SCHEDULE TO THE PAPUA NEW GUINEA – AUSTRALIA PARTNERSHIP FOR DEVELOPMENT

Priority Outcome 2: Health and HIV/AIDS (2012)

PARTNERSHIP FOR DEVELOPMENT

BETWEEN

THE GOVERNMENT OF PAPUA NEW GUINEA

AND

THE GOVERNMENT OF AUSTRALIA

The Papua New Guinea-Australia Partnership for Development was formalised by Prime Ministers during the Pacific Forum Leaders' Meeting held in Niue on 20 August 2008. The Partnership for Development initiative represents a new era of cooperation between Australia and Papua New Guinea and other Pacific Island nations. The initiative provides the guiding and practical framework for the implementation of the Port Moresby Declaration that was announced by Prime Minister Rudd on 6 March 2008.

The Papua New Guinea-Australia Partnership for Development is founded on the principles of mutual understanding, mutual respect and mutual responsibility for improved development outcomes. The Partnership reflects the shared vision of the two Governments to work together to meet the common challenges and to improve the quality of life of all Papua New Guineans. Specifically, the Partnership seeks more rapid progress towards poverty reduction and the other Millennium Development Goals by 2015.

Priority outcome 2: Health and HIV/AIDS

(i) Aim of Partnership

The Governments of Papua New Guinea and Australia have agreed to pursue progress towards achieving an efficient health system which can deliver an internationally acceptable standard of health service; and, a healthy population free of sexually transmitted infections and HIV and AIDS towards the targets of:

Health

- Increase the percentage of one year old children nationally vaccinated with three doses of DTP-HEpB-HiB pentavalent vaccine from 51 per cent to 80 per cent and measles vaccinations from 50 per cent to 80 per cent by 2015
- Increase the percentage of deliveries supervised by a trained nurse, midwife or doctor from 40 per cent to 44 per cent by 2015
- Increase the availability of essential medical supplies, including drugs and testing equipment for HIV, tuberculosis and malaria, through reducing stock outs from 25 per cent to 15 per cent by 2015.

HIV and AIDS[1]

- Increase the percentage of men and women aged 15 to 59 who had more than one sexual partner in the past 12 months who report the use of a condom during last intercourse from 38.9 per cent[2] to 80 per cent by 2015
- Increase the percentage of positive pregnant women on antiretroviral treatment (for prevention of mother to child transmission) from 23 per cent in 2010[3] to 80 per cent by 2015
- Increase the percentage of the population (both men and women) in need of antiretroviral drugs who receive those drugs from 59 per cent in 2010 to 80 per cent[4] by 2015.

The World Health Organization reports that Papua New Guinea has the lowest health status in the Pacific Region[5]. There has been minimal improvement in health sector indicators in the Government of Papua New Guinea's Annual Health Sector Review since 2002. Communicable and often easily preventable diseases are the most common causes of morbidity and mortality across all age groups and immunisation rates continue to stagnate, or in some instances, have declined. Whilst lifestyle diseases are an emerging problem, they currently contribute little to total morbidity and mortality rates in Papua New Guinea.

[1] All HIV targets to be disaggregated by region to track performance at the sub-national level.
[2] The National HIV and AIDS Strategy 2011-2015 target cites this baseline from the 2008 Kimbe Population Survey, Institute of Medical Research, but a national baseline will be established by the proposed World Bank Integrated Bio Behavioural Study planned for 2011-12.
[3] Medium Term Development Plan 2011-2015 (MTDP) baseline of 3.48 per cent in 2008 and 2015 target surpassed in 2010 Papua New Guinea Universal Access Report 2010.
[4] These targets differ from the MTDP target as the baseline of 17 per cent in 2006 and target of 34 per cent by 2015, identified in the MTDP have already been surpassed by 59 per cent coverage in 2010 - cited in Papua New Guinea's Global Fund Round 10 proposal.
[5] 2008 Report by the World Health Organization estimated that under-5 mortality (U5MR) was 73 per 1,000 live births. Papua New Guinea's Demographic health survey 2006 estimates the U5MR at 75 per 1,000 live births. Papua New Guinea's National Census 2000 estimates life expectancy at birth at 55 for women and 54 for men.

Women suffer disproportionately from health problems, exacerbated by high levels of domestic violence. The National Health Plan 2011-20 (NHP) identified maternal health as the main health concern facing the sector. Maternal deaths have increased over the past ten years with many lives lost due to the lack of accessible and safe delivery environments.

