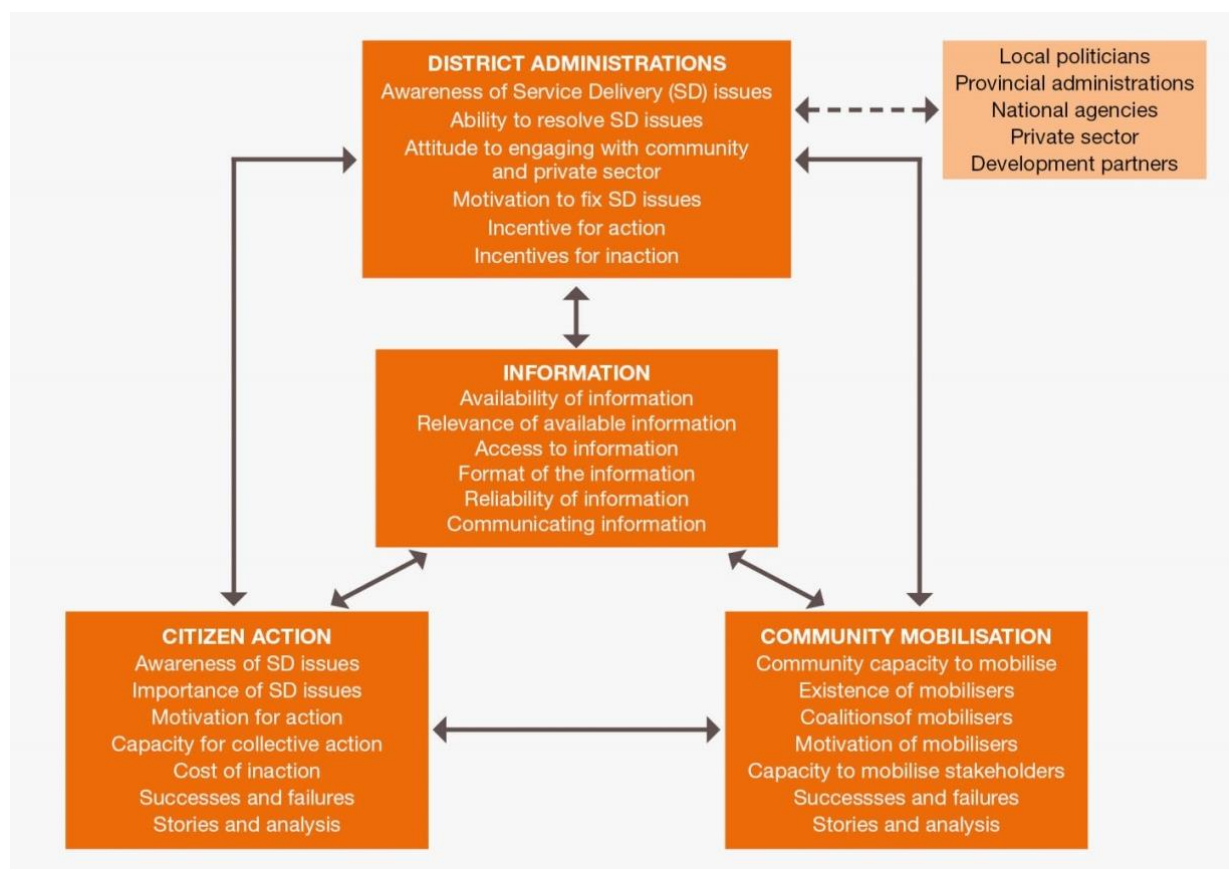
The District Accountability Initiative (DAI) is an innovative approach developed by EPSP and PLGP to assist grassroots people, and others, who have genuine grievances with the public sector about the delivery of mandated and promised services. It builds on the District Development Authority (DDA) legislation passed in 2015 which gave districts greater responsibility for procurement, contracting and service provision.

The DAI took another perspective on citizen accountability and analysed community mobilisation capacity and the propensity of citizens to take action. An analytical framework centred the availability and flow of information to and from stakeholders located in a district and actions taken, or not taken, as a result of the availability and location of information.

The purpose of a DAI is the rapid administrative resolution of service delivery complaints at a district level. DAIs may operate in different ways depending on the circumstances at the time. The DAI may operate on several levels as an advocacy group that raises issues about district service delivery; a pressure group that mobilises people to improve district service delivery; an honest broker with credibility to approach senior agency staff to resolve outstanding complaints; provide on-going feedback and communicate activities, progress and outcomes; and as a last step, able to assist individuals, or groups, to commence court proceedings where mediation of the complaint has failed.

The Consultative and Implementation Council (CIMC) partnered with EPSP to facilitate this initiative at a modest cost of AUD 38,700. Diagram 1 outlines the analytical framework for the activity. A comprehensive understanding of the flow of information to and from District Development Authorities and communities was the beginning point of data collection by CIMC research teams.

**Diagram 1: Analytical Framework for District Data Collection**



There were four steps in the design of the initiative:

- data gathering in five districts in PNG collected a series of case studies focusing on successful and less successful strategies adopted by individuals and local communities to achieve improved service delivery at the local level;
- case studies of graded actions that can be taken by citizens to achieve improved services;
- a training program developed to be delivered to districts to inform citizens of rights and obligations in relation to mandated service delivery and graded actions to achieve improved services; and
- management mechanisms established in the five districts that effectively mobilised individuals and formal groups such as women's associations, church fellowships, and private contractors to implement graded actions to achieve improved services.

### **Findings**

CIMC collected data from Sohe, Mul-Baiyer Lumusa, Nuku and Nawaeb in 2016 through community meetings with women's associations, youth groups, private sector and church representatives, and with CEOs of DDAs and staff and Local Level Government Presidents.

Preliminary analysis of the data at the time of writing this report identified the need for improved understanding by bureaucrats and citizens about new government initiatives such as DDAs and Provincial Health Authorities; new roles and responsibilities arising from policy changes; cultural reasons for lack of action by some communities; responsive bureaucratic and political leaders to remedy neglect by former bureaucrats; and examples of community based actions to provide the services that government did not provide.

In Mul-Baiyer Lumusa, for example, a community self-help group was established by former nurses to provide ante-natal care for women which government health services were unable to provide. The group received initial seed money from Australian Aid in 1993 but has managed on donations and the volunteer services of local women since that time. Neither the Western Highlands Provincial Health Authority, nor the Mul-Baiyer Lumusa District Development Authority has provided any financial or technical assistance to the group.

Steps three and four of the District Accountability Initiative could not be completed because of program savings required towards the end of 2015.

### **Action research in remote districts**

An action research project planned in late 2014 commenced in Abau District in Central Province in April 2015. It was a pilot activity to assess the effectiveness of action research methodology in a remote district in PNG with a focus on improving gender equity in a district based on the strategies contained in the Department of Personnel Management National GESI policy; and the usefulness of a closed user group to connect the research team and the action research groups through regular calls.

The research was a collaboration of Australian and Papua New Guinean academic staff from Deakin University in Australia and Divine Word University in Papua New Guinea whom were experienced in action research in PNG. The 12-month pilot cost a total of AUD 202,000 inclusive of international researcher travel, accommodation and fees and local fees and travel costs to Abau.

A great deal of stakeholder consultations took place to prepare the ground for the research team. EPSP conducted meetings with DPM, Department of Provincial and Local Government Affairs (DPLGA), Central Province Provincial Administrator, Abau District Administrator and administration staff, and the Open Member for Parliament to provide awareness about the project and to gain permissions to proceed. This was a crucial step to inform all stakeholders of the project to ensure its success.

The research team made the first visit to Abau in April to generate interest in the project as a mechanism to empower citizens to take a greater role in local development and decision making. The outcome of that meeting and a subsequent meeting was five action research projects established in Abau rather than one. Twenty six people wanted to be involved in the activity. This was too many for an effective action research group so the group developed five action research projects with four to five people including males and females in each group following their particular interest in gender matters.

The five group projects were: women in business, women's literacy, women and health, girls and education and violence against women. The action research teams developed evidence-based understandings of the causes and consequences of the problems that they were addressing through their actions. With such knowledge they were strengthened in purpose and intention to help their own community.

The community literacy group decided to tap into the existing church support system to provide literacy classes. Illiterate girls and women have reportedly begun to attend these classes. The women's health group has started conducting community awareness on family planning, and the team reports women are interested in better spacing out their births and having smaller families. The violence against women group was working with victims, and seeking support for them through community networks such as pastors and village peace officers. There is reportedly now greater awareness in the community about domestic violence and the number of cases reported to the police and the hospital began to fall.

The research team's final report set out a number of ideas how action research could be rolled out elsewhere at a much lower cost than the pilot. The most realistic action would be to partner with a recognised tertiary institution, such as Divine Word University, which would offer action research training as part of its Master's program in research methods. This could produce four to five graduates a year who could take their expertise into the districts, where they could start other projects and train new community action research facilitators.

An additional evaluation by the team was about the usefulness of a closed user group (CUG) to connect the research team and the action research groups through new technology.

All participants were issued with mobile phones that were connected to a common user group allowing unlimited calls and SMS messages within the group. The system was supposed to allow conference calls, but this functionality was not available in practice. Network problems and difficulties in charging phones were encountered. According to the research team, the difficulties encountered with the mobile phones 'was a significant source of disruption' for the pilot. This was an important element of supporting the participants in their AR work, and for any potential rollout of AR in remote districts in the future.

## **Impact**

Sir Puka Temu, the Minister for Personnel Management and a champion for Gender Equity and Social Inclusion in PNG at the presentation of findings to the community at Abau in November 2015 of the project said the action research was an example of the sort of 'rural democratisation' that he had long championed, and he would like to see similar projects undertaken elsewhere in PNG. 'It is through this type of project that we realise the real value of community engagement, community involvement, community empowerment,' he said. 'I am a strong advocate that this is what builds nations; this community-level inclusiveness.'

## **Lessons learned**

Citizens want to have a stronger role in determining development decisions in their local areas such as action research and are eager to use mechanisms such as public opinion surveys and district accountability initiatives that enable them to express their views about the status of service delivery in their local areas and the work of local bureaucrats.

Unexpectedly bureaucrats and political leaders embraced all three citizen accountability initiatives understanding them from the perspective of valuable information that had not been available to them in the past. These data identify gaps in services and provide guidance for the reallocation of financial and human resources in districts that equally share the benefits of development.

The data collected from the citizen accountability studies provide useful baseline data and follow up work in public opinion surveys and action research enable trends to be discerned and direct lines of sight to better understand service delivery improvements.



## Case study three: Research and evaluation (2011-2016)

This case study exemplifies the value of an active research program to support a range of stakeholders including GoPNG, Australian Aid and the program itself with independent analysis of key initiatives and of social, economic and political contexts in PNG that may impact on development matters.

### Relevance

The Economic and Public Sector Program (EPSP) design document stressed 'without good information no organisation, or government, can operate effectively' and EPSP 'will work to address information gaps and blockages within and between levels of government' with 'research and analysis'. The program will 'support enhanced research and analysis, and the application of that improved information towards a stronger evidence base for policy decisions and resource allocations'. (EPSP Design Document 2009, p.23)

The value of research and analysis by EPSP will 'contribute to improved service delivery by providing valid data and information to public servants and organisations delivering goods and services, as well as informing public sector end-users and consumers'. (EPSP Design Document 2009, p.30)

These statements represented relatively new thinking for Australian aid in which an active research and analysis function was endorsed as a continuous activity from the commencement and throughout the life of the program, rather than as a mechanism to evaluate program performance at the end of a program.

### Effectiveness

EPSP developed an active research program from 2011 to 2016 that included independent longitudinal studies, short-term consultant reviews and evaluations, issues papers, new technology and social media studies, citizen accountability and action research to influence policy, budget allocations and public sector systems and processes. Annex 1 lists all research studies and publications from the program with a link to the work.

All research activity was based on proposals that were considered by members of an EPSP Research Committee established in 2013. The Committee had representatives from AHC, DHERST, UPNG, NRI, Pacific Adventist University, NRI and EPSP. Research proposals had to clearly outline the relevance of the research to the goals of EPSP, previous research, research questions, methodology, research team members, timeline, budget and reporting protocols. The Australian aid investments in research had realistic and measurable outcomes, supported by robust inquiry, methods and analysis by reputable and experienced research organisations and individual researchers. Research reports were sent for peer review before final acceptance of the reports by EPSP and forwarding to AHC.

The investment by the program in research and evaluation studies achieved its purpose with internal and independent research contributing to enhanced understanding of policy formulation, capacity development, leadership, financial management, staffing, agency performance, labour market conditions, gender equity and social inclusion, new technologies for development, and citizen accountability studies.

EPSP built into all research contracts a requirement for seminars, workshops and meetings to inform stakeholders of research methodologies and findings to maximise the use of newly generated knowledge and to influence policy and practices.

EPSP Communication specialists played an important role in the management of knowledge generated by the program from straight forward media releases to public meetings, video productions and formal launches of research outcomes. Social media was employed to maximise the dissemination of knowledge (Case Study Eight: Communications).

A selection of six studies from the research program is included here to illustrate the nature, variety and value of research and analysis and the response of stakeholders and beneficiaries to the investment results.

### **1. From Human Capacity Development to National Capacity Development: a report on capacity development in the economic and public sectors of PNG during 2006-2013**

The study was conducted by Education Project Management based in Melbourne, Australia. The study focused on the use of advisers to develop the capacity of PNG counterparts in economic and public sector agencies between 2006 and 2013. The study involved 81 adviser and 91 counterparts employed under ASF (2006-2010) and EPSP from (2010-2013). Quantitative analysis was done on completion reports from advisers and counterparts using NVivo qualitative data analysis software and on-line surveys, and qualitative data were collected using structured face-to-face interviews and focus group sessions in Port Moresby. AHC staffs in Port Moresby and Canberra were consulted about the research design, and met with the research team to discuss findings and implications for the Australian aid program at the completion of the study.

Findings were presented together with a stakeholder validation process in Port Moresby including AHC staff, SGP, PLGP and EPSP management and advisers, GoPNG executive staff including Secretaries and former and current counterparts before the final report was forwarded to EPSP and AHC.

The extensive evidence presented in the 200-page report indicated that, in general, adviser-counterpart placements were 'successful during the period since 2006'. Importantly, the counterparts, the stakeholders and GoPNG senior managers often reported success of the placements. Research participants made criticisms such as small and regular extensions of contracts; poor needs analysis; and internal agency politics. Examples of agency limitations and weaknesses were given such as insufficient human capacity, lack of will or interest in change; and poor performance management. Most participants offered views about how adviser-counterpart placements could be improved in the future such as cultural awareness and training; capacity development as a learning process; tensions between process and product; but indicated adviser-counterpart placements must continue to be part of PNG's future capacity development.

