

Independent Evaluation of the Independent Progress Report
Mid-Term Review of Strongim Gavman Program
MANAGEMENT RESPONSE

Aid Activity Summary

Aid Activity Name	Strongim Gavman Program		
AidWorks initiative number	INI767		
Commencement date	1 July 2009	Completion date	30 June 2013
Total Australian \$	\$138.56 million		
Total other \$	n.a.		
Delivery organisations	Australian Commonwealth agencies, Coffey International		
Implementing Partner	PNG National Government agencies		
Country/Region	Papua New Guinea/ Pacific		
Primary Sector	Governance		

Aid Activity Objective:

The Strongim Gavman Program (SGP) assists the PNG Government to strengthen the performance of key PNG agencies across sectors including economic and public sector management, law and justice, border management and transport security. A whole-of-government initiative involving nine Australian Government agencies, SGP facilitates the deployment of senior officials from the Australian public service to PNG Government agencies for a minimum of two years. These officials provide policy advice and support for capacity development while fostering institutional relationships between the two Governments.

Independent Evaluation Summary

Evaluation Objective: To evaluate, in consultation with stakeholders, the effectiveness of SGP, including whether the use of long term, whole-of-government advisers is assisting Australia to achieve its aid objectives in PNG. It also considers ways to improve SGP delivery and develops future programming options.

Evaluation Completion Date: 13 March 2012

Evaluation Team: Margaret Callan, Team Leader, Ilivitalo Saneto, Specialist Consultant

Management Response

Overview

Independent reviews such as the SGP Mid-Term Review (MTR) form part of the Australian Government commitment to improving the transparency of the Aid Program and to driving improved effectiveness. Although measuring effectiveness can be challenging in the field of public sector governance, AusAID is committed to monitoring the program's contribution to development outcomes. Measuring progress against outcomes is essential for the program to remain relevant and demonstrate value for money.

This independent review of SGP is timely. AusAID, jointly with the PNG Government and other development partners, has led a number of key reviews since 2009 which have impacted on the role and objectives of SGP. The 2010 review of the *PNG-Australia Development Cooperation Treaty* refocused the PNG aid program on improving service delivery in health and education and improving outcomes in transport infrastructure and law and justice. As a result, governance programs, including SGP, are increasingly focused on directly contributing to improved service delivery, including services that indirectly benefit the public. Furthermore, the 2010/11 Joint Adviser Review emphasised the need to ensure effective and efficient use of advisers. The *Independent Review of Aid Effectiveness* confirmed the need for increased accountability and whole of Australian Government coordination in the delivery of aid. *Partnership for Development* priorities have also been updated since 2009. These reviews as well as the Australian Government's new *Effective Aid* policy give cause to review SGP and examine whether it continues to assist Australia and PNG in achieving aid partnership objectives.

The MTR identifies a number of key achievements of the program to date. SGP has moved towards more effectively supporting priorities agreed under the *Partnership for Development*. SGP has strengthened macro-economic management, budget allocation and accountability process all of which provide the foundations for progress in delivering outcomes in health, education, transport infrastructure and law and justice. SGP also supports effective and efficient government agencies with the right structures, systems, processes, and people to manage public resources in an accountable and cost effective manner.

The Review found that SGP advisers assisted key national institutions in PNG to: meet new and emerging economic and financial management challenges; improve border management and transport security and safety; and build a more capable law and justice sector. It also found that many PNG agencies have improved their performance in recent years and some government functions are starting to recover from years of declining standards. Heads of PNG agencies credit SGP with assisting them to address issues of high priority. SGP has contributed to the strengthened partnership between Australian and PNG Government agencies.

The Review also highlights a number of areas for improvement. Australian and PNG government agencies agree with most of the recommendations identified in the Review. The focus for the current and possible future phases of the program will be on improving program governance; whole-of-aid coordination; monitoring and evaluation, including identifying clear performance indicators; and getting better at measuring progress towards capacity development objectives. There are also opportunities for SGP to do more to support the *Partnership for Development* priorities, within agreed overall adviser number levels.

This response outlines the Australian and PNG governments proposed way forward in addressing the recommendations of the Review. The funding envelope for the SGP program ends in June 2013. A thorough and consultative redesign process will take place before implementation of a future phase of SGP. The Review's conclusions and recommendations will inform a broader policy dialogue and consideration of future programming options.