The Partnership will focus on improving the accessibility of women to a safe delivery environment through the rehabilitation of the rural health infrastructure (including facilities, staff housing and essential emergency obstetric equipment) and to increasing the numbers of health workers with midwifery skills through support to the rehabilitation of four midwifery schools and the building of a new school in the New Guinea Islands region.

HIV is a growing concern in Papua New Guinea. The national prevalence among adults is estimated to be 0.9 per cent[6], with patterns that vary across the country. AIDS has become a leading cause of deaths in some Highland hospitals and AIDS cases occupy a large proportion of hospital beds in a number of hospitals. The high rate of infections is also exacerbating the spread and management of TB co-infections.

Responding to the HIV epidemic in Papua New Guinea requires a long-term perspective. While the reduction of new HIV infections and deaths from AIDS is the goal, there is a substantial burden and cost associated with managing the number of people living with HIV who are dependent on treatment regimens and long term support. Sustained and targeted prevention efforts are needed to keep the number of new infections to a minimum so that over time, as the number of people living with HIV declines, AIDS can be managed like other chronic diseases. UNAIDS has found that for every one dollar spent on preventing HIV eight dollars is saved on treatment in the future, and that reaching the most at risk populations with comprehensive HIV prevention is highly effective in reducing the spread of HIV[7].

In addition, HIV prevention depends on solving the social problems that give rise to risks and vulnerabilities of transmission. Addressing these issues requires a multi-sectoral response and a focus on those at higher risk and those disadvantaged by their location in rural areas. It is essential that the response continues to improve coverage and access by rural populations to services that will prevent the contracting of HIV, especially STI and HIV testing.

Funding constraints and poor prioritisation at all levels of government hamper the primary health care that is needed to reduce mortality and morbidity[8]. By international standards, the Government of Papua New Guinea spends a lower proportion of revenue on health than other Pacific nations[9]. Reforms to intergovernmental financing introduced in 2009 aim to ensure funds are more equitably distributed to provinces based on the actual costs of service delivery. Despite these reforms the Medium Term Expenditure Framework 2011-13 (MTEF) for health demonstrates a shortfall rising to PGK17 million in 2012 for rural health services, as a result of increased distribution costs associated with the introduction of the 100 per cent medical kits. Added to this, provinces continue to display a lack of capacity to undertake the

[6] Papua New Guinea's National HIV and AIDS Strategy 2011-2015 (NHS), p.15.
7 Financial resources required to Achieve Universal Access to HIV Prevention, Treatment, Care and Support. UNAIDS, 2007.
[8] National Economic and Fiscal Commission (NEFC) in its reports 'Cost, Capacity, Performance' (2005) and 'Provincial Expenditure Review' (2007).
[9] World Health Organization in World Health Statistics 2007 reports that the Government of Papua New Guinea spends a lower percentage of GDP on health than other Pacific nations and countries with comparable income levels.

necessary spending of the funds available to them, in particular for facility operations and outreach and medical supplies distribution.

Guiding Frameworks

The Partnership will support the Government of Papua New Guinea's National Health Plan 2011-20 (NHP) and the National HIV and AIDS Strategy 2011-15 (NHS). (The latter also addresses key results area 6 of the NHP).

The focus on improved health outcomes under the Partnership reflects the commitment of the Government of Papua New Guinea and the Government of Australia to pursue significant measurable progress towards poverty reduction and the Millennium Development Goals (MDGs) by 2015[10]. This focus is consistent with the Government of Papua New Guinea's overarching Development Strategic Plan 2010-2030 (DSP) and Medium Term Development Plan 2011-2015 (MTDP).

(ii) Costing and Timeframe

The NHP 2011-2020 provides aggregate estimates of health sector spending requirements to achieve Papua New Guinea's health MDG targets over its ten years of implementation. Funding requirements are estimated for the major inputs that are necessary to enable health facilities to provide basic health services based on inputs of human resources for health, medical supplies, operational funds (minimum priority activities) and infrastructure (building and equipment). Costs are linked with actual service outputs and the required resources calculated to deliver targeted levels of service provision to the population. The total expenditure requirements over the ten years of the NHP are PGK14.17 billion, which the Government of Papua New Guinea has publicly committed to funding, subject to availability of funding through the normal budgetary processes. However, the cost of pre-service training has not been captured comprehensively in the costing of the NHP.