The research showed that most EPSP advisers operated in a second generation capacity framework with the emphasis on country ownership and technical assistance explicitly within the framework of capacity development.

The study found a number of EPSP advisers operated in a third generation framework which 'seems to occur more frequently out of exigency than by design' and 'were concerned more about sustainable capacity development as opposed to more tangible placement outcomes. Indigenous 'ownership' was valued at the micro level, giving rise to practices where processes and outcomes emerged from the local context under adviser direction and guidance.

Most research participants reported that it was necessary to sustain continuous or regular capacity development to maintain good quality public services within the changing social, political and economic circumstances of PNG. It was not a single 'boost' of capacity development that was required by PNG for its national development. The extent of social and economic change occurring in the nation required capacity development, either donor-supported or provided by PNG itself, for some time yet to come.

A 'findings' workshop was conducted by the team in 2013 and 35 participants from AHC, GoPNG agencies, SGP, PLGP and other donors attended. The evidence and analysis was well received and resonated with the participants. The design of the workshop allowed for extensive participation by all who attended with group activities centred on the themes identified by the project team. A plenary session considered the outcomes of the small group work and also provided an opportunity to take an overview of the project in total. Each group provided its summary points and comments, and further notes were taken of the plenary discussion for use in the preparation of the final report.

In addition to the workshop the project team briefed DFAT colleagues from POM and Canberra on the progress of the project and the major themes identified for the workshop. A meeting was also held

with the PLGP team to brief staff on the project and to consider how the findings may relate to its activities.

## **2. Service Delivery Study: Six EPSP Case Studies**

The Australian Continuous Improvement Group (ACIG) based in Melbourne, Australia conducted the study over a twelve month period. The purpose of the study was to Identify outcomes, success factors, challenges and barriers emerging during implementation between mid-2010 and the end of 2013, as shown by a sample of six case studies of initiatives supported by EPSP; illustrate key ways in which the program contributed to the goals and results identified in the results framework; and assess program strategies that were working, those that were not, and how to better focus the program. The six initiatives chosen were:

- HR CONNECT (DPM);
- Industrial and Employee Relations (DPM);
- Revenue accounting system (IRC);
- Gender Equity and Social Inclusion (GESI) – multi-agency;
- Non-tax revenue (DOF); and
- Recruitment, Change Management and Human Resources Management (DLIR).

Reports were produced by ACIG for each of the case studies. An overview was produced by ACIG which drew much of the extensive data together and summarised:

*The extensive capacity diagnostic and CDA process was effective in establishing a comprehensive framework for capacity development in all the agencies ... improvements in the agencies' performance can be demonstrated, including for example in monitoring non-tax revenues, ensuring accurate payrolls and improving tax revenue accounting, however these have only very indirect effects on direct service delivery to the public.*

*Long-term advisers, short-term consultants and grants all were effective in some measure. We did not observe strong efforts on the part of the government agencies to monitor and improve performance; what monitoring, reporting and improvement action planning that existed was largely due to the efforts of EPSP PMO .... each of the six initiatives had some positive impact on overall capacity of the agency. Results range from those already being achieved and likely to achieve more (HR CONNECT, GESI, IRC RAS II, DLIR), to a mix of partly achieved at the initiative level (DoF NTR, DPM IR).*

## **3. Promoting Effective Public Expenditure in Papua New Guinea**

The Promoting Effective Public Expenditure in Papua New Guinea (PEPE) study was conducted by ANU and NRI from July 2012 to April 2014. A 180 page report titled 'A Lost Decade? Service delivery and reforms in PNG 2001-2012' was produced by the research team. The study had two components. The first component focused on analysing past budget trends to understand how PNG allocated its public resources at the national level over the last decade. The second component focused on understanding expenditure dynamics through a major expenditure tracking and facility survey in remote locations in education and health across PNG.

The study reported, amongst many findings, that 'The ability of the government to fund core services was compromised by recent budget developments and reforms' and '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 ... almost 50%, despite reports of 2013 final expenditure figures showing that the government was unable to spend all of its rapidly expanding development budget. The study concluded that 'prioritising the development budget is leading to the underfunding of front-line services which require recurrent funding to pay for staff and materials'.

A series of large seminars conducted by the team indicated notable improvements in education as a result of increased expenditure, while the health sector displayed a state of general decline over the past decade despite significant increases in funding to the sector. Secretaries of agencies such as DoT, DoF, Education and Health attended seminars and commented that data provided 'insightful

analysis to help the budget processes'. The research team provided extensive briefings to the Secretaries of Education and Health in 2014 as further analysis of the data was completed. The Secretaries, at their cost, requested further research by the team to assist agency planning and budget analysis and execution.

#### 4. Enhancing the Budget Process

A short-term EPSP consultant with DoT designed an implementation plan and process timeline (1 to 3 years) to enhance the GoPNG national budget process. A discussion paper titled 'Enhancing the Budget Process of Papua New Guinea' was completed in August 2014. The paper was reviewed by DoT and presented to the Economics team at AHC, but not circulated any wider at the time. There were difficulties bringing key stakeholders such as DoT, DoF and DNPM together for broad engagement because of traditional responsibilities for managing a development budget and a separate recurrent budget which affected the acceptance of the report by stakeholders. The recommendations from the paper were:

- earlier elaboration of the budget strategy paper and the National Executive Council to take 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, allows rest of the budget process to focus on new initiatives/projects; and
- shift focus towards outputs and outcomes rather than control of inputs.

The consultants' work clearly outlined the weaknesses in the current budget process and decision making. A Deputy Secretary with DNPM was able to comment that the report, 'has informed budget reforms that will assist Treasury and National Planning and Monitoring to provide a more unified Budget; with greater emphasis on the quality of the forward estimates; and sectors to provide coordinated prioritised submissions to the Budget process'.

#### 5. Economic Policy Development in PNG

The Chief Secretary to the Government of Papua New Guinea and EPSP identified five issues papers as part of a continuing research agenda to assist GoPNG.

The issues papers were aimed primarily at assisting the Chief Secretary and GoPNG of matters impinging on the effective work of government in PNG. The papers were designed to raise issues which would generate more research questions requiring further work and deeper analysis to inform government, development partners and contractors working in the areas of governance. The issues papers were expected to lead to long-term knowledge and understanding around broader policy development in PNG.

The five issues were: Economic Policy Formulation in PNG; Leadership and Policy Making in the Public Sector, Employment of Departmental Heads within the PNG Public Service; Sub-National Cash Transfers; and Personnel Emoluments Expenditure. The latter two issues papers were not completed due to the need for savings by the program at the end of 2015.

The papers were authored by independent researchers with previous and relevant research experience in PNG. The studies employed a political analysis methodology to better understand informal institutions and formal institutions operated in PNG affecting governance and power in relationships. Questions considered whose interests were best served in decisions made and what coalitions of people came together to influence development decisions.

The Economic Policy Formulation in PNG paper raised issues around the integrity of the budget, functionality of agencies, and accountabilities for economic policy. The Chief Secretary responded to the Economic Policy Formulation paper:

*'The paper on economic policy formulation suggested the only way to improve policy making is through an honest government of PNG process. Any externally driven process would be of little assistance and would most likely be dismissed. I completely agree with this conclusion.'*

*As suggested by the author, the development of detailed case studies, across a range of policies may be of more use. This would allow the Government of PNG to develop a better picture of what is happening and what success (in a PNG context) would look like'. (Correspondence to EPSP dated 25 September 2015)*

Issues papers were just that with the intention of raising deeper research questions and issues. A lack of funding prevented further work from occurring in 2016 on the issues papers.

## **6. Mobile Phones for Development in PNG**

The program was encouraged by AHC to pilot initiatives as a means to better deliver aid. EPSP employed a research strategy that involved piloting innovative ideas followed by evaluation and scaling up successful initiatives as a means to better deliver aid. Mobiles for Development (M4D) successfully piloted three M4D research activities using mobile phones in 2012 and 2013.

1. A free-call emergency phone was placed in the labour ward of Alotau Hospital in November 2012 to be used by rural health workers in Milne Bay to get immediate medical advice in cases of childbirth complications.

The Milne Bay work was continued by Milne Bay Provincial Health Authority based on the evaluation of the pilot by EPSP which showed a high user rate and advise that assisted remote health workers to successfully deliver complicated births. The Milne Bay pilot encouraged Western Highlands Provincial Health Authority, at its own expense, to establish a general health call centre available to the general public. That activity was monitored by EPSP. It was a more complex operation than that in Milne Bay and did not give sufficient attention to awareness of the service and its purpose. It proved expensive and crank calls were high. The Authority developed an improved awareness program that was launched in 2016.

2. EPSP partnered with the VSO Education Program based in Madang to send daily text messages, containing both lesson plans and stories, to elementary school teachers in Madang and Simbu provinces using SMS technology. The trial tested the impact of this intervention on student reading ability. The results of control and experimental groups indicated that students of teachers who received the text messages showed higher reading results on a standardised reading test. The VSO continued the messages to a larger group of teachers in 2015 based on the success of the EPSP pilot.

3. A pilot project in the law and justice sector was completed in partnership with two government agencies: the Village Courts and Land Mediation Secretariat (LMS) and Magisterial Services with mixed results. The pilot was partly successful and not taken up by LMS.

In April 2014, presentations were made by EPSP to the public and interested groups based on the three pilot projects and twelve lessons learned and seven guiding principles developed from the pilots to assist other organisations in the implementation of M4D activities in PNG.

The Department of Finance established the Phones against Corruption Project supported by the Provincial Capacity Building and Enhancement Project (PCaB II). It allowed DoF staff to anonymously report cases of corruption using a free text messaging service. EPSP funded and conducted user experience research, which confirmed that Department of Finance staff generally found the service easy and quick to use and made recommendations to scale-up of the service for use by the public.

### **Efficiency**

The total expenditure on research from 2010-2016 was AUD7,646,623. All activities were conducted within budgets. The Adviser Remuneration Framework was applied to the contracting of research staff which was inadequate to attract some researchers while others chose to take on work for altruistic and professional reasons.

All research commissioned by EPSP was contracted stating clearly the research questions, methodology, budget, timelines and reporting protocols. Contracts were negotiated with larger research organisations such as ANU, NRI, INA, Deakin University, Deakin Institute, Divine Word University, Adam Smith, Birmingham University, as well as small consultancy firms in Australia such as Nuzami and Education Project Management and small firms in PNG such as Makambo Consulting and Tonkiave Consulting.



All research activities were completed on time except for one study. The research 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 completed until February 2015 some 12 months after the expected completion date. The lateness was due to delays in receiving vital census data from the National Statistics Office.

In most cases, research costs were straightforward and covered consultancy fees, field work and in the case of overseas consultants travel and accommodation expenditure.

### **Sustainability**

The nature and extent of research commissioned by EPSP is most likely out of the financial scope and expertise of GoPNG agencies struggling to meet operational expenses through recurrent budgets. Donor funding of research is one means to continue research activity of the public sector. EPSP commissioned a series of issues papers to assist GoPNG to understand key processes of government. This kind of research is likely to be maintained either through donor activity or universities and private research organisations that have established links with GoPNG.

EPSP formally supported the two major economic, social and governance research institutions in PNG: NRI and INA from 2014 to 2016. Australian aid support for these two organisations may continue under the PNG Governance Facility that commenced in June 2016.

### **Lessons learned**

The independence of externally driven research was highly valued by the program and supported other Australian Aid programs such as SGP, PLGP and SPSN.

Effective dissemination of research outcomes has long been an issue for research. Research data traditionally has been restricted to academic journals and high powered meetings. EPSP accessed new technologies to disseminate its research findings more effectively through e-news and interactive websites and mobile phone technology.

## Case study four: HR CONNECT

This case study tracks a human resources management initiative designed by GoPNG in 2011 to provide a 'clean and accurate' public sector payroll. EPSP provided support to DPM with a focus on rolling out the integrated payroll system to provincial hospitals, putting system controls in place, and providing training in provinces. In 2011 'governance' disappeared from the partnership schedules and EPSP was keen to demonstrate the relevance of governance in a health area. The original design was mostly achieved by 2016 with support for DPM from EPSP. Along the way key stakeholders began to interpret the initiative as a mechanism to achieve large savings for GoPNG for which it was not designed.

### Relevance

The Economic and Public Sector program (EPSP) carried out a capacity diagnostics from July-August 2011 and finalised a capacity development agreement in December 2011 with DPM.

A range of supports were provided to DPM including advisory support for corporate implementation, industrial and employee relations, human resources, capacity needs analysis and supported the Public Sector Workforce Development Program. EPSP provided short-term assistance for Excel training, support in monitoring and evaluation.

In addition support was provided for the DPM driven initiative known as HR CONNECT which was the acronym for Connecting On-line Networks for Enhanced Capability and Technology. That support consisted of long-term HR CONNECT Program Manager, Human Resources adviser and a Human Resources Management Information Systems adviser. This was the first EPSP activity designed to address systemic issues within GoPNG.

EPSP budgeted K2 million in 2012-13 and K2 million in 2013-14 to support HR CONNECT under a new Performance-based Funding Agreement approach in PNG. Total expenditure on HR CONNECT from 2011 to 2016 was AUD5,166,251 including adviser costs.

### HR CONNECT

A Human Resources adviser with DPM was novated to EPSP in June 2010 from ASF and remained with the program until Quarter 3 in 2013. A replacement HR adviser was recruited who stayed with the program until Quarter One 2016.

During 2009 and 2010, GoPNG experienced budget overruns of K200 million in personnel emoluments. Staffing and Establishment (S&E) reviews were initiated by DPM and the EPSP HR adviser in 2010 and 2011 which indicated over-expenditure by line agencies was caused by:

- unclear organisational establishments and funding ceilings;
- inaccessibility to timely, current and accurate payroll and budget information;
- engagement of large numbers of staff in unfunded or non-approved roles;
- extensive use of long-term casuals to meet service delivery needs;
- unbudgeted implementation of Awards and Memorandums of Agreement; and
- excessive numbers of unattached officers as a result of large-scale restructuring and political interference in line agencies.

DPM in collaboration with DoF, DoT, DoH and DPLGA developed the HR CONNECT Program in 2011 'to implement four integrated projects designed to improve the monitoring and control of GoPNG personnel emoluments expenditure and ensure HR capacity is developed in a manner that meets the needs of Vision 2050'. (DPM HR CONNECT Proposal Summary 2011, p.2)

HR CONNECT had four projects: Integrated HR Payroll System Rollout; HR Module; Staffing and Control; and Improving HR Management. Diagram 1 presents the program logic for HR CONNECT.