Recommendations to improve SGP delivery

Recommendation One

Recommendation: *To strengthen SGP relevance to joint development priorities, we recommend that: SGP continue support for economic and financial management and border management because they provide the structural underpinnings for economic and social development; SGP continue to support law and justice and transport infrastructure in close coordination with AusAID; SGP advisers in areas of Treasury, Finance and Auditor-General's Office with responsibility for the allocation and effective expenditure of government budgets increase their focus on sectoral and sub-national budget and financial management; and SGP assistance be offered to PM&NEC and DNPM to strengthen government coordination and the management of the development budget, by reassigning SGP positions from areas of lower priority or those where adviser numbers are expected to fall.*

Response: Partially Agree. Economic and financial management, border management, law and justice and transport infrastructure are crucial PNG Government functions. SGP advisers are well placed to have a strong positive impact in these sectors, especially if such efforts are closely aligned with the broader development program of Australia and other development partners.

Australia's aid program in PNG is already working to strengthen sub-national budget and financial management through the Sub-National Strategy. The Sub-National Strategy assists PNG to improve the financial, legal and governance frameworks for decentralisation as well as the organisational capacity of provincial, district and local level administrations to deliver services. SGP also contributes to strengthening sub-national and public financial management through direct support to the budget development process and assisting the PNG Department of Finance to improve its systems and support to staff in provincial and district treasuries. A decision regarding whether SGP should increase its focus on this issue will be informed by the high level review of governance in PNG which is currently underway and is expected to be completed in August 2012.

Coordination across the PNG Government is also a key factor to improved budget development and delivery. In recognition of this, AusAID has recently seconded a staff member to the Department of National Planning and Monitoring (DNPM) to assist with coordination of the aid program. Creating SGP positions in DNPM and the Department of Prime Minister and National Executive Council (PM&NEC) may be considered following joint agreement between Australia and PNG and if a capacity needs assessment and the review of governance indicate that this would be an effective form of assistance.

Actions: During the redesign process, a broad assessment of current SGP positions will be undertaken. It will determine areas for future engagement including those where Australia has the capacity to assist and could have an impact but has not directly worked before. In addition, consideration will be given to the role and objectives of each SGP position, utilising existing information where possible, such as recent capacity needs assessments. AusAID has funded an analysis of capacity needs in DNPM, to be completed by August 2012, and is discussing assistance options with PM&NEC. If SGP is identified as an appropriate form of support through the above processes, an SGP adviser position may be negotiated.

Recommendation Two

Recommendation: *To improve performance reporting for SGP, we recommend that, where evidence of SGP effectiveness is qualitative and anecdotal, the SGP monitoring and evaluation expert assist with improving the rigour of qualitative assessments and identifying objective performance data that would reinforce qualitative judgements.*

Response: Agree. Qualitative data provides useful evidence of institutional strengthening where quantitative indicators cannot always capture the full picture. SGP does not currently have a monitoring and evaluation (M&E) expert but relevant expertise is available to SGP advisers and agencies from within the Australian aid program. However we agree that, where possible, SGP, with assistance from M&E advisers with sector-specific expertise, should find objective evidence to support qualitative judgements. Quantitative data provides useful information for senior management because it provides a compact snapshot of effectiveness and allows for comparison over time. Work to improve M&E in SGP will also need to take into account the broader Australia aid program results framework which is currently under development.

Actions: M&E will be a key part of the SGP redesign. Key objectives of a revised M&E system will be to:

- Identify objective performance indicators for capacity building and institutional performance
- Identify performance indicators at the individual, business unit, and organisational level
- Relate these indicators to institutional and sector aid objectives
- Consider whether SGP needs a dedicated M&E adviser
- Review and clarify the performance monitoring and reporting roles of stakeholders and develop stakeholders' M&E skills where relevant
- Ensure alignment with the AusAID Comprehensive Aid Policy Framework and sector performance assessment frameworks

Recommendation Three

Recommendation: *To improve SGP effectiveness overall, we recommend improvements to SGP management and governance that would, inter alia, focus governments' attention on SGP performance and the challenges and constraints to effectiveness (see below). To improve SGP effectiveness in capacity building, we recommend that: SGP develop guidelines on appropriate roles for advisers and responsibilities of host agencies and disseminate them widely in PNG agencies; SGP agencies be required to have updated capacity development strategies and monitoring arrangements in place by mid-2012; SGP monitoring reports include progress against capacity development strategies. If SGP is not fully integrated into existing capacity development strategies, this needs to happen by mid-2012, with AusAID support.*