[10] This Schedule specifically targets MDGs: 4 - Reduce Child Mortality; 5 - Improve Maternal Health; and 6 - Combat HIV/AIDS, malaria and other diseases.

Table 1: Costing of the National Health Plan (2011-15) by inputs (PGK million, AUD1= PGK2.2)

	2011 (actual)	2012 (appro.)	2013 (appro.)	2014	2015	Total
Total Cost[11]	-	-	-	-	-	-
Funding						
Government of PNG[12]	910	847	1,344	1,344	1,344	**5,789**
- *Recurrent*	*761*	*712*	*888*	-	-	-
- *Development*	*149*	*135*	*134*			
- *Sub-national grants*			*298*	-	-	-
Other source	-	-	-	-	-	-
Australia (indicative)[13]	249	230	282	290	290	**1,341**
Other Donors (indicative)	109	70	70	70	70	**389**
Total Funding	**1,268**	**1,147**	**1,696**	**1,704**	**1,704**	**7,519**
Funding Gap	-	-	-	-	-	-

The indicative funding level is based on estimates by the Department of Treasury and the Department of National Planning and Monitoring. The indicative funding level includes both recurrent and development budget funding (Government of Papua New Guinea direct financing) but does not include potential funding towards the Partnership through supplementary budgets and Government of Papua New Guinea loan financing.

Table 2: Costs by category of expenditures (PGK million, AUD1= PGK2.2)

	2010 (base year)	Annual Requirements 2011-2015	Annual Shortfall 2011-2015
Personnel	**371**	**397**	**26**
• Rural health services	150	173	23
• General hospitals	172	173	1
• Pre-service training[14]	16	18	2
Medical supplies	**149**	**177**	**28**
• Rural Health services	82	106	24
• General Hospitals	47	52	5
• Other supplies (LLINs , condoms)	20	19	1
Operating costs	**382**	**410**	**28**
• Rural health services	80	112	32
• General Hospitals	62	87	25
• Central level	239	209	-30
Capital	**22**	**356**	**334**
• Rural health services	0	78	78
Note: Costs as described in this table and Annex 2 below are estimates only and require updating in 2013. These cost estimates are not included in indicative funding Table 1, which is forward looking.			

In extending basic service delivery, the Government of Papua New Guinea and Government of Australia recognise that there is a careful balance to be struck between new capital investments and ensuring that adequate recurrent funding is provided to run existing health facilities. To this end, the Government of Papua New Guinea has, since 2009, increased the

[11] There are no sector-wide updates for costs at this time.
12 Figures are indicative and subject to Government of Papua New Guinea budgetary processes. The figures are based on the Government of Papua New Guinea's 2012 budget appropriation for the health and HIV/AIDS sector from the Recurrent and Development Budgets, and Provincial Grants (Health Function Grant).
13 Subject to the prevailing exchange rate at the time and the Government of Australia budget processes.
[14] Figures are yet to be confirmed - awaiting outcome of the World Bank study

percentage of its budget allocated to improvements against the minimum priority areas (MPAs), by prioritising additional funding to the recurrent costs of basic service delivery. This is clearly demonstrated in the percentage increase of health function grants by some three to four times from 2009-11, compared to previous years. It is strongly recommended that funding capital investments to expand health care will only be made when appropriate. In doing so, the Government of Papua New Guinea will seek to ensure facilities identified under the MPAs are appropriately resourced and capable of achieving their service delivery obligations, subject to availability of funding and normal budgetary processes.

Following the launch of the NHP in September 2010, the Government of Papua New Guinea made a political commitment to support the implementation of the NHP and its costings of PGK14.17 billion, subject to availability of funding and normal budgetary processes. This includes funding its recurrent costs, subject to budgetary constraints. Recurrent costs include: health worker salary costs; operational costs for new and expanded medical training facilities; goods and services for fixed and outreach services (including health patrols); drugs and medical supplies; and capital equipment and infrastructure maintenance costs.

The Governments of Papua New Guinea and Australia acknowledge the importance of sustainably increasing funding to Partnership priorities over the period to 2015. Funding will be determined as part of each country's annual budget processes and consider progress in implementing mutually agreed commitments in the Partnership. Multi-year funding projections will be included in the Partnership, reviewed annually, and adjusted as appropriate.