**Diagram 2: Program logic for HR COnNECT**

Inputs	Activities/outputs	Outcomes	Long-term outcomes
<b>Capacity diagnostics</b>  <b>Capacity development agreement</b>  <b>Advisers</b>  <b>Performance based Funding Support</b>  <b>Program Support for M&amp;E</b>	<b>1. Rollout of Integrated HR Payroll System</b> - Payroll system rollout and management arrangements detailed and implemented - Payroll system rolled out to selected hospitals and provincial administrations <b>2. HR Module Project</b> - HR module detailed and implementation arrangements determined - Selected agency staff complete HR module training <b>3. Staffing and Establishment Control Project</b> - Improved arrangements for conduct of staffing and establishment reviews determined and in place - Staffing and establishment reviews conducted - Overview and inter-departmental cooperative arrangements established <b>4. HR Capacity Enhancement Program</b> - General Orders (GO) reviewed, rollout and refined following feedback - National and provincial HR practitioners complete GO awareness and capacity enhancement workshops regarding roles and functions within the public service	<b>For DPM</b> - Increased capability of DPM Divisions to plan manage, monitor and report on rollout of IHRPS; develop and manage a broader role of HR functions within the IHRPS; effectively undertake staffing and establishment reviews and associated corrective actions; develop, refine and roll out general orders; and provide training and support to HR practitioners in government agencies for improved practice <b>Specifically for IHRPS</b> - Improved knowledge, skills and capability to implement rigorous and effective data cleansing processes - Improved use and/or reestablishment of controls with Alesco to improve system security and data integrity - Improved accountability through use of more detailed documentation and reporting processes - Improved ownership and coordination through establishment of governance arrangements - Improved cooperation with other key agencies involved in payroll and related HR functions <b>For Agencies</b> - Improved accountability and control over staffing and payroll expenditure - Increased payroll management effectiveness leading to improved employee morale and service delivery - Enhanced capability of regional HR practitioners - Increased control in payment of salaries and allowances - Merit based recruitment and training based on job-related competencies - Increased control, governance and accountability over personnel emolument expenditure at agency level - Increased satisfaction levels of staff with responsiveness and accuracy of HR payroll and related systems <b>Public Sector</b> - Improved understanding of the HR roles, systems and business processes - Improved control over staffing levels and personnel emoluments expenditure	<b>For DPM</b> - DPM fulfils is statutory obligations to manage staffing resources across the public sector including policy, audit and control, training and support, and integrated payroll and HR functions - Clearly articulated, and effective coordination arrangements in place with other key agencies involved in payroll and related HR functions <b>For Agencies</b> - Agencies have full ownership and accountability of staffing, establishments, and personnel emolument expenditures - Elimination of over-expenditure in personnel emoluments resulting in savings to improve service delivery - Integrated HR payroll system is primary source of payroll information and transactions - HR and executive management meet business and financial targets through understanding, analysis and management of key business data and activities <b>Public Sector</b> - Integrated HR payroll system is the primary source of GoPNG payroll information and transactions - Improved quality of HR policies, regulations, and processes  ↓ <b>Impact</b> - Savings from over-expenditure directed to service delivery - Improved workforce satisfaction

## 1. Integrated Human Resources Payroll System Rollout

This project aimed to build capacity of DPM for management of the Integrated Human Resources Payroll System (IHRPS). DPM rolled out the IHRPS to eight regional hospitals and provincial health authorities to commence with during 2010-11. This project aimed to:

- develop and implement the one position/one person/one pay control in the system on a site by site basis, once the data has been cleansed;
- develop and implement standardized/consolidated HR reports to facilitate the data cleansing process;
- compare, identify and adjust discrepancies between approved organisation structures and establishment/position details in the IHRPS;
- develop and implement templates for the purpose of recording findings and tracking decisions and actions taken;
- identify positions with more than one occupant and take necessary corrective actions;
- identify all unattached officers and ensure they are clearly 'marked up' in the system;
- validate and up-date dates of birth, commencement dates, vote codes, and reference fields;
- validate and up-load leave balances for all employees; and
- ensure allowances being paid to employees were in accordance with awards and agreements.

A major activity of the IHRPS project was data cleansing. Previous attempts by DPM in 2003-2004 to cleanse data within the HR Payroll System had been inadequate mainly due to the lack of rigour and functionality to apply the 'one position, one person, one pay'. That functionality was available but was turned off sometime after the implementation of the system together with other control mechanisms.

These controls needed to be re-established with further data cleansing activities to minimise the risk of system misuse.

The rollout gave agencies the ability to take ownership of staffing, establishments and personnel emolument expenditure, maintain employee and establishment data and administer the fortnightly payroll for their staff through the Integrated HR Payroll system. Full accountability, as a result, would rest with the agency.

### ACIG Study 2013

In 2013, ACIG spent three weeks in country interviewing and visiting provincial centres to gather data about IHRPS project. The overall findings:

*The process leading to the preparation of a capacity development agreement appeared to follow a methodical approach that received positive support from DPM key stakeholders. The implementation of HR COnNECT was undertaken in accordance with internal priorities of DPM and other cooperating stakeholders, and its focus was guided by central government directives in relation to whole-of-government concerns with payroll cost over-runs. Progress on the rollout for IHRPS and associated data cleansing appeared to be on track, and in line with the overall project management and data cleansing plans, and performance based funding milestones. The Department of Finance personnel, who represented the master user and repository for the payroll system, reflected their satisfaction with the IHRPS rollout with regard to its pace and broad achievements. (ACIG 2013, p. 6)*

Those hospitals that already had access to the system noticed significant efficiencies and increased service delivery as a result. At an earlier workshop in October 2011, the CEO of Mt Hagen Provincial Health Authority, Dr James Kintwa stated:

*The roll out of the IHRPS is very convenient to us. We can now have someone put on the payroll by the next fortnight, rather than waiting 6-9 months. It has delivered very significant savings for us by allowing our people to input data and through access to threshold reports.*

Similarly, the CEO of Mendi General Hospital, Dr Joseph Turian, presented his experience to workshop participants commenting:

*Alesco [the integrated HR payroll system] contributes to realisation of improvements in hospital standards and clinical governance. Awarding of pay increments was previously done in headquarters and took months. Now, once documents are approved the process takes only days. Alesco is a way forward approach: an agent for change.*

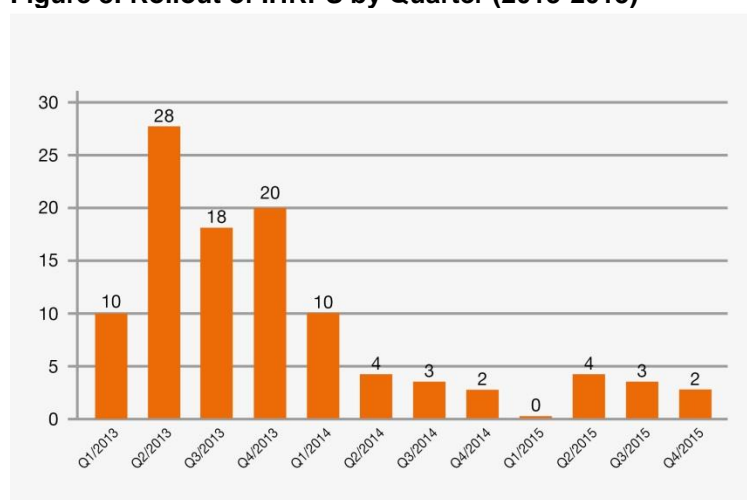
An early review of the progress of HR CONNECT by EPSP in 2011 found the rollout at Mendi Hospital had saved K80,000 in three months and the CEO reported that staff morale had improved due to shift allowances now paid on time and attendance had improved through non-payment of wages for staff absent from work without legitimate reasons. The project also demonstrated improved skills, competencies and experience for HR, salary and organisation development staff at the hospital.

Rollouts continued progressively from 2012 to provincial administrations hospitals and provincial health authorities across all provinces, districts and local level government areas. 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.

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 fell into two categories: i) those where the Establishment Comparison Table (ECT) could not be obtained, so it was not possible to match the HRMIS data to the authorised establishment. ECT documents were unavailable from Correctional Institution Services, Police and PNG Defence Force, and ii) those where there was reluctance to cooperate with the data cleansing team, e.g. the Judicial and Magisterial Services.

Overall the rollouts continued within acceptable timeframes for the implementation. A total of 104 agencies were online and had 1PPP switched on by 2016.

**Figure 8: Rollout of IHRPS by Quarter (2013-2015)**



## 2. HR Module Project

The HR Module project aimed to ensure all awards, agreements and allowances were correctly configured within the IHRPS; and improve human resource management in the public service through automation of key human resource management activities such as merit-based recruitment and selection, contract and leave management and training and development.

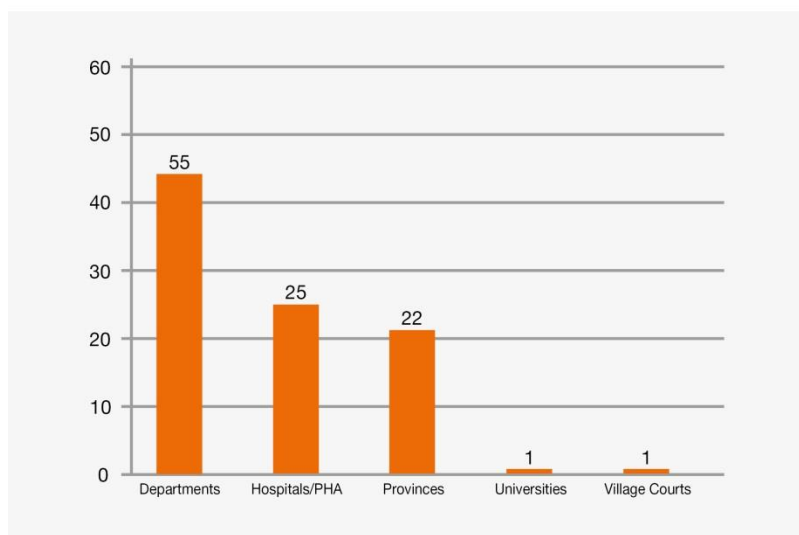
There were overlaps between Component 1 IHRPS and Component 2 HR Module. It was an integrated HR payroll system after all. The cleansing of data, the implementation of 1PPP, linking of



position and occupancy records were important achievements before work on ensuring awards and allowances were paid correctly.

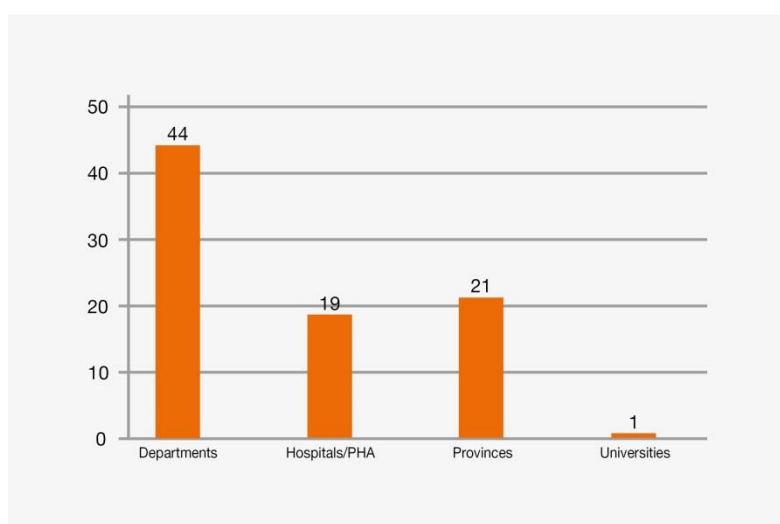
The project was initially scoped to pilot HR Module in eight hospitals with progressive implementation to other GoPNG priority sectors of education, transport and infrastructure and law and justice. A total of 22 provincial hospitals and three provincial health authorities had data cleansed, were online and had 1PPP switched on by the end of 2015.

**Figure 9: Total Agencies On-line 2016**



Linking position and occupancy records prevents an agency changing classifications above the authorised level and therefore overpaying or underpaying staff. Figure 3 indicates that 85 agencies had staffing linked to occupancy by the end of 2015 resulting in personal emolument savings of K1.2 million.

**Figure 10: Total Agencies Linked to Occupancy 2015**



Once operational, the HR module within the IHRPS will allow correct position and employee data to be maintained which delivers increased control in payment of salaries and allowances. It ensures that the correct allowances are paid against positions and that only those employees with the requisite skills, qualifications and competencies are recruited and paid against a position.

HR CoNNECT commenced allowances data cleansing in 2015. It could not be commenced until basic data were reliable. Allowances data cleansing moved into the initial analysis phase with data being

extracted showing allowances paid in 2015. This uncovered numerous instances of allowances being paid illegally outside of the provisions within the General Orders. Of particular concern are Domestic Market Allowance (DMA) and Special Domestic Market Allowance (SDMA) payments. These will be investigated and corrected as a priority.

A second aim of the HR Module project was to improve human resource management through automation of activities such as merit-based recruitment and selection, contract and leave management and training and development. This did not eventuate because of the generally poor internet services in PNG and the low ownership of computers and access to the Internet. The HR module allows applications for positions to be done online through an internet portal directly linked to Alesco. This is not relevant to PNG at this time because of the limitations on Internet use by agencies and the community.

### **3. Staffing and Establishment Control Project**

This component was scheduled to commence in 2014, and focused on staffing and establishment control. This project included the transfer of casuals from PGAS to the integrated HR payroll system; regular staffing and establishment reviews conducted by DPM to ensure staffing numbers and costs were reconciled and reported against budget; increased control and governance over personnel emoluments expenditure at an agency level; and to ensure the integrated HR payroll system is the primary source of payroll information and transactions for GoPNG.

#### **Independent Review of HR CONNECT 2014**

An Independent Review of the HR CONNECT Program was completed in July 2014 at the request of the Australian High Commission. 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 the reviewer commented 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 was now expected to address personnel emolument overruns and quantify savings.

This change in focus required a different approach and different stakeholder involvement, mainly from DoF in partnership with DPM, and each and every agency/province where the payroll data had been cleansed to make the hard decisions and deal with redundancies, overpayments and payments to people in positions that did not exist.

In its management response, EPSP highlighted the requirement for agency heads or provincial administrators to take the final decision and remove 'ghosts' from payrolls and address allowance overpayments. This went beyond what HR CONNECT was designed to achieve, and essentially required strong GoPNG leadership.