Response: Partially agree. It is important to ensure SGP governance arrangements support a focus on performance and effectiveness. There is merit to further defining the capacity building role of SGP advisers and the responsibilities of PNG agencies. In the past SGP had a dedicated Capacity Development Adviser to support the development of position terms of reference. The responsibilities of this role were transitioned across to sector specialists which has resulted in inconsistent levels of support. More support and guidance will be provided to sector specialists and SGP advisers to assist them to incorporate capacity building in their work plans including as part of pre-deployment induction training. As identified in the response to Recommendation Two, we will ensure M&E arrangements reflect capacity development performance indicators.

The role of PNG agencies in defining their needs is fundamental to the effectiveness of SGP. Most PNG agencies have capacity development strategies in place. Those that don't generally have alternative corporate planning documents and it would not be appropriate to introduce a new parallel process. It would be more productive to engage senior management to improve organisational capacity and achieve organisational change while also ensuring capacity building outcomes at the individual and business unit levels are linked to the broader agency objectives.

Actions: SGP Management will work with each of the sector programs and PNG agencies to ensure capacity development is reflected in advisers' workplans by December 2012. This will allow revised guidance to be reflected in SGP 2013 workplans. The revised workplans will be integrated with PNG agency plans and reflect broader PNG agency objectives. The redesign process will consider the appropriate balance of the program between technical assistance and capacity building. Consideration will also be given to whether SGP needs a dedicated Capacity Development Adviser.

Recommendation Four

Recommendation: *To support a stronger SGP contribution to gender equality, we recommend that AusAID take a more active role by encouraging gender advisers in the Economic and Public Sector Program and other sector programs to offer support to SGP advisers, promoting participation in EPSP Wokabout Wantaim Power Relations module, and requiring advisers to include appropriate gender components in work plans and performance reports.*

Response: Agree. Gender equality is a critical cross-cutting issue for the Australian aid program as noted in *Effective Aid*. It is also a priority for the PNG Government, which launched a revised National Gender Policy in June 2011. Addressing gender equality in PNG is a long term challenge that requires a coordinated cross-sector effort.

Actions: AusAID will continue to actively support the PNG Government's commitment to address gender equality issues and reinforce this message through SGP. AusAID will implement the following measures to strengthen existing SGP mechanisms to address gender equality by December 2012.

- Ensure a female panel member always participates in joint SGP recruitment (an Australian or PNG representative);
- Request gender advisers to provide greater support to SGP advisers in reviewing their existing work plans to ensure gender equality is addressed;
- Promote a more coordinated gender effort by ensuring SGP Advisers are integrated into wider sector approaches such as the EPSP Gender Community of Practice and are aware of and work closely with gender focal points in their respective agencies;
- Make the EPSP Wokabaut Wantaim Power Relations module mandatory, with all SGP Advisers having completed the training by the end of 2012; and
- Develop a gender briefing for inclusion in the pre-deployment induction training.

The SGP redesign will include an explicit focus on gender equality. AusAID will involve its country program and sector gender advisers in the design process to ensure gender equality is mainstreamed through SGP. The redesign will consider gender-specific performance indicators to feed into the M&E framework. As part of the redesign, AusAID will also consider options for assigning 'gender champion' roles to SGP Advisers.

Recommendation Five

Recommendation: *To strengthen joint management of SGP at agency-level, we recommend that: joint selection be required for all advisers, and where Australian agencies are able to nominate only one candidate an appointment should not be confirmed until the nominee has met with PNG agency executives. If an appointment is not jointly agreed, the position should remain unfilled.*

Response: Agree. The SGP Management Framework specifies that recruitment should be conducted jointly by Australian and PNG agencies. We acknowledge that where joint recruitment does not occur, it is due to circumstance. Joint ownership of the recruitment outcome is essential because it ensures both the suitability of the adviser and that both agencies have a vested interest in the success of the SGP adviser.

Actions: Agencies will recruit advisers in accordance with Australian Public Service Commission requirements, specifically in relation to SES level recruitment, and joint SGP selection processes. Adviser recruitment processes will be monitored to ensure joint selection processes are followed.