The funding requirement for achieving the objectives in the Partnership will be derived primarily from:

- Redirection of the Government of Papua New Guinea's recurrent and development expenditures towards the Partnership priority outcomes and away from lower priority and/or ineffective programs, including allocations from funds held in trusts, and improved cost effective implementation across all programs. Where necessary, the Government of Papua New Guinea will seek technical assistance to strengthen capacity in the relevant implementing agencies

- Increased levels of development assistance from the Government of Australia, consistent with the Partnership commitment, and a reprogramming of overall assistance towards the Partnership priority outcomes. Indicative Australian funding for health is presented in Table 1 and for HIV on page 5 of this document

- Increased funding from other development partners, through increased aggregate development assistance and/or a reprogramming of existing activities.

HIV and AIDS

Although the NHS has been costed, there is a need to develop a medium term finance and expenditure framework to facilitate sustainable financing of HIV service delivery. In 2011, the Government of Papua New Guinea committed PGK15 million to fund antiretroviral

treatment and PGK20 million to fund implementation of the NHS through the National AIDS Council Secretariat.[15]

The NDoH has completed an implementation plan for the components of the NHS for which they are responsible. This has been costed but costing is yet to be approved by the Department.

The Government of Australia's contribution to the HIV response in Papua New Guinea will be comprehensive across key strategic areas, however the majority of financial support will continue to support direct HIV service delivery, which has to date been successfully scaled up through civil society partners. Forward budget estimates provide indicative figures of AUD35 million for 2011-12 and 2012-13.

(iii) Measurement

Accurate health data presents a challenge to the planning, resource allocation and performance monitoring of the health sector in Papua New Guinea. The Government of Papua New Guinea's NDoH will upgrade if necessary and use the National Health Information System to collect sufficient data to assess performance of the sector against the indicators, including better data to show utilisation and access by gender and age.

Data from the Demographic Health Surveys, NHIS and specific HIV databases/international monitoring databases will be utilised to assess the progress of MTDP indicators for HIV/AIDS. A full list of indicators to be monitored is attached at Annex 3.

The World Health Organization[16] reports that Papua New Guinea spends a lower percentage of GDP on health than other Pacific Nations and countries with comparable income levels. Over the duration of the Partnership, the Government of Papua New Guinea and Government of Australia will therefore endeavour to increase funding for health services subject to available financial resources. This will be monitored and reported upon by standard Department of Treasury and National Economic and Fiscal Commission processes.

(iv) Technical Advisers

Following an announcement by the Government of Australia in May 2010, a review of the use of technical advisers was undertaken by AusAID and the Government of Papua New Guinea. The objective of the review was to ensure that the use of technical advisers represents an effective and value for money response to meeting both Governments' needs and priorities.

Following the review, the Governments of Papua New Guinea and Australia established an Adviser Review Group (ARG) to maintain executive level scrutiny on the use of technical advisers in the aid program. The ARG met for the first time in April 2011. The Group includes AusAID's Head of Aid, Chief of Operations, and the Secretaries of the Department of National Planning and Monitoring and the Department of Personnel Management. The ARG has agreed to meet quarterly to discuss the quality of advisers; the impact they are

[15] These appropriations were in addition to a recurrent budget appropriation of K6.8 million to the National Aids Council Secretariat.
[16] World Health Statistics 2007

having in assisting the Government of PNG meet the country's development goals; and the allocation of adviser resources.

Under this schedule to the Partnership, the Governments of Papua New Guinea and Australia will work together to implement the recommendations of the review and monitor the use and level of technical advisers in the aid program. Support from the Government of Australia will include technical assistance to the Health and HIV sectors.

(v) Implementation Strategy

Activities under this Schedule are aligned to the NHP and the NHS. Both these plans are aligned to the Government of Papua New Guinea's longer term strategies including its Development Strategic Plan 2010-30, and MTDP. The formulation of both the NHP and NHS occurred in consultation with a wide rage of stakeholders including provincial, district and local level administrations, non-state health service-providers and development partners.

In 2011, the Governments of Papua New Guinea and Australia agreed to a new strategic direction for the aid program that focuses on delivering better health (including HIV and AIDS) and education outcomes, particularly at subnational level. Recognising this changing context and the importance of a strong health system as a key element for the HIV response, the delivery strategies for AusAID's Health and HIV/AIDS Programs are being brought together to contribute to the achievement of the above targets.