#### **HR CONNECT Oro Pilot**

The Independent Review of the HR CONNECT Program in 2014 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 sought 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, Management

Information Systems (MIS) and Human Resource Advisory Service (HRAS) Divisions of DPM with assistance from the EPSP HR Adviser. The pilot involved 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; and
- 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 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.

Major findings identified strategies for capacity enhancement, Integrated HR Payroll system controls, and improved monitoring and reporting. Savings of K385,000 were made and are verifiable.

Implementation of this methodology across the PNG Public Service will provide provincial and agency senior managers, human resource and finance staff with a clear method for improving the monitoring, evaluating and reporting of staffing and establishment and associated personnel emolument data.

There is a need for improved collaboration between DPM, DoF, DoT, DPLGA and Oro Provincial Administration to satisfactorily complete the work. Greater collaboration will assist in the provision of Provincial Government Accounting System (PGAS) data, control of budget appropriation for casual staff, joint ownership of HR Payroll over expenditure, removal of 95 unattached officers, and retrenchment of 14 staff identified in 2005.

The project identified the required actions to be taken to resolve these issues, however a failure in leadership mostly from the Oro Provincial Administration, the Oro Hospital management and DPM to take appropriate actions prevents the potential savings identified in the report to be fully achieved.

There was reluctance by leaders to implement actions because of vested interests not to change the prevailing practices of delaying decisions in the interests of others. The advice from the EPSP HRMIS advise was for system changes such as capping the number of unattached officers permitted by each province and as unattached officers are terminated, or reassigned to an approved position, to lower the cap each time this occurs until there are no longer unattached officers in the public sector.

#### **4. Improving HR Management in Public Sector Agencies**

A major activity for EPSP which commenced in 2014 was Component 4 of HR CONNECT: Improving HR Management in Public Sector Agencies. The training aimed at improving HR practices and implementation of 50 HR Business Processes (BP) relating to the Public Service General Orders to reduce abuse of proper procedures and corrupt practices around travel, living allowances and payment of market based allowances has been a constant problem. Nine workshops were conducted

between 2014 and 2015 for 346 males and 199 females from these workshops are mainly attended by the Provincial Administrator, CEO of the Hospitals or PHA's, senior and middle managers, District Administrators and local level government presidents.

Evaluations at the end of workshops measured knowledge levels before workshops (mean 64 per cent) and improvement at workshop end (mean 98 per cent). EPSP visited Sandaun and Manus Provinces nine months after the workshops to interview provincial administration and public health authorities six months after the BP workshops conducted in 2014. The purpose of the visits was to establish if participants were applying knowledge and skills in the work place.

Follow up work by EPSP nine months after showed 'The Sandaun and Manus Provincial Administrations reported significant improvements in both increased knowledge and confident practical application of the business process in the workplace by participating staff but adequate flow on training had not taken place'.

The Sandaun and Manus Provincial Administrations reported significant improvements in both increased knowledge and confident practical application of the business process in the workplace by participating staff but adequate flow on training had not taken place.

There was concern about the cost of the rollout and EPSP funding for HR CONNECT ceased in Quarter Three 2015. DPM continued workshops including costs of adviser to assist with the facilitation of the workshops. Additional funding was provided by provinces and other GoPNG agencies that sought this form of training.

## **Sustainability**

### ***Data cleansing***

The EPSP funded HRMIS adviser completed work with DPM in March 2016. DPM has indicated it will continue to finalise the data cleansing based on the training provided by the adviser and responsible staff within the HRMIS Branch at DPM. Allowance data cleansing will proceed and all the tools such as system reports and processes were developed in 2015.

HR CONNECT is a part of the DPM corporate plan and with ongoing budget overruns it is the only vehicle that GoPNG can use to make decisions on payroll and system changes. DPM MIS and Human Resource Advisory Services in DPM will continue to have the key role in HR CONNECT which will continue to be funded from the recurrent budget.

GoPNG have implemented some significant system changes to the HRMIS over the last three years to tighten controls. All of these have been implemented in such a way that only a "super user" with very high level application access could make changes. According to the EPSP adviser there are now sufficiently experienced IHRPS users in DPM to detect tampering and make the relevant senior management aware that the controls have been turned off. In the case of 1PPP and at the request of AHC the system control has been moved from the application to database level. This further reduces, but not totally eliminates, the possibility of 1PPP being switched off in the future.

### ***Business Processes Rollout***

DPM funded the rollout of the Business processes program during 2015 and included recurrent funding to continue the rollout in 2016. This training could be achieved through the growth and development of PNGIPA through the support of the Precinct.

### ***Risk to sustainability***

One area of risk is when GoPNG decides to upgrade the IHRPS. The current working version is 12.2 which is no longer supported by Concept the Australian vendor of the software. DoF planned to upgrade to the latest version 15.0 for the last three years and is likely to happen in 2016. All of the reports and customisations that HR CONNECT have implemented will need to be upgraded along with the core program. These upgrades will be done either by the Australian vendor or the PNG distributor. This will need to be managed carefully to ensure that the custom work is moved to the new version and the functionality remains.

## Lessons learned

The initial scoping for HR CONNECT was done by GoPNG agencies with assistance from an EPSP HR adviser in 2011. The intent of the project at initial scoping was the rollout of IHRPS (Component 1) and to apply HR modules such as applicant tracking, training and development, and performance management attached to the payroll system (Component 2). The assumption that sophisticated HR modules use in developed countries would easily transfer to a developing context was misplaced. The addition of HRMIS technical expertise at the beginning of the scoping activity would more than likely have improved the design of the overall project and identified and assessed the parameters likely to affect the functionality of IHRPS.

It was not until the subsequent appointment of a project management team by EPSP in late 2012, some 18 months after initial scoping which included a HRMIS adviser with appropriate technical expertise whom quickly established the need for 'clean' payroll data before a new system could be effectively introduced. This was agreed to by DPM and cleansing of data commenced in 2013:

A second important lesson from HR CONNECT is the need to carefully explain to key stakeholders the technical basis of a complex system and what it is able to achieve in practice. Some stakeholders had unrealistic expectations that significant savings from the project would be realised unaware of deeper issues around misuse of the payroll; the employment of large numbers of casual staff managed through the PGAS system; misuse of a complex set of public sector allowances; and officers who were on an unattached list, but continued to be paid. HR CONNECT of itself could not make the savings that came to be expected. The vital role of GoPNG leadership to take decisions to reduce the over expenditure on personnel emoluments needed to be much stronger. This remains an outstanding issue for GoPNG to resolve.



## Case study five: Gender equity and social inclusion

This case study is about changing policy, processes and attitudes and behaviour towards the status and positioning of women in the PNG public sector and facilitating conditions for change. The Gender Equity and Social Inclusion (GESI) policy championed by DPM had a major influence on repositioning the status of women in the public sector.

### Relevance

The Economic and Public Sector Program (EPSP) design document stated: All Australian development assistance should be provided in a manner that advances gender equality and empowers women, particularly through supporting country-led priorities for gender empowerment, engaging with both men and women to advance gender equality, strengthening accountability mechanisms and supporting the collection and analysis of information to increase gender equality and improve results (EPSP Design document 2009, p. 43)

The design document required a full time Gender specialist, with specific skills and expertise in relation to gender equality and gender mainstreaming in the public sector, to be a part of the PMO from the beginning. The PMO subsequently employed a Senior Gender Co-ordinator in 2010 to support the Gender Specialist.

In 2011 the PMO was focused on conducting capacity diagnostics and translating those findings into CDAs with agencies.

Gender questions were integrated into capacity diagnostics and consultants were supported by the PMO gender staff to collect gender-related information. The quality of the information varied across agencies and in large part depended on the level of understanding and commitment to gender equality by the capacity diagnostics consultants.

Seven agencies were identified as needing short-term consultancy support to improve gender relations in the workplace: IRC, DoF, ICCG, DPM, DoT, PM&NEC, and DLIR.

The PMO, with AHC approval in 2012, amalgamated the seven agencies short-term consultancy positions into a single long-term Whole-of-Government Gender Equity and Social Inclusion (GESI) adviser. The intention was that the adviser would work across the agencies with which EPSP engaged ensuring a uniform approach to gender issues and gender management. The adviser was located with DPM because of its critical role in driving GESI across the public sector.

### Efficiency

The GESI investment aligned with the purpose of the aid program, to promote Australia's national interest by contributing to sustainable improvements in the positioning of women in PNG.

The PMO gender staff and the GESI adviser formed a strong and effective working partnership throughout the life of the program to achieve DPM objectives for GESI outlined in the national GESI policy and consistent with the overall objectives of Australian Aid investment plan to improve the status of women and to reduce poverty in PNG.

The total expenditure on GESI activities from 2011 to 2016 was \$1,928,291.

One of the earliest activities established by the PMO Gender specialist was a Gender Community of Practice (CoP) with a broad representation of people operating in gender areas from GoPNG agencies, non-government agencies, private sector and other donors to harmonise implementation arrangements for GESI across PNG. For example, five gender CoP meetings were held in 2012 with GoPNG agency staff and donor programs such as Provincial and Local-level Governments Program and the Australia and PNG Law and Justice Partnership in attendance.

The CoP promoted a strong advocacy program amongst GoPNG agencies with activities such as the Safe Spaces in the Workplace seminar facilitated by a Deputy Secretary from DPM and DLIR, and the

Gender Based Violence in PNG seminar hosted by the Coalition for Change and the Governor of NCD.

### **Effectiveness**

GESI operated on program logic that included activities mostly defined in the national GESI policy with expected outputs and outcomes.

### **Early Development**

The work of the PMO Gender specialist in 2011 had mostly focused on gender awareness and working with agencies to mainstream gender. The Gender Community of Practice was established and gender campaigns were organised by the team.

A Gender Equality and Social Inclusion strategy was developed by EPSP in June 2011. The strategy focused on integrating gender equality, disability and HIV and AIDS in EPSP by mainstreaming them in key program activities such as capacity diagnostics and capacity development agreement processes.

Implementation of the GESI strategy progressed well in the second half of 2011 resulting in positive engagement with partners on the issue of GESI. International women's days, gender campaigns such as Use Your Voice, and the Gender Community of Practice established by EPSP were particularly important entry points for engaging with partners on GESI.

As mentioned earlier, EPSP funded a whole-of-government GESI adviser based at DPM who worked closely and effectively with the PMO Gender specialists from 2012 to 2015 when the contract with the whole-of-government GESI adviser ended. The position was re-advertised and filled in early 2016.

### **Kirapim Wok**

The launch of the Kirapim Wok GESI in November 2012 by DPM signalled the start of twelve months of GESI oriented activities in PNG. It also signalled, in clear terms, that there was considerable political will to improve the lives of women and girls in PNG. The launch promoted the inclusion of GESI in the PNG Public Service General Orders for the first time as General Order 20. These events resulted in increased awareness and ownership by DPM to lead central government and public sector agencies to take concrete action to address gender inequality and discrimination in agency workplace cultures. A video production by EPSP of the intended project was screened at the launch of Kirapim Wok. The Minister for the Public Service requested the audience at the launch to log onto the EPSP website and take the Oath to Stop Violence against Women. A total of 90 women and 93 men signed up to the Oath at the launch. The website campaign was run for two months by EPSP which, with permission, published the names of those taking the oath in both the National and Post Courier newspapers.

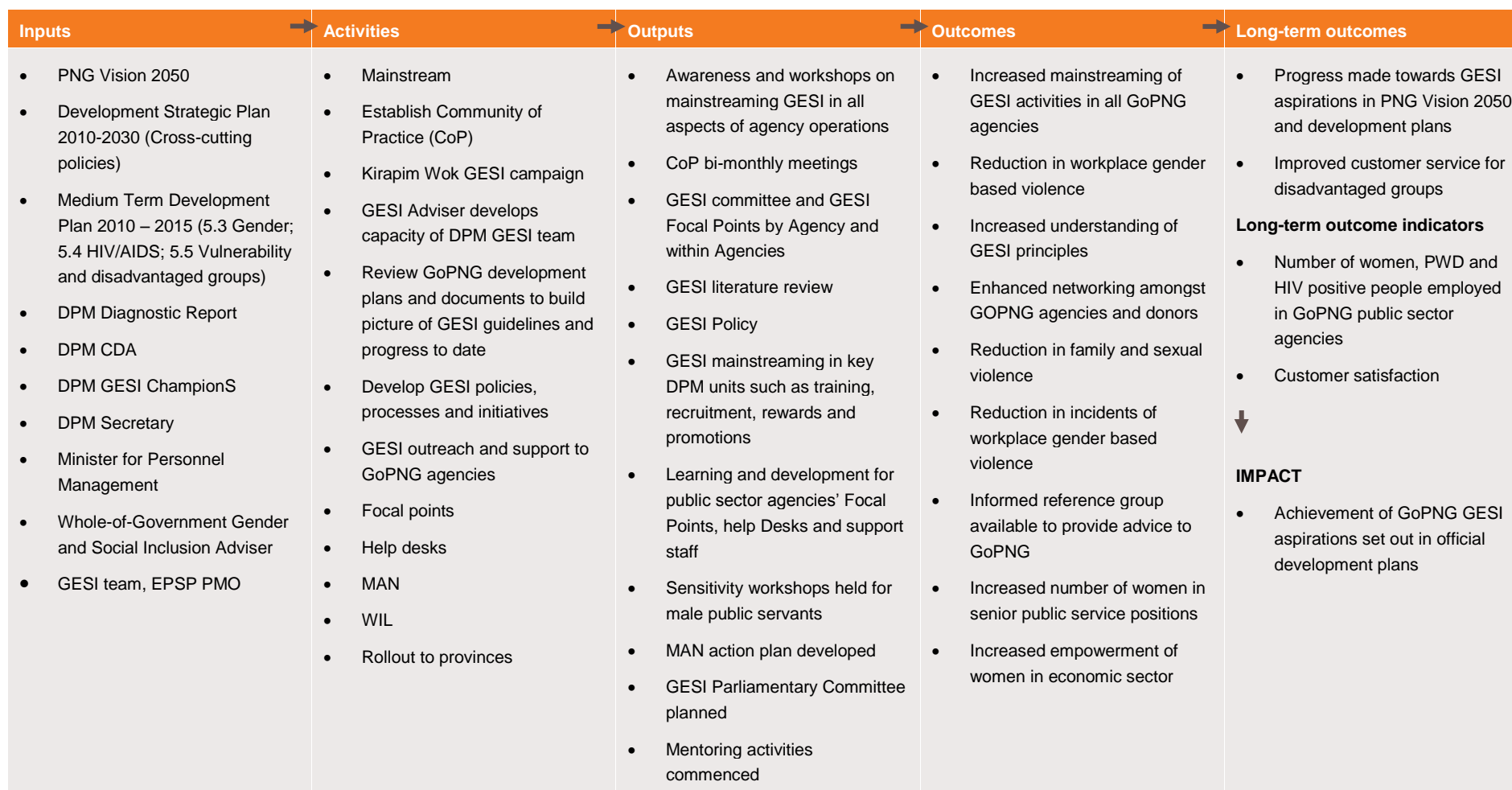
### **National GESI Policy**

The Minister for the Public Service, during the launch, also called for a GESI policy from the Secretary for DPM by the end of December 2012. The policy is a comprehensive document that was developed on time by DPM with assistance from the EPSP whole-of-government GESI adviser and the PMO Gender specialists. The national policy was approved by the National Executive Council in December 2012 ready for launching in January 2013.

