

International Finance Corporation

Mid Term Review, July 2021

AHC Management Responses - March, 2022

	Recommendation	Response	Explanation	Action Plan	Timeframe
1	<p>Recommendation 1: No-cost extension (12 months)</p> <p>It is recommended that DFAT, MFAT and IFC agree to a no-cost extension to at least 30 June 2023 for the PNG Partnership. This would allow the partnership to respond to the substantial and ongoing delays created by the COVID-19 pandemic and to address the unallocated funding of the partnership budget.</p> <p>However, before agreeing to this extension, the IFC should submit a detailed workplan for the Steering Committee’s approval outlining how each of the current partnership projects will be adjusted, where necessary. While this workplan may also outline the options of supporting new projects in the extension period, there would be challenges faced to ensure these are completed by 30 June 2023.</p> <p>Thus, a period of no-cost extension would allow the partnership to take some difficult decisions regarding which sectors and markets to continue in and which to conclude.</p>	Agree	<p>Given the significant impact of COVID-19 on IFC’s ability to expend funds and consequent delays in achieving development outcomes in the program, a no cost of extension of 12 months is appropriate. This will allow projects to finalise which have stalled due to COVID-19.</p>	<ul style="list-style-type: none"> • IFC to submit a detailed workplan. • DFAT to review and approve workplan (with Steering Committee members). • DFAT to progress a 12 month no cost extension to be signed at HOM level given the value of the agreement. 	March 2022
2	<p>Recommendation 2: Strengthen support for donor coordination</p> <p>It is recommended that DFAT and MFAT—as the donors of the PNG Partnership—consider the ways in which donor coordination in PSD in PNG can be improved. A critical starting point for this should be strategies to improve the sharing of program information with other donors and development agencies working on PSD. This may also involve further engagement with the PNG Government on this topic.</p>	Agree in part	<p>With a significant number of development partners in PNG, including in the private sector development sector, donor coordination is a longstanding issue.</p> <p>DFAT supports improved sharing of program information across donors and development agencies working in the private sector development sphere.</p> <p>Consistent with good practice, it is preferable that the PNG Government lead this coordination and Australia will continue to engage with PNG across this sphere.</p> <p>Notwithstanding Australia’s commitment to improving donor coordination in private sector development, it is a challenge that the Australian High Commission cannot solve alone given the number of development partners in PNG. We will however, seek to pursue mechanisms to improve coordination wherever feasible.</p>	<ul style="list-style-type: none"> • Post to host a Private Sector and Rural Development Partners forum for AHC programs in the Economics section to provide an overview in 2021 and to share key lessons learned. • DFAT to work with PNG to cohost a Development Partners forum in 2022 with development partners to share lessons learned and ways to improve donor coordination. • Australia’s new Economic Partnership to explore opportunities to improve donor coordination through regular dialogue with other donors where key members of the PNG Government will be invited to enhance our engagement. 	Ongoing

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3	<p>Recommendation 3: Improve the design and monitoring of gender mainstreaming</p> <p>It is recommended that the IFC gender team and IFC industry gender focal points conduct a review with project teams where gender is not well integrated and for new projects to identify opportunities to close the gender gaps identified and develop interventions and adjustments to the relevant monitoring and evaluation frameworks.</p> <p>This analysis should also include awareness of other gender interventions in the sector. This should lead to a briefing note that is submitted to the PNG Partnership Steering Committee outlining the practical actions taken to address these concerns within the current project portfolio and advice for future project formulation, management and monitoring within the partnership.</p>	Agree	<p>GEDSI principles are core DFAT principles which are required to be mainstreamed across all of Australia's development programs.</p> <p>There is considerable value to improving the design and monitoring of gender mainstreaming in the Partnership. IFC has agreed to undertake a gender review. We look forward to receiving the results from this review in 2022 and to implementing these lessons learned into the rest of the Partnership.</p>	<ul style="list-style-type: none"> • IFC to action this recommendation with results to be available in 2022. • Once the review is finalised, DFAT to work with IFC and MFAT to implement lessons in the remaining duration of the Partnership. 	June 2023
4	<p>Recommendation 4: Conduct independent project evaluations</p> <p>It is recommended that IFC present a proposal to the PNG Partnership Steering Committee for the independent evaluation of at least three projects before the end of the PP-II no-cost extension in June 2023 (or two evaluations by June 2022 should the no-cost extension not be agreed to). This would require the allocation of partnership funds for this purpose. The independent evaluation reports should be made public and disseminated to relevant actors in PNG and the Pacific.</p>	Agree	<p>Independent evaluations of two or three projects before the end of the no-cost extension in June 2023 provide an opportunity to carefully consider some key successes and failures in the Partnership.</p> <p>The independent evaluations will also help to provide lessons learned to inform decisions taken under Australia's new Economic Partnership.</p>	<ul style="list-style-type: none"> • IFC to conduct two or three evaluations. • DFAT/MFAT to select at least one underperforming project and one high performing project. 	June 2023
5	<p>Recommendation 5: Improve longer-term program alignment</p> <p>It is recommended that the PNG Partnership Steering Committee consider the opportunities for strengthening the partnership's longer-term alignment with Australian, New Zealand, IFC, and PNG priorities and strategies.</p> <p>The emergence of the new Australian-PNG Economic Partnership will be important in this regard. Moreover, the PNG Partnership would benefit from a clearer articulation of its strategy for supporting market development and PSD in the selected sectors and markets, rather than relying on a general set of goals that span all these sectors without differentiating the partnership's approach.</p> <p>A better program alignment would also contribute to improving donor coordination (Recommendation 2), including opportunities for strengthening project-based collaboration with other donor and development agencies. Better program alignment would also be more conducive to more effectively integrating gender as a crosscutting theme (Recommendation 3), while creating more opportunities for stronger synergies across groups of projects.</p> <p>This alignment would contribute to a broader consideration of the role of the PNG Partnership beyond PP-II (i.e., towards a possible third phase of the partnership).</p>	Agree in part	<p>Less than 16 months remain on the PNG Partnership, which will likely include a 12 month no cost extension. Current projects within the IFC-PNG Partnership will seek to improve gender mainstreaming and, in particular, align with Australia's new Economic Partnership, which will commence in April 2022.</p>	<ul style="list-style-type: none"> • Once the new Economic Partnership is stood up in April 2022, DFAT to seek out opportunities to engage IFC and the new Economic Partnership team to improve alignment. • DFAT to continue to engage PNG and New Zealand on priorities to ensure consistency with our Economic Partnership. 	Ongoing