Recommendation Six

Recommendation: *To improve joint governance of SGP we recommend the following changes: the Joint SGP Steering Committee should revert to meeting once annually to consider Monitoring Reports from the SGP Secretariat and prepare a report on SGP performance and future programming for the annual Australia-PNG Partnership Dialogue and the SOM; governments need to agree which of these is the prime decision-making body for SGP direction and resources; decisions on adviser appointments should be delegated to heads of agencies working within the jointly agreed resource framework.*

Response: Partially Agree. While we agree with the governance issues raised in the Review, the Australian and PNG Governments would like more regular engagement at the strategic level than the recommended annual meetings. High-level participation by both Governments is key to productive discussion of strategic priorities for SGP. There are three broad areas of discussion that SGP stakeholders must meet to make decisions about: strategic priorities for SGP (the what and where of SGP support); how SGP provides support (issues of adviser and program effectiveness); and operational efficiency issues. Options will be considered for how to redistribute the day-to-day management of SGP to other fora to allow a revitalised steering committee to focus on strategic priorities.

Actions: The redesign team will consider governance arrangements in consultation with stakeholders and make a recommendation to the Australian and PNG Governments. The redesign process will also clarify the respective roles and responsibilities of the Partnership Dialogue and the Senior Officials Meeting (SOM).

Recommendation Seven

Recommendation: *To improve and streamline PNG Government coordination and management of SGP we recommend that this be subsumed into existing national mechanisms for the Australia-PNG Partnership Dialogue and the SOM, coordinated by DNPM and Department of Foreign Affairs respectively.*

Response: Agree. It is appropriate that the strategic direction of SGP be considered as part of discussions leading up to and during the Australia-PNG Partnership Dialogue and the Senior Officers Meeting (SOM).

Actions: AusAID and DFAT will arrange with the Government of PNG for SGP to be an agenda item for the meetings and a regular part of annual dialogue processes.

Recommendation Eight

Recommendation: *To improve Australia Government management of SGP we recommend that officials develop revised governance arrangements. These could include an annual meeting convened by DFAT Canberra to review SGP progress and plans ahead of the Partnership Dialogue and SOM, and periodic whole-of-government meetings in Canberra and Port Moresby to consider specific development policy or effectiveness issues (this would also help to bring SGP advisers' understanding of PNG into the broader aid program). The frequency of Port Moresby team leader meetings at the High Commission should be reviewed. AusAID should convene three-monthly meetings of departmental SGP coordinators to share experience.*

Response: Partially agree. Improving program governance, both in Canberra and at Post, will be a key priority in 2012 and 2013. Increased clarity on the purpose of regular meetings will ensure appropriate focus on key challenges including, strategic priorities, effectiveness and performance and operational issues.

Actions: Some revised governance arrangements will be implemented immediately and others will be considered as part of the redesign in the second half of 2012. To improve SGP management arrangements in the short term, as of July 2012 interim arrangements will include:

- annual whole-of-government meeting convened by DFAT to inform the Partnership Dialogue and Ministerial Forum (SES level);
- six monthly meetings to discuss development policy and effectiveness issues relating to SGP (hosted by AusAID in Canberra);
- quarterly whole-of-government meetings on operational and administrative matters relating to SGP (hosted by AusAID); and
- Core Group meetings at Post, which include DFAT, AusAID and SGP Team Leaders, will remain fortnightly as agreed by participants to facilitate sharing of information.

These arrangements will supplement the increased level of SES engagement on SGP in Canberra, particularly on a bilateral basis between agencies.

Recommendation Nine

Recommendation: *To improve coordination between SGP and the broader aid program we recommend that AusAID sector program directors and SGP team leaders meet as soon as possible to put in place measures to improve whole-of-aid coordination (border management would be coordinated through EPSP).*

Response: Agree. We note that there are already examples of good coordination between SGP and sector programs, for example in transport and law and justice. We are considering further options to continue to improve coordination between SGP and the broader aid program.

Actions: We will continue to improve coordination between SGP and the broader aid program through the following actions:

- Revitalise the Economic and Public Sector Coordination Group to facilitate greater senior WoG participation in shaping the strategic direction of Australia's economic and public sector assistance. Meetings have already been held in Port Moresby.