Conversation Two in the EPSP Annual Report 2012 provides an analysis of how the policy was developed in a short period of time.

Diagram 1 provides the EPSP derived program logic of GESI with expected outputs and outcomes developed from a range of activities from 2010 to 2016.

**Diagram 3: Gender Equity and Social Inclusion program logic**



## **Gender Community of Practice**

The Gender CoP continued to attract a wide range of stakeholders to build relationships and networks from 2011 to 2016. The work of the CoP was essential to the success of GESI.

## **GESI Toolbox**

GESI Toolbox was completed by DPM and EPSP in 2014 to assist agencies establish GESI. The toolbox includes strategies for mainstreaming, M&E processes and model evaluations, budget issues and roles and responsibilities of focal points and help desks.

## **Focal Points**

The GESI team supported agency Focal Points to implement the GESI Policy. The relationships built in the CoP over the previous two years helped gain access to agencies and provided a good starting point for the establishment of focal points.

GESI focal points were established in ten provinces between 2014 and 2015: WNB, Gulf, Madang, Sandaun, Oro, Morobe, Manus, WHP, EHP and ARB and nine agencies: IRC, DLIR, DfCD, DoF, DoT, PM&NEC, DPM, Department of Works (DoW) and DNPM.

## **Learning and Development**

EPSP supported GESI awareness training since 2010. It was included in: the Power Relations component of Wokabaut Wantaim program offered to EPSP advisers and their counterparts; provincial training between 2011 and 2012; a Gender Workshop in Port Moresby in late 2011; and regular Gender CoP sessions from 2011 to 2015.

## **Funding**

Gender was not budgeted for in GoPNG recurrent budgets. One of the activities of GESI was a series of workshops with agency focal points and planning and budget officers was the importance of including specific budget lines for GESI activities to align agencies with national GESI policy and the Circular Instruction 8, 2014 from DPM which directed agencies to seek funding for GESI activities through the budget.

West New Britain budgeted K200,000 in its budget submission to DoF for 2016 and was approved.

## **Help Desks**

Gender Help Desks were established in Madang, Gulf and WNB provinces and at the national level in DPM and DoF. The DPM GESI divisional staff managed the GESI help desk, met with staff regularly and managed complaints. It set a strong example to other agencies, but required further technical assistance in differentiating between HR and GESI complaints. DPM provided training for other agencies through its recurrent budget by the newly established GESI Division in 2015.

## **Male Advocacy Network**

The Male Advocacy Network (MAN) commenced with 26 male participants who attended male advocacy training in August 2013 conducted by the Fiji Women's Crisis Centre. MAN participants signed the Kokoda Trail Commitment committing to eight actions in the home, community and workplace to address inequality. DPM hosted monthly peer review meetings with support from the EPSP GESI Unit and a second MAN workshop for new advocates was conducted in 2014. It was evident by 2015 that MAN participants had been transformed by the experience and were conducting workplace based MAN activities with male colleagues. The following agencies: DoF, DPM, DPLGA, DNPM, DoW, IRC, NBC, ICC, PM&NEC and Ombudsman Commission conducted MAN activities from 2014 to 2016.

EPSP conducted an evaluation of MAN sensitisation and awareness training conducted at IRC by one of the Commissioners who had attended the original MAN training in 2013. The evaluation was conducted in 2016 and Gender relations were put in context by one respondent:

**Most of the staff/officers are not very well informed about Gender issues while still at college. Therefore the awareness we are now conducting is often the first exposure to many male and female officers. The biggest challenge is changing the mindset, as most of our people grow up in the villages, where they learn the traditional values and standards of acceptance of various behaviours for both men and women.**

Quantitative data from an online survey of the 30 IRC male staff participating in the survey indicated increased fairness in their conduct, treatment, approach and attitude towards female employees of IRC. The following qualitative data suggests changes taking place in the workplace and the interactions of male staff in domestic and community contexts as a result of the MAN training.

**As the HR Manager I have ensured fairness in the recruitment and selection process of staff so that women are given a fair go in job promotions or employment opportunities.**

**In the community, if ever there is an argument between a husband and a wife, I encourage and advise those watching to step in and speak to the man unlike previously when all I would do is stand back and keep silent. We need to change our behaviour so that the younger ones can see and understand that what is happening is wrong and should not be tolerated.**

The private sector including Exxon Mobil and Oil Search PNG requested assistance from the GESI specialists to conduct MAN activities at mine sites. GESI stimulus materials were provided to the training units with those companies to continue to conduct in-house GESI activities.

EPSP produced a MAN promotional video in 2015 and partnered with a private sector video production company to produce a high quality video featuring MAN activities with Oil Search launched in 2016.

### **Provincial rollout of GESI**

GESI was successfully rolled out to two provinces: West New Britain and Gulf provinces from 2013 to 2015 with the assistance of PLGP. Both pilot provinces requested assistance to establish Gender Help Desks to report workplace gender violence and capacity needs analysis (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 the provision of training opportunities for women.

Monitoring and evaluation frameworks were established with provincial staff to assess the rollout of GESI. A male and a female staff member from each of the pilot provinces attended a five-day EPSP M&E workshops in Port Moresby to assist with local monitoring. PLGP provided on-going support for those staff and assisted them with evaluations of each of the rollouts.

The evaluation of the rollouts 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 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 the activities.



## Women in Leadership

Women in Leadership (WIL) group was established in 2012 as a group of senior women public servants who would come together and using a participatory research methodology describe and understand the strategies, management and leadership qualities that they have learned are needed to achieve executive positions and to operate effectively in the public sector.

A paper was presented by a representative from WIL titled 'Women and Leadership in the Public Sector in Papua New Guinea' presented at the Deakin Institute in Geelong, Australia during the PNG in Transition Conference in 2013.

The Women in Leadership Group expanded from its initial purpose and pursued activities and successfully lobbied for a Parliamentary Committee on GESI; the development of a clear strategy on how to achieve the government 30 per cent target of women in senior positions in the public sector and action plan for the group; and commenced a mentoring and coaching program for younger female public servants.

Initial mentoring activities were conducted by five WIL members who visited West New Britain and Gulf Provinces in 2014 and held sessions with provincial based female public servants discussing opportunities and strategies to improve the positioning of women.

WIL conducted a successful one-day Women in Leadership Forum in December 2015 attended by 140 senior female public servants. The Report of the Forum produced in February 2016 outlined resolutions aimed at improving the positioning of women in the public sector including legal and policy issues; leadership and professional development; networking; research and conditions of employment.

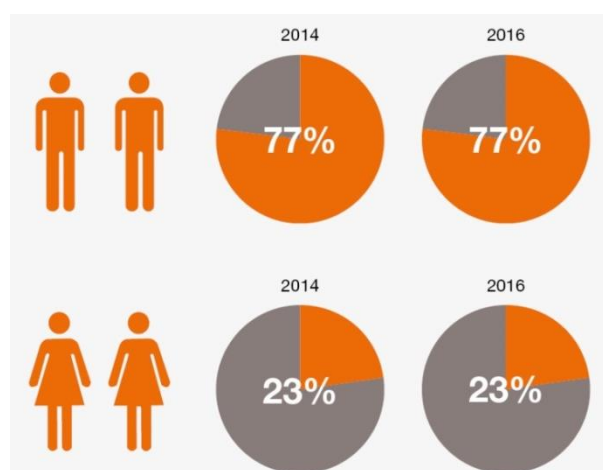
A WIL website was developed with assistance from EPSP and launched at the National Women's Day celebrations in March 2016. The Website contains PNG Women Voices from the Public Sector developed by the EPSP Gender, Communications and Research and Evaluation specialists in 2015 and 2016. These are video stories of the experiences of women who have achieved significant positions within the public sector and reflections on a range of supports and constraints that affected career progress.

### *Women in the Public Sector*

The total workforce on the payroll in June 2015 was 109,358: an increase of two per cent since December 2014 consisting of 65 per cent males and 35 per cent females: the same proportion as at December 2014.

The Women in Leadership group monitored the progress of GoPNG to attain the target of 30 per cent of women in leadership roles. Figure 11 shows the percentage of males and females holding decision making positions in the public sector at Grade 16 and above from the DPM MIS database at March 2016. The figure of 23 per cent is unchanged from December 2014 data.

**Figure 11: Women and Men in Leadership Roles in National and Provincial Government Agencies (2015)**

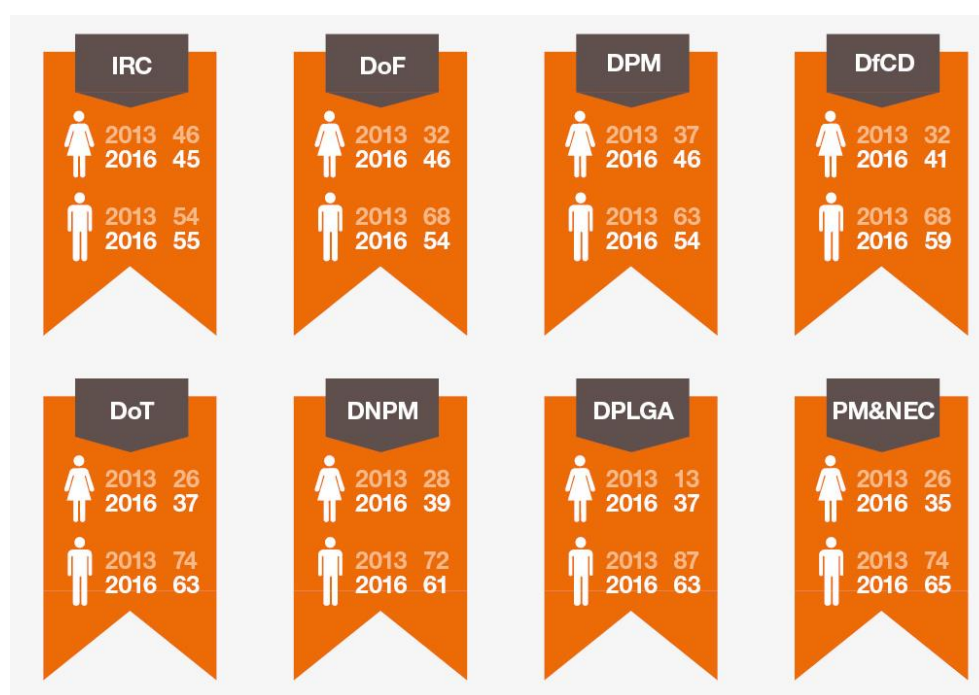


Several agencies responded positively to merit based selection and the promotion of women in 2015. For example:

- DPM promoted two women to Deputy Secretary (Policy and the other is Operations and Corporate Management). The Policy position previously held by a male and the Operations position is a new position. It is relevant to note that replacements for these two Deputy positions were won by women.
- Head of DPM MIS is now held by a female when previously held by a male.
- DoT – three Deputy Secretaries – one was a new position given to a female officer.
- DNPM, IRC, DfCD and DLIR now have female Secretaries holding positions substantively, a significant breakthrough. Previously females appointed to positions of Secretary were always on an acting basis.

HRMIS data were further analysed in Figure 12 by the agencies with which EPSP engaged. Each of the agencies increased its female participation rate from 2013 to 2016. Further analysis in Figure 12 indicates that several agencies DfCD, DoT, DNPM, DPLGA and PM&NEC continued to employ a disproportionately higher number of males than females in the agencies.

**Figure 12: Percentage of Women Employees in Selected Central Agencies**



### Attributing Success

The GESI program is driven by the Secretary and staff of DPM with EPSP financial and technical support including two EPSP Gender staff and a whole-of-government GESI Adviser.

- The Secretary's Circular Instruction 7/2013 instructed all GoPNG agencies to implement the national GESI policy in their agencies.
- The Secretary's Circular Instruction 8/2014 remains one of the most important pieces of work undertaken by GESI in which GoPNG agencies are instructed to create GESI positions at manager or supervisor level and to report directly to the head of the organisation; to include GESI activities in corporate and action plans; and to make submissions to DoT for budget s for GESI positions and activities.
- DPM informed agencies that agency restructures would not be considered unless there was evidence that the Secretary Instructions had been included.
- DPM established a help desk and GESI Division in 2015.

The implementation of GESI commenced in 2013 and progress is considered by stakeholders as an outstanding success. Gender was a single issue of equality for women prior to 2013, but the implementation of the ideas in the national GESI policy have developed a much deeper understanding of the status of women in the public sector, the position of marginalised groups, the antecedents of inequality, and the notion of equity to better frame gender relations.

## **Impact**

Two independent studies of GESI were commissioned by EPSP in addition to internal monitoring and evaluation and reporting to PMG and AHC.

An independent study of GESI was completed by the Australian Continuous Improvement Group (ACIG) in late 2013. It concluded by stating:

*This case study demonstrated tangible results from EPSP and GoPNG's investment in GESI. Some of the outcomes identified in the results chain have already been achieved while others are still in progress. Ongoing Australian support through EPSP or a successor program would continue to make an important contribution to a complex and pervasive issue. This case study demonstrates that the GESI Policy and implementation approach are well worth further investment, which ultimately should lead to improved human rights, public service productivity and service delivery.*

A second independent evaluation of GESI was completed by Tonkiave Consulting in 2015. The study focused on focal points, community of practice and MAN concluded:

*EPSP GESI program effectively increased understandings of individuals on GESI principles through its strategy to improve enabling environment for GESI, collaboration, partnership and increasing male advocacy for gender equity. Change is gradually picking-up with internal mainstreaming of GESI into the organisational structures, occurring in various stages according to agency settings. Commitment by agencies is shown through increased liaison points. Collaboration through CoP networking is leading to WoG benefits. Individually, Gender relationships, attitude, behaviour and knowledge or awareness were observed as major changes. EPSP GESI support has been valuable where past programs have made little progress in influencing change. (p.39)*

## **Sustainability**

GESI continued to develop and strengthen its position as a central GoPNG policy from the launch in 2013 to 2016 as agencies introduced mainstreaming of GESI principles and practices in daily operations.

The institutionalisation of GESI in DPM by creating and staffing a new Division titled Gender Equity and Social Inclusion in 2015; writing GESI into the Public Service General Orders; and the circular instructions from the Secretary underpins the sustainability of GESI in PNG.

The tasks now are to continue to embed GESI in all GoPNG agencies, and to further develop understanding of issues affecting GESI and develop responses to enhance the position of women in the public sector.

There is further evidence of the sustainability of GESI into the future resulting from reform coalitions of stakeholders including all Australian aid development programs and GoPNG agencies committed to implementing GESI. There are coalitions of people exemplified by the support of the Minister for the Public Sector and the Secretary for Personnel Management and including other high profile politicians who have publicly endorsed GESI implementation at the provincial and district levels.

PLGP has conducted GESI training in each of the priority district with which it is engaged since 2013.

Behavioural change takes time. GESI achievements were impressive. EPSP made a regular and strong contribution to DPM's advocacy of GESI across the public sector.

## **Lessons learned**

EPSP has provided considerable long-term advisory and financial support to DPM for GESI. In return DPM embraced the program and the consistent and strong leadership shown by the Secretary for DPM and the Minister for Public Service provided significant male champions to promote GESI across the public sector and at all levels of government. GESI is a good example of the importance of local leadership for lasting results.

## Case study six: Agency transformation – Internal Revenue Commission

This case study focuses on the Revenue Administration System Two (RAS II) at the Internal Revenue Commission (IRC) to exemplify the long-term work of EPSP in an agency, and how a range of EPSP advisers and grant funding assisted IRC leadership to transform core processes, organisational structure, and behaviours and attitudes of staff of IRC to become a modern tax organisation.

### **Capacity Development Agreement**

The Loloata Island meeting in September 2010, with representatives from DoT, DoF, DNPM, PM&NEC, DPLGA and DPM, AHC and EPSP staff, determined which key central agencies were crucial to improved service delivery and would benefit from EPSP capacity development support.

A diagnostic was completed at IRC in July 2011 by Allan Bird and Professor David Kavanamur. The IRC Capacity Development Agreement (CDA) was developed between the agency and EPSP and signed in December 2011. The CDA agreed to six long-term advisory positions:

- Strategic Management adviser later refocused as a Change Management and Governance adviser to assist with the development of the Corporate Plan (2013-2017) to facilitate and coordinate the structural re-alignment of the agency resulting from RAS II;
- Recruitment and HR Management adviser to align agency HR systems with RAS II requirements;
- Training and Curriculum development adviser to provide training and curriculum development in support of RAS II;
- Integrity and Investigation adviser to improve investigative skills of staff, conduct the internal fraud awareness and education program, and promote the IRC policy of anti-corruption and zero tolerance policy consistent with the RAS II environment;
- Internal Audit adviser to ensure audit business processes, checks and balances work effectively in support of RAS II and implement steps needed to improve systems; and
- Legal Specialist to align tax legislation with the introduction of RAS II.

The CDA also agreed to a periodical IT consultant to build on the work of the previous long-term IT adviser to monitor the progress and implementation of RAS II; and two short-term consultancies for Gender and a media campaign.

The total projected cost of support for IRC in the CDA was AUD 3,735,126.

All of the above activities commenced except for the Legal Specialist who was not recruited and replaced with legal training for relevant staff; Internal Audit became the responsibility of the SGP; and employment of a media company did not occur. IRC received assistance through the EPSP Communications Specialist and the Communications Community of Practice from 2012 to 2016.

### **Governance Support Agreement**

The implementation of the CDA was finalised in March 2014 and IRC negotiated a Governance Support Agreement (GSA) with EPSP to continue the Change Management and Governance adviser and the Integrity and Investigation adviser. TORs for these positions were revised. In addition, a short-term IT consultant was employed on a periodic basis during 2015.

The total expenditure on CDAs and GSAs adviser and activity costs was AUD 3,634,663 from December 2011 to June 2016.

## Grants

IRC had two grants approved with additional funding in 2013: HR Database project AUD 103,028 (K239,600) and Change Management and Communication project K240,000.

The first grant was initially planned to fund the rollout of the Alesco payroll, but duplicate work at DPM through the HR CONNECT project (Case Study Four: HR CONNECT) allowed the agency to re-scope the grant with AHC and EPSP approval to directly fund the development of technical tax content as the core of an introductory tax training package for the Commission.

IRC engaged a private contractor to convert the technical content into training modules that form the basis of the first IRC Qualification (Certificate 1 and 2) in Revenue and Tax Administration within the PNG National Qualifications Framework.

The second IRC grant enabled IRC to place advertisements in the major daily newspapers informing tax payers about e-Tax procedures resulting from the RAS II project; awareness on the tax payer guide; and the process for paying taxes online. This system commenced cashless payments and minimised the risk of corruption.

## Effectiveness

The mix of supports developed with IRC in the CDA and later in the GSA and the Grants was a deliberate and planned contribution of EPSP (Diagram 4) to support the introduction of a modern tax system and the transformation of the Commission into a modern and effective taxation organisation.

## Revenue Accounting System

The Revenue Accounting System (RAS I) was introduced in 1995 by IRC. It captured taxpayer assessment and revenue collection details manually, but no longer met the requirements of a rapidly growing economy and of IRC. An International Monetary Fund consultant had recommended in 2009 that RAS I needed to be replaced. A decision was made during development of the IRC's 2010-2012 Corporate Plan to replace RAS I with a new system.

### *Revenue Accounting System II*

The Revenue Accounting System Two (RAS II) was expected to deliver greater efficiencies in tax collection both through technology upgrades and the concurrent business systems development which allowed a more sophisticated approach to tax collection.

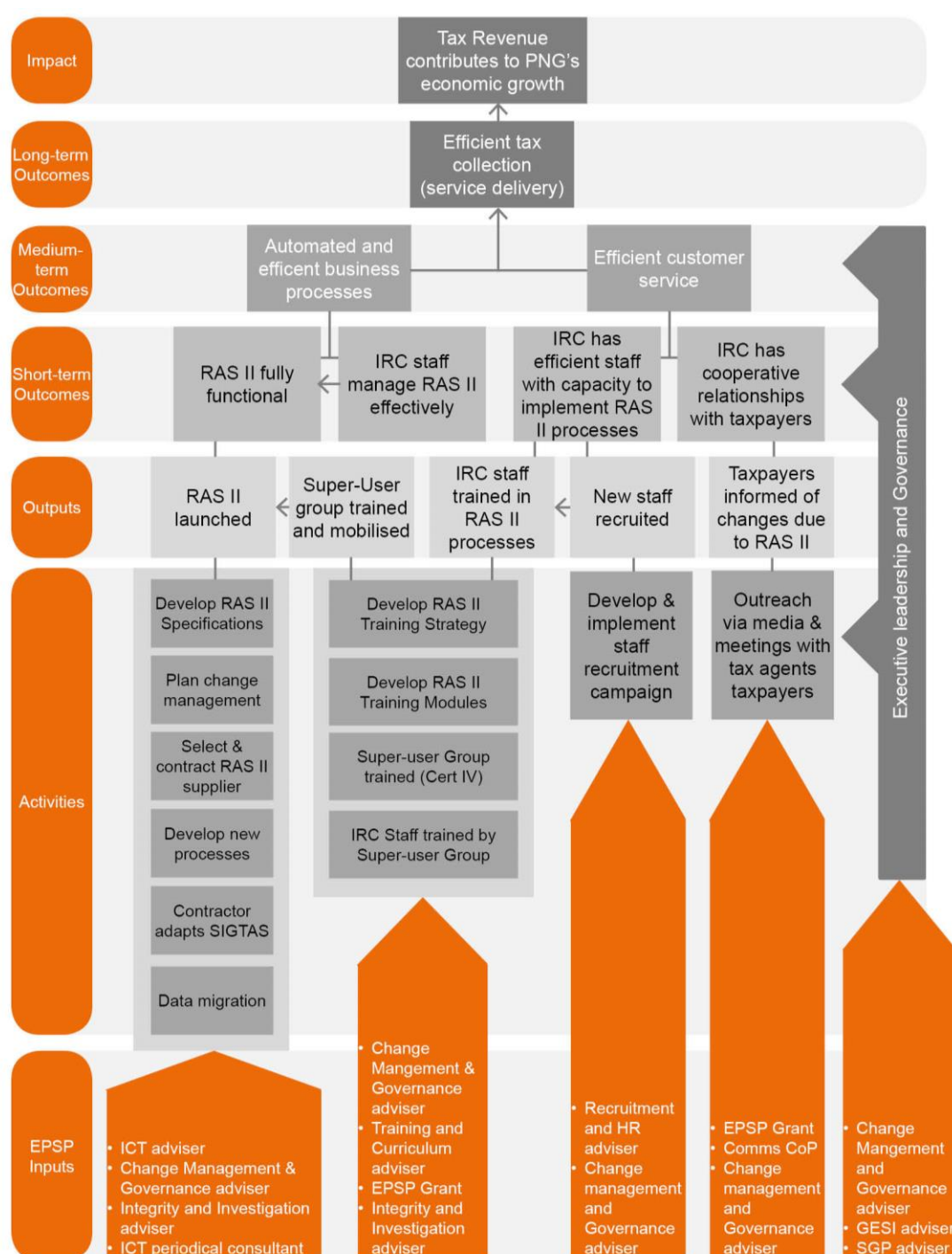
RAS II was the project name that installed the Standard Integrated Government Tax Administration System (SIGTAS) at IRC. SIGTAS is an integrated information system designed to meet the needs of developing countries to increase control over state revenue by equipping governments with a computerised taxation system. SIGTAS automates the work of what a team of people would have done manually calculating tax liabilities and doing assessments. The tax payer completes a form and the information is transferred to the RAS system which automatically generates the assessment and prepares an invoice and payment advice.

The RAS II Project was an IRC managed project funded from the GoPNG development budget. EPSP was one of several stakeholders contributing to the development and implementation of RAS II together with CRC-Sogema which developed SIGTAS and Adam Smith International which provided project management of SIGTAS.

Diagram 4 provides the program logic for RAS II and the advisory and grant support provided by EPSP to the RAS II project.



**Diagram 4: Program Logic - Revenue Accounting System II**



An Information and Communications Technology (ICT) adviser, novated from the Australia-PNG Advisory Support Facility (ASF) to EPSP in 2010, assisted with the procurement and installation of SIGTAS.

The EPSP ICT adviser:

- reviewed the IMF report on the accounting system;
- worked with counterparts to prepare the ICT Strategic Plan;
- briefed the IRC Commissioners on the strategic importance of RAS II across the IRC;

- prepared the technical specifications for RAS II;
- developed the RAS II Request for Proposal and other tender documents;
- briefed IRC Commissioners before RAS II meetings;
- prepared reporting templates for ICT Division staff;
- organised workshops with IRC teams to validate SIGTAS information;
- managed an EPSP grant for external communications to create awareness of RAS II; and
- coached and mentored ICT staff.

RAS II was initially seen by senior management as a computer upgrade project which belonged with the ICT Division. The EPSP ICT adviser and the IT staff knew that it was 'a lot bigger' and successfully engaged the IRC executive and senior staff from the Tax Wing in the planning and operations of RAS II. The ICT adviser, in Quarter Two 2011, wrote: 'RAS II is finally moving to Phase II -implementation. IRC management have now recognised that this is a business change project with the appointment of a Project Coordinator in the Office of the Commissioners rather than in ICT'.

This was very significant step forward and was the beginning of the transformation of IRC. SIGTAS became a catalyst for change and IRC Executives realised RAS II its introduction required the transformation of the entire organisation.

The EPSP Recruitment Management and HR adviser (2012-2013) provided the foundation for an expanded and qualified staff for IRC. A graduate recruitment campaign along with a new cadetship program was introduced in 2013. Thirty five graduates were recruited and following their induction training in 2012 were assigned to RAS II to assist with processing the back-log of tax assessments. A further 40 graduates were employed in 2014 based on the success of the initial recruitment that began the process of strengthening the quality and capabilities of IRC staff. IRC grew from an establishment of 581 with 354 staff on board in 2010 to an establishment of 720 and 680 on board by 2015.

RAS II defined HR organisational change. SIGTAS removed the need for manual processing at the front end and freed up staff to do backend work of debt collection. It also allowed recruitment of new staff, trained to use SIGTAS, for data entry and processing.

The EPSP Training and Curriculum Development adviser (2012-2014) organised the SIGTAS training and the induction of the 2013 graduates and cadets who were all assigned as a 'surge force' to work on RAS II. The adviser mentored three counterparts who supported this work and continued on after the completion of the adviser's work.

The Integrity and Investigation Adviser (2010-2015) assisted IRC in the areas of fraud and corruption prevention and investigation. The adviser provided advice to the RAS II project team about appropriate governance processes, audit trails and checks and balances in RAS II so that integrity and fraud prevention concerns were addressed.

The Whole-of-Government GESI adviser provided assistance to IRC. The agency embraced the Male Advocacy Network (MAN) and every Thursday all employees wear black to raise awareness of gender issues such as the eradication of violence against women.

IRC used the EPSP grant and 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 Change Management and Governance Adviser (2011 to 2016) provided continuous high level mentoring, strategic and change management advice to the IRC Executive and supported the development of the IRC Corporate Plan (2013-2017). The adviser was a member of the RAS II Board and designed the Training of Trainer approach for SIGTAS and developed a Super User Group (SUG) of experienced IRC staff to provide SIGTAS training, system testing and implementation checks. The adviser played a long and continuous role in the transformation of IRC from the development of the Corporate Plan (2013-2017) to the gaining of Statutory Authority status.

## Fully functional system

RAS II was launched by IRC In July 2013 and full functionality was achieved by 2015. All taxpayers were enrolled in the RAS system by 2015. The new system resulted in a number of important advances in tax administration:

- Old tax file numbers were combined into a single Tax Identification Number (TIN), which was issued on the spot to new taxpayers, and existing active taxpayers were issued with new tax identification numbers. TIN are required by law to open a business bank account and to register a business with IPA
- The IRC no longer accepted cash and all payments were conducted using electronic payments from individual and business taxpayers or their financial institutions – either through direct money transfers or EFTPOS payments.
- The new system allowed the IRC to integrate its registration processing with the Investment Promotion Authority
- All the withholding taxes forms have been redesigned, streamlined and simplified forms required for reporting, are available on the IRC Website, and can now be submitted electronically to the IRC (which makes it easier for business to meet their tax reporting and payment obligations), and
- Automatic penalties were raised on late lodgements and late payments resulting in additional and sizeable revenue to the State
- Debt management module and tax audit module from SIGTAS which track tax lodgement automatically against tax records automatically and used for case management audit purposes were rolled out in 2016.