- The SGP redesign team will host discussions between sector program directors and SGP team leaders to discuss ways to improve whole-of-aid coordination.
- Periodic effectiveness meetings will be held in PNG and include both SGP advisers and advisers from other sector programs, to improve networking. Such meetings are already underway in Port Moresby.
- AusAID will develop and distribute a diagram of adviser positions in each sector, including adviser role descriptions and contact details.
- Continue to support sector specific or thematic sub-groups to promote coordination of activities.
- Build on current coordination mechanisms between SGP, the PNG-Australia Law and Justice Partnership and the PNG-Australia Policing Partnership to ensure a coherent approach. All three programs will provide reporting on program directions and results to the sector's National Coordinating Mechanism. The Partnership for Development Law and Justice Schedule will be updated to more clearly reflect a whole-of-program logic. The upcoming design process for AusAID's law and justice support will capture all three major programs of Australia's law and justice support.

Recommendations for future programming options

Recommendation Ten

Recommendation: *Before committing to a future phase of SGP, we recommend that governments: request a detailed assessment of SGP achievements in key agencies and what more needs to be done to raise their capacity; clarify the agency-level objectives for SGP by agreeing on benchmarks for an acceptable standard of performance; agree on the improvements needed to reach these standards, a timetable for achieving them, and responsibility for actions to achieve improvements (PNG Government, SGP, AusAID sector programs, other donors).*

Response: Partially agree. The Australian aid program has a clear focus on real and measurable results. Any decision by the Australian and PNG Governments about a future phase of SGP will require evidence of SGP achievements and discussion of what more needs to be done. This evidence can be drawn from the findings of the Mid-Term Review and biannual SGP monitoring reports. We are not supportive of conducting another large scale independent review in 2012-13 so soon after the Mid-Term Review.

Actions: As part of the design of a future phase of SGP, AusAID will consult with PNG government, sector programs, and other donors to develop an assessment of SGP achievements in key agencies and identify what more needs to be done to raise agencies' capacity and how this can best be achieved. Further, the Australian and PNG Governments will discuss and agree to a set of organisational and institutional priorities for Australian and PNG agencies in order to address bottlenecks that may affect the progress of SGP advisers and their counterparts; for example adequate resourcing of key corporate functions, addressing attendance and recruitment issues.

Recommendation Eleven

Recommendation: *In setting the directions for a future SGP, we recommend that: governments take into account SGP's potential to strengthen the machinery of government and government coordination; if 'strengthened collaboration between PNG and Australia' is to continue as an outcome, Foreign Affairs departments take responsibility for monitoring appropriate performance indicators.*

Response: Partially agree. The future direction of SGP needs to take into account the program's potential to strengthen machinery of government and government coordination in PNG. One of the comparative advantages of SGP is its capacity to strengthen government-to-government linkages. Further consideration needs to be given to the best way to monitor progress against the outcome of 'strengthened collaboration between PNG and Australia' and how this can be integrated into a revised M&E framework. The Australian and PNG Foreign Affairs departments will be the principal contributors to assessing performance against this outcome.

Actions: The SGP redesign will consider SGP's potential to strengthen the machinery of government and government coordination in PNG. The redesign team will also consider appropriate performance indicators to demonstrate SGP's contribution to the bilateral relationship between Australia and PNG.

Recommendation Twelve

Recommendation: *In considering the components for a future SGP we recommend that governments take a comprehensive approach to institutional partnerships by extending the scope of SGP beyond long-term advisers to include all aid-funded capacity building activities. Partner institutions could negotiate a package of assistance that best addresses their priority needs from a menu that includes long-term advisers as well as twinning, special projects, internships, professional training programs and study tours.*

Response: Disagree. It is premature to consider extending the scope of SGP to include all aid-funded capacity building activities. While in principle we support integrating and coordinating existing activities, a decision to change the scope of SGP can only be taken in the context of the SGP redesign process.

Actions: The SGP redesign process will carefully consider how to best ensure a comprehensive approach to capacity building activities in PNG through a consultative process.

Recommendation Thirteen

Recommendation: *In considering administrative arrangements we recommend that SGP continue as one program of government-to-government support with common approaches and shared resources for management, administration, and support services.*

Response: Agree. The advantage to keeping SGP as a single program rather than splitting it up by sector is that SGP would remain a truly WoG program and be better able to support coordination across government. It is also a more efficient administrative model and is separately governed under the Enhanced Cooperation Program Treaty. This, however, increases the coordination challenges with sector programs. PNG agencies and sectors need to be able to weigh up the benefits of choosing an SGP adviser instead of an alternative form of assistance.

Actions: The redesign process will be based on the premise that SGP should continue to operate as a single program across multiple sectors.