SIGTAS will continue into 2017 as peripheral modules will be added to further increase the functionality of tax system.



### [Video 6: Betty Palaso \(Commission-General IRC\) on change at IRC](#)

## Transformation of IRC

The introduction of the RAS II project and the installation of SIGTAS led to changes in the organisational structure of the Commission and the core processes, skill sets, training and recruiting and retaining of capable people. Diagram 5 shows the comprehensive nature of organisational reform and transformation of IRC into a modern tax organisation as a result of the introduction of RAS II.

The leadership of IRC was a vital element in the successful transformation of the Commission into a modern tax organisation. The incumbents in the three most senior positions in the Commission: Commissioner-General and two Deputy Commissioners remained the same from 2010 to 2015 to provide important continuity and vision for the organisation.

The IRC Executive successfully explained and promoted change in IRC to the Prime Minister and the Minister for Finance who supported the transformation through legislative change and recurrent and development budget funding. This support resulted in the Commission gaining Statutory Authority status from the government in 2014: Objective 2.2 in the IRC Corporate Plan.

**Diagram 5: Transformation of IRC**



### ***IRC and Statutory Authority Status***

The change in status of IRC from a GoPNG department to a statutory authority brought with it significant control over policy, staffing and rewards for staff, and provided improved services to other government agencies, the private sector and to citizens. The Commission was no longer part of the Public Service. The Commission was able to design and approve its own organisational structure and to set its own staff establishment (subject only to budget approval). It also had 'hire and fire' ability outside of DPM processes. The Commission had effectively taken control of its policies and practices on a sustainable basis.

### **Lessons learned**

Capacity development follows a complex linear progression benefitting from many factors, sometimes hidden, including coalitions of support for change. SGP played an important role in the transformation of IRC together with Adam Smith International and EPSP. Successful coalitions of stakeholders and people provided support for the IRC leadership which had its own vision of how the agency should develop into an efficient and effective organisation.

This case study demonstrates that well planned and intensive agency wide support from an aid program can deliver effective and positive outcomes provided there is effective leadership from the agency.

IRC received lengthy and continuous support from EPSP over a six year period across key divisions within the Commission. Each supported contributed to the transformation of the Commission: ICT, HR, training, fraud and investigation, strategic planning and change management and governance.

The Executive leadership was fundamental to the successful transformation of the Commission.



## Case study seven: Non-tax revenue - Department of Finance

This case study shows how a modest amount of funding from an EPSP grant, and using a capacity development approach, led to significant revenue benefits for the Department of Finance (DoF).

DoF plays a key role in the public sector and is mandated by the Constitution, the Organic Law on Provincial and Local-level Governments and the Public Finance Management Act (PFMA).

The Department is specifically responsible for providing direction and support in Financial Policy Formulation, Financial Systems Development and Maintenance, Financial and Accounting information processing, Financial Management and Accounting procedures, monitoring of Financial Performance against the Budget and Legislative compliance and Financial Reporting requirements for the whole of Government.

Other specific requirements creating and authorizing the performance and execution of Department's responsibilities come from policy determinations of government reflected in government development plans and annual budgets.

DoF was endorsed as a key agency at the Loloata meeting in September 2010 as an agency that would benefit from capacity development support from EPSP.

A Capacity Diagnostic was commenced in October 2011 and conducted by David Kavanamur and Allan Bird and a Capacity Development Agreement (CDA) was signed on November 2011.

The CDA provided long-term advisory assistance in Accounting and Compliance, Provincial and District Treasury Management and short-term consultants in Home Ownership, Human Resources, Gender, Training Need Analysis, Public Relations, Records Management System, M&E training and scoping for the rollout of the Integrated Financial Management System (IFMS).

The total projected cost of support was AUD 2,046,233.

All activities commenced except for IFMS rollout consultant and public relations. EPSP later assisted DoF to establish a website.

DoF received two grants to support the Non-tax Revenue Division: AUD 108,000 to conduct a pilot for the introduction of a Cash Receipting System (CRS) and AUD 216,000 to scale-up the success of the pilot to all provinces.

The CDA agreement was finalised in 2014.

A Governance Support Agreement with DoF in 2015 resulted in long-term advisers in Accounting, General Ledger, Financial Framework Review, Cash Management, and Provincial and District Treasury Reporting and Management Framework which were all operational positions recommended by SGP to support the agency in critical financial management areas.

Total expenditure for DoF from 2011 to 2016 was AUD 2,723,423.

Two significant long-term investments were made at DoF between 2010 and 2015:

- Accounting and Compliance Adviser (2010-2013) as part of the CDA
- A grant to rollout a Cash Receipting System followed by a second grant to continue the rollout.

This case study focuses on the grant support provided to the Non-tax Revenue Division (NTRD) and the role and activity of the Accounting and Compliance adviser to support NTRD and outcomes from those supports.



## Relevance

One of the core activities of the Department of Finance is the proper identification and collection of non-tax government revenue at various collection points around the country and to report on these revenues. NTRD was established within the Department of Finance to manage the process:

*The Division's mission is to develop and implement a sustainable revenue management process that maximises the generation and collection of non-tax revenue through strengthening the existing processes and through identifying new opportunities.*

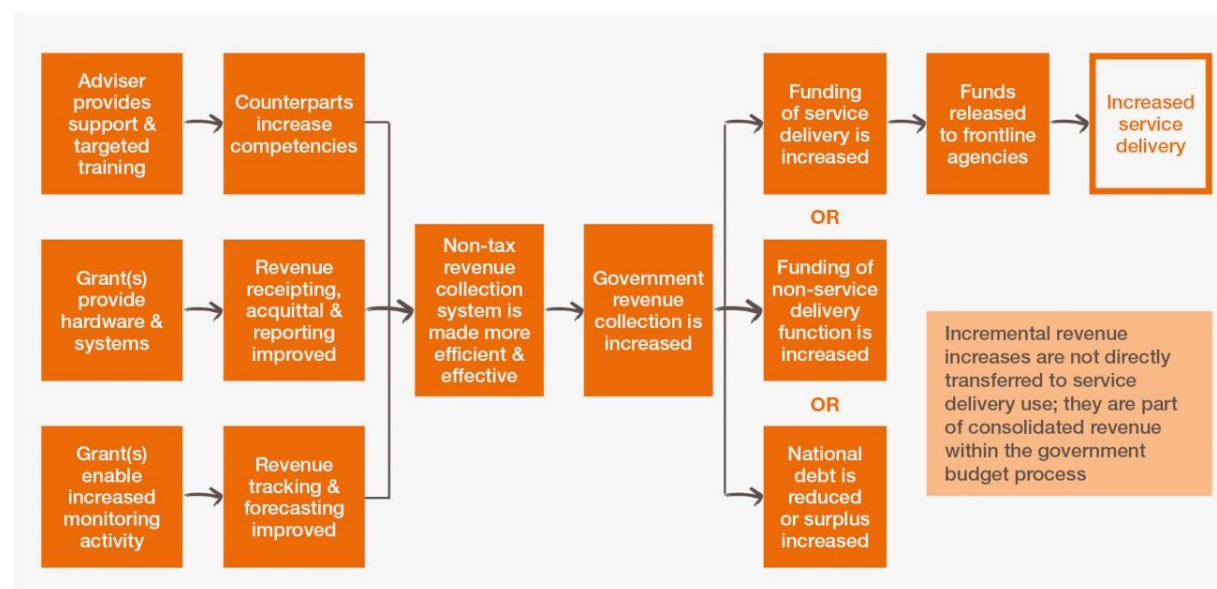
Preliminary analyses carried out by the Non-Tax Revenue Division disclosed that the amount of revenue reported through the Division had not been commensurate with growth in economic activities across the country over the past decade. It appeared that significant revenue was being lost at the various collection points, and during the process of transmission and transfer. The loss in revenue created additional pressure on budgetary controls and public sector financial management.

## Efficiency

EPSP agreed to support DoF and the NTRD with:

- an Accounting Compliance adviser to develop sustainable revenue monitoring processes for the collection, reporting and accounting of revenue at various collection points;
- capacity building and development support through on-the-job training of relevant officers within the Division as well as in the province; and
- two grants to purchase and install required hardware for the automation of the revenue collection and provide training for provincial based staff.

The support was based on the following robust logic that recognised the role of DoF as an enabling institution and that revenue raised, may or may not, contribute to improved service delivery depending on other financial and budgetary decisions made by government.



A total of AUD 108,000 (K 240,000) was approved as an initial grant by the EPSP Program Management Group in 2011. The expected outcome from the grant was to increase revenue received into the Waigani Public Account (WPA), which in turn would ease budgetary pressure and contribute to improved service delivery through higher resource allocations to line agencies such as Health, Education and the law and justice sector.

A second grant of AUD 216,000 (K480,000) to scale-up the pilot activity was approved in 2014.

## Effectiveness

DoF was aware that fees and charges such as liquor licenses, company registration, fines for non-compliance had not been reviewed by the agency since 1998 and new fees and processes were needed because of expansion in economic activity and increased costs to government to process registration, compliance and fines in the provinces.

NTRD reviewed fees and charges with the assistance of the EPSP Accounting and Compliance adviser at a workshop in May 2012 attended by 47 relevant personnel from various Departments and appropriate strategies, needs and processes were established.

NTRD approached the EPSP adviser asking for assistance to install cash receipting software to manage fees payment in the provinces and to improve transparency and accountability. The adviser assisted NTRD to complete an application for grant funding from EPSP.

### **Initial Grant**

The grant was approved in 2012 as a pilot to establish a Cash Receipting System (CRS) in nine provinces and a Revenue and Tracking Monitoring System (RTMS) in four provinces.

*As part of the grant, 25 computers were purchased and supplied to various collection points in the provinces to automate revenue collection. In addition all officers of the NTRD benefited from targeted training in Excel as a means to enhance staff capacity.*

In 2012, more than AUD 43,000,000 (PGK 100 million) was identified by DoF as outstanding land lease revenue, collectible from various provinces. A working committee was formed with representation from the Lands Department to recover these outstanding revenues.

By Quarter 3, 2012 the Accounting and Compliance adviser reported that AUD 1,345,900 (PGK 3.13 million) of non-tax revenue was swept back from various provincial accounts. In subsequent quarters further non-tax revenue was swept from provincial accounts to the Waigani Payment Account (WPA): AUD 1,569,500 (PGK 3.65 million) in Quarter 3, AUD 1,591,000 (PGK3.7 million) in Quarter 4, AUD 989,000 (PGK2.3 million) in Quarter 1 2013. DoF reported by 2013 that: 'The process of monthly transfer has now stabilized, and is now fully operational and handed over to counterpart officers to continue'.

The Accounting and Compliance adviser completed his contract in Quarter Two 2013 and the position was not re-advertised.

### **Monitoring and evaluation**

DoF submitted a completion report for the grant to the NTRD in Quarter Three, 2013. The internal report indicated 'good progress' in establishing CRS in provinces, and also outlined limiting factors such as underestimation of literacy, financial and accounting skills of provincial staff, and weak infrastructure such as unreliable power supplies that impacted on the overall success of the funding to achieve its aims. The grant was considered somewhat successful as a result.

The benefits of the grant were confirmed by the independent study of the grant by the Australian Continuous Group (ACIG) in 2013 which concluded that:

*On balance, the Non-Tax Revenue Division Monitoring and Evaluation Project Grant was a worthwhile project, as it enabled NTRD to conduct a trial implementation of three important initiatives: support to the cash receipting system in nine provinces; a pilot of a new revenue tracking and monitoring system in four provinces; and a series of revenue monitoring and review visits to selected provinces. Of these, the Cash Receipting System support and the monitoring visits were successful, but the Revenue Tracking and Monitoring System was not. Without the Grant, DoF would not have been in a position at this time to make these decisions (ACIG, p.34).*

### **Scaling-up grant**

NTRD, based on the experience and learning from the Accounting and Compliance adviser in 2012 developed a new proposal forwarded to EPSP for a scaling-up grant to roll out the CRS to all provinces in PNG and high volume districts in 2014.

The CRS was placed in all provincial treasuries (except Hela Province) and most districts of PNG and was operational in them in 2015.

Computers were provided by DoF and training in the use of the CRS was provided by the Training Branch of the Department and the work of the PCaB project.

Overseas missions were also included in the scaling up. The PNG High Commissions in Cairns, Sydney, Canberra and Brisbane received the software, computers and training during 2014.

A further development was the establishment of an EFTPOS system in the provinces and in high volume districts to avoid the receipting of cash and improve accountability measures.

The initial grant had revealed some AUD 43,000,000 (PGK 100 million in non-tax revenue in provinces that had not been collected. Much of this was in relation to the Department of Lands (DoL) and the failure of lease holders to pay annual fees to hold leases.

Negotiations with DoL led to a process and actions that recovered a large amount of unpaid lease fees in 2015. NTRD and DoL placed large advertisements in national newspapers creating awareness and naming individuals and companies in the National Capital District (NCD) that had failed to pay lease fees and the amounts outstanding. This action recovered AUD AUD 21,070,000 (PGK 49 million) in NCD. Some AUD 430,000 (PGK 1 million) in arrears remained.

NTRD targeted Lae and West New Britain for known arrears of AUD 21,500,000 (PGK 50 million) to be collected in 2016 using the same advertising and awareness campaign that was successful in 2015.

### **Sustainability**

Regional offices were established by DoF for the collection of non-tax revenues. GoPNG sees Non-tax as an un-tapped revenue stream particularly given the reduction in government revenue with the fall in worldwide commodity prices. The NTRD has been encouraged by revenue collected so far and is keen to tap into all areas of non-tax revenue in the following years.

### **Lessons learned**

EPSP adopted a partnership approach and did not interfere with implementation. Project management and leadership were provided by the First Assistant Secretary and the Assistant Secretary of the Revenue Division. Wherever appropriate, support was received from the EPSP adviser and the EPSP Grant management team. The local leadership ensured that an appropriate level of ownership and accountability remained present throughout the process.

## Case study eight: Transforming communications

EPSP Communications is an important case study which demonstrates the Program's rich contribution to development through innovative approaches. The communications environment in PNG has rapidly evolved and as a result the program has embraced new technologies such as social media and drone videos to promote activities. The communications focus extends beyond public diplomacy activities and more recently has attempted to generate national conversation about key governance issues.

This case study explores how and why the communications focus has changed throughout the life of the program, and its impact on development outcomes.

### **Relevance**

#### ***Starting point for communications***

The AusAID Independent Review of Aid Effectiveness (2011, p. 32) stated that '...public communication and public engagement are not peripheral add-ons to the aid program. They are an investment in a solid, long-term foundation...'. In 2012, EPSP created a communication specialist role and for the first time dedicated resources to communicating results. An initial priority was to enhance the program 'brand' and start implementing media and communication activities. At that time, it was important to elevate the program brand to demonstrate the program's significance to stakeholders in a competing donor program environment. In particular, donor support in the governance space was somewhat unknown and unappealing. It was the first time a communications strategy was put forward to the PMG for endorsement to demonstrate the importance of raising awareness about the good work achieved. The strategy included a focus on building the capacity of PNG government agencies in media and communication skills – the good work achieved was in fact their story to tell.

#### ***Engaging the Media***

Media engagement continues to play an important role in supporting messages about the changes and innovation in government through our program activities, and reinforcing key themes such as gender equity and social inclusion.

Mainstream media has been used to not only promote awareness through television, newspaper and radio channels, but also support a national conversation about good governance.

The program's communications efforts have actively encouraged public conversations about important governance issues in which we have an interest and involvement in. For example, the HR CONNECT's work with DPM to eliminate ghost employees was publicised by the program sparking further reports in mainstream media and public discussion. This demonstrated the impact of the Program feeding information to mainstream media and how it generates a momentum for further discussion.

As part of the rollout of the National Gender Equity Policy in 2013, a radio talk back was arranged with well-known FM100 presenter Roger Hao'ufa facilitating a live discussion with Secretary Kali, and EPSP program GESI advisers. Strong messages about the new policy and its impact flooded the airwaves and sparked much debate when a caller dialled in to remark that he did not understand why this was an issue to be discussed 'there was no gender inequality in PNG'. The comment in itself exemplified the lack of understanding in the general public, and demonstrated the importance of utilising the media to raise awareness.

The program's innovative approach to research was publicised in national newspapers, raising awareness about community driven solutions in the districts. Its newsworthiness was highlighted by leadership commitment – Minister Temu's role in driving change in his local district.

## **Effectiveness**

### ***PNG's first Q&A series - Tanim Graun***

In 2012 the Program ran a series of monthly seminars aimed at bringing together advisers and their counterparts to present on agency information. While it was a worthwhile networking, its impact was limited. There was opportunity to take risks and explore how this type of forum could reach a broader audience with a more meaningful impact.

In 2013 the monthly seminars were transformed into PNG's first Q&A series which included a partnership with PNG's premier news station EMTV to broadcast the debate nationally through their program Olsem Wanem. For the first time, Ministers and CEOs were engaged in panel discussions facilitated by a host.

The Q&A series evolved rapidly and by the end of 2013 EMTV allocated a special primetime slot for the show and a PNG contractor (Masalai) was engaged to produce the debate through their concept 'Tanim Graun' literally translated as 'to turn the earth'. The model encouraged sustainability through local ownership and production. While the topics responded to PNG development issues, the Australian Government continued to maintain oversight over the topic, questions and appointment of knowledgeable panelists.

Each episode was produced monthly and the preparation required was complex and extensive, involving: research; engagement and preparation of panelists; host preparation; lighting, sound and video setup; marketing of episodes to attract audience participation; social media engagement; mainstream media engagement; post production editing for broadcast; and a range of approval processes with the Australian Government.

'Tok Aut' videos (using drone technology) were then added to represent provincial stories on each of the topics, as well as enhanced the interactivity of episodes. Audience questions were staged to encourage debate. In a December 2015 survey, 87 per cent said they shared the Tanim Graun information and encouraged others to watch the episodes, 50 per cent said they took action regarding ideas from the program.

Since 2012, 29 episodes were produced included thought-provoking topics such as:

- How corruption affects government, private sector and communities (July 2012)
- Influence of mobile phones in PNG (August 2012)
- Access to quality drugs (May 2013)
- Empowering women in leadership (November 2013)
- Churches and Governance in PNG (August 2014)
- Agriculture for Development (November 2014)
- Law and Order (February 2015)
- Disability removing barriers (June 2015)
- Energy Poverty in PNG: challenges and solutions to powering development (August 2015)
- Is youth unemployment a ticking time bomb? (September 2015)
- Is life improving for women in Papua New Guinea? (October 2015)
- Power to the Districts: Services to the People (2016)

### ***Transforming EPSP communications approach***

EPSP communications continued to enhance program objectives, adding value to development outcomes. Instead of being viewed as a 'bolt on' to program activities, communications was embedded as a cross-cutting component with strong links to innovation, leadership and research.

By 2015, the program significantly transformed its communication approach by forming a 'communications pod' as a result of the newly merged EPSP-PLGP programs. Combining specialist expertise enhanced the program's service to both PNG and Australian Government stakeholders. The



'pod' harnessed the special skillsets of individuals in the areas of: media engagement, event management, online communications, products and branding. Additional activities were added as a result of broader communication support, including: writing tailored briefs for the Australian Government and the production of video 'vignettes'. Combined communications support also increased efficiency, enhanced quality assurance and encouraged innovative solutions.

A dynamic team approach to communications led by a coordinator was demonstrated at the successful launch of the Pacific Leadership and Governance Precinct in November 2015. A range of communication inputs were required to ensure smooth delivery of: Precinct video package, on-stage Ministerial interviews, plaque unveiling, printed brochures for stakeholders, gallery exhibition, audio-visual production and setup, and catering for the networking function. A combined communications approach proved value-for-money and guaranteed high quality delivery.

### ***Impact of Events***

EPSP's communication activities included major events such as the official Precinct launch. With more than 170 key stakeholders (government ministers, departmental heads and other senior officials) in attendance, the event galvanized support for the Precinct vision especially with strong references to 'ethical leadership' directed at an influential audience.

The success of the Precinct launch was a result of a cohesive communications team working on the complex coordination and production of the event. The team responded to and changed its strategy to meet the requests and protocols of the Australian and PNG Government; and modified plans as a result of several rescheduled Ministerial dates. The team proposed an innovative and interactive format to ensure the launch was more than just a range of speeches, but included an on-stage Ministerial interview, video package and gallery exhibition.

Another significant event was the Women in Leadership forum, a partnership with DPM in December 2015. The forum was the first time influential female public servants from the past and present shared experiences and made a public commitment to supporting the next generation of women leaders. Events like these built high-level understanding and support across a diverse national and regional audience. Significant national coverage helped to raise the profile of pioneer PNG female leaders and spread key messages about women in leadership roles throughout the country.

### ***Products***

Innovative products such as video features have played an important role in engaging a broader audience, particularly online. A Male Advocacy Network video produced by EPSP captured the process men go through to become male advocates, and how they influence other men to change their views. It was launched at a special White Ribbon Day event at the Australian High Commission and was circulated widely online.

Two important communications products were the Precinct brand and the Precinct website. Both served to unify the two main Precinct institutions (PNGIPA and UPNG) while promoting the higher level leadership goal. The establishment of the Precinct demonstrated the impact of a prestige brand to a program's credibility, for example in helping to secure partnerships with ExxonMobil and in the law and justice sector. While there is ownership of the Precinct brand amongst PNG stakeholders, the sustainability of PNG driven Precinct communications is limited at this early stage due to capacity and resources.

In 2015, technical support was provided to DPM at their request, to transform their existing website into a more dynamic and engaging tool. As the largest employer in Papua New Guinea and the premier human resources department in government, DPM can now use the website as a mechanism for informing public servants and the general public across the country.

An EPSP Governance Newsletter was developed in 2015 to provide updates on activities and events which the program was involved in across national, provincial and district governments. The electronic news tool provided a mechanism to monitor and evaluate reader behaviour. Over 100 readers were recorded on average opening the e-newsletter, clicking on links which drove traffic back to the website. The circulation reached a broad range of PNG and Australian Government stakeholders, NGOs, and the private sector.

## **Impact**

### ***Reflection of results***

It became apparent that communications was vital for both promoting the program (and the contributions of donors), and influencing development outcomes. Influencing perceptions and placing the program's objectives firmly in the national development debate served as a multiplier effect for development.

The appetite for communications activities on behalf of the Australian Government evolved over time. Three years ago there was far less desire to secure publicity for the program. However, the program has demonstrated the value of proactive public engagement and the benefits that can be levered from such activities.

## **Sustainability**

### ***Sustainability through the Community of Practice***

In 2013, the program ran a series of workshops which was tailored and targeted for media officers in PNG Government agencies. The course included basic photography skills, public speaking and presentations, event management and media engagement techniques. The participants – over 50 in total – were invited to join a Community of Practice (CoP) communications group. It was the first of its kind to build support amongst those in the field, network and explore processes and practices. Following the workshop series, CoP meetings invited special guests to present on relevant communication practices and encourage participants to implement in their own agencies. A growing request from CoP members for support also resulted in the development of the new DPM website (launched December 2015).

The notion of communications sustained as a result of the CoP network and influenced heads of agencies to focus on media to publicise departmental activities. DPM harnessed media attention to promote its HR CONNECT program, and IRC lifted its profile through media stories. IRC Commissioner General mentioned that IRC's media attention contributed to the increase in staff morale and loyalty.

## **Lessons learned**

EPSP's investment in communications since 2011 became more than a commitment to transparency and demonstrating effective aid delivery. The program endeavoured to implement innovative, forward thinking communication activities to engage a wider audience than only key stakeholders. EPSP sought to create meaningful changes within government and the community as well. This was achieved through:

1. Establishing a communication support group or CoP for communication officers from government agencies and aid programs to network and share information. A network was established over time and meetings were held since 2013. The CoP meetings invited experts in the field to discuss up to date practices and technology. Agencies included: DPM, DLIR, ICCC, IRC, Department of Foreign Affairs, Law and Justice Sector, DoT, DoF, PLGP, Kokoda Track Authority, NEFC, Papua New Guinea (PNG) Health and HIV Implementing Services Provider, Incentive Fund and Scholarships PNG.
2. Supporting agencies and program activities to promote their own success stories in the national media. EPSP provided basic media and communications training for agencies which comprised writing media releases, developing communication strategies, photography and liaising with the media.

## Annex 4

### Video insert transcriptions

**Video 1: Dickson Guina (Secretary, DPLGA) discussing EPSP Program Management Group**  
[https://youtu.be/LyGNrx2\\_b9Y](https://youtu.be/LyGNrx2_b9Y)

EPSP, I think from my understanding was basically to concentrate on national agencies in building their capacities and supporting in terms of where their technical support are, but I think for me at the Department responsible for Provincial and Local level Government, the alignment is critical because the national agencies are serving the people at the provincial government and the local level government so they need to be aligned to the Department, the mandate of the Department so that we can all go down and support provincial governments to improve their performances.

**Video 2: Betty Palaso (Commissioner-General IRC) discussing advisory support**  
<https://youtu.be/9YGbv0jhDj4>

For example for me if I have an issue that I need a second opinion on or just to sound it out with somebody else I can go and just sit down talk with them [advisers] and then they say their bit about it and we discuss it and then its up to me to make the decision on whether to go forward or look at some other options. Having somebody else there with an experience from another sector or a wider experience from another country etc. Also helps in terms of bringing in that perspective which I have not had the experience to have witness. We've had feedback from external agencies and bodies about what IRC is like now and I can say that it's because of all the interactions that we've had with both EPSP and SGP that has helped us build up an organisation like this driving for integrity, accountability, governance and processes.

**Video 3: Sir Puka Temu (Minister for Public Service) discussing action research in Abau District**

<https://youtu.be/vppkzLQ54K8>

I have already got the GESI program mainstreamed at the moment and we got that window of opportunity now and through this project in Abau District, this is an opportunity to recognise that this is the strategy that we need to adopt. A National Policy on [community involvement] and I'm glad that the DPLG Secretary was here and Secretary Kali is here and PA is here. Three of them actually with partnership we can actually, like what we did with GESI, we can actually develop a policy framework.

**Video 4: Betty Palaso (Commissioner-General IRC) discussing transformation of the Internal Revenue Commission**

<https://youtu.be/j4Vh3eEoTQ4>

I'm very satisfied with how we have worked with the EPSP [Economic and Public Sector Program] and for it to be working. I think also it has to come from the organisation in terms of what the organisation wants and therefore targeting the assistance coming in from EPSP into the targeted needy areas so that it works. So for me, the way we have dealt with EPSP up to now I don't have any issue at all, it has worked very well for us.

We wanted change to happen. We wanted IRC to modernise as an organisation to also keep up with the changing and business environment around us, so for example we've gone into electronic banking for tax payers so they can do that without physically walking in with a cheque etc., to also do receipting electronically. So, yes, we are driving that because we want the organisation to change.

We go to government and ask them for sufficient funding to help us with the change. Although we don't always get it, we then try to manage with whatever is given to us to still be able to grow the organisation, deliver revenue for the government, but still within the resource envelope given to us. And with all that happening we've also had advisers that also mentoring us in different points in time and for specific issues that we feel we would need guidance from and so they've been able to come in that way to also guide us along.

But yes, it's all driven from the Commission, the leadership of the organisation but working and partnering with other organisation and support agencies, for example, EPSP, SGP and other external stakeholders as well.

**Video 5: John Kali (Secretary Department of Personnel Management) discussing Gender Equity and Social Inclusion**

[https://youtu.be/IDr3r4C\\_ieA](https://youtu.be/IDr3r4C_ieA)

Well firstly we have tried to, well instructed all the Departmental heads and all the Provincial Administrators to firstly establish GESI coordinators in all the government departments and those GESI coordinators are to report directly to the Departmental heads so that the Department heads and the Provincial Administrators are kept on a daily basis aware of what's happening in the GESI activities. One of the GESI activities is the MAN, the Male Advocacy Network and so the Male Advocacy Network is getting a lot of attention through the Department heads and I've sent out a circular instruction to run programs, training programs throughout the public service and that's getting more numbers involved in the Male Advocacy Network now. It's really pleasing to see.

**Video 6: Betty Palaso (Commissioner-General IRC) discussing information technology and change at IRC**

[https://youtu.be/0okJ1y\\_u5Tk](https://youtu.be/0okJ1y_u5Tk)

It [EPSP] has contributed immensely, but I think the EPSP adviser who came, worked with them really well. When he left the two senior officers had changed so much that they were awarded two years in a row for leading out their role, for being the exemplary division in the IRC and that was because of how the EPSP adviser had mentored them. And so we could really see the change there and even up till now they are still kind of the division to look to when you are talking about planning, reporting, performance monitoring etc. That division has done very well.