Achieving results

Achieving results in health and HIV/AIDS is dependent on strong central government agencies such as Treasury, Finance, National Planning, Personnel Management, Internal Revenue and Central Supply and Tenders Board – they provide the funds, define human resource management rules and procedures, operate financial management systems, and they coordinate policy making and allocate and deliver money through the budget and planning systems. They enable line agencies and sub-national administrations to deliver services and create an environment where quality of life can be improved. The Government of Papua New Guinea will work to ensure central agencies are adequately resourced, efficient, effective and accountable. Assistance provided by the Government of Australia will support this through three programs: the Economic and Public Sector Program (EPSP), Strongim Gavman Program (SGP) and Sub-National Program (SNP). The EPSP and SGP principally support central agencies as key institutions in Papua New Guinea. The SNS supports provincial governments and their districts, primarily through the Government of Papua New Guinea's Provincial Performance Improvement Initiative (PPII).

In addition, churches and NGOs are important service providers in Papua New Guinea, particularly in health and HIV/AIDS. As well as direct support to civil society organizations through the health and HIV/AIDS programs, Australian assistance to churches and NGOs will be provided though the Strongim Pipol Strongim Nesen (SPSN) program in support of Papua New Guinea's health sector and response to HIV/AIDS, and service delivery more broadly.

Improving access of rural communities to health and HIV services including, on the basis of need, STI and HIV prevention, testing and treatment will be an important outcome for the Partnership. Further integration of STI and HIV services at district and provincial level will be supported.

To support the Government of Papua New Guinea to meet its commitment to implement the National Health Plan and the National HIV/AIDS Strategy, the Government of Australia will provide support to the following six priority focus areas. The Government of Papua New Guinea will fund (or source alternative funding for) the remaining strategies, including extensive funding for capital infrastructure improvement:

The Government of Australia will provide support to the following six priority focus areas:

1. NHP Key Result Area 3: Strengthen Health Systems (Financing)

Shared target: Increased proportion of government (functional grants) and development partner contributions that are expended and meet estimated minimum health expenditure required.

Australia's contribution:

- Provide direct financing through the Health Sector Improvement Program (HSIP) trust account to support health priorities (including minimum priority areas) and key national functions
- Provide technical assistance to strengthen provincial and district capacity to effectively plan, budget, spend, monitor and report on total health funding
- Support trialling of innovative approaches such as direct to facility financing and financing to provincial health authorities
- Improve accountability at all administrative levels of the health system, including for Government of Papua New Guinea funded church health services.

2. NHP Key Result Area 3: Strengthen Health Systems (Drug and Medical Supplies)

Shared target: Reduce stock outs of essential drugs and medical supplies from 25 per cent to 15 per cent each calendar year

Australia's contribution:

- Fund a procurement unit manager in the NDoH to implement National Health Plan strategies of (i) improving the capacity of the procurement and distribution systems (ii) outsourcing logistics management and operations of the drug supply chain and (iii) implementing the 100 per cent medical supply kit system for rural health facilities until a pull system can be implemented
- Distributing 40 per cent medical supply kits in 2011 to at least 75 per cent of hospitals, health centres and aid posts in Papua New Guinea. Future support to procurement and distribution of 100 per cent kits at the request of NDoH under consideration
- Procure and distribute emergency obstetric care equipment to at least 75 per cent of district hospitals and health centres in Papua New Guinea in 2011

- Ensure antiretroviral drugs are distributed to all treatment sites, HIV test kits and reagents to all testing sites, and condoms and ARV for post exposure prophylaxis to all areas, with a focus on rural areas.

3. NHP Key Result Area 3: Strengthen Health Systems (Health Workforce)

Shared target: Increase in number of health workers (by cadre) per 10,000 population

Australia's contribution:

- Support the University of Papua New Guinea's School of Medical and Health Sciences to increase the quantity and quality of Papua New Guinea health care workers
- Support the maternal health response by funding eight midwifery trainers (to teach at all four midwifery schools) and two obstetric and gynaecological specialists to undertake teaching and direct services at Mt Hagen and Madang hospitals
- Ensure Prevention of Parent to Child Transmission of HIV, HIV and STI counselling, testing and treatment are included in curriculum for mid-wives, nurses and other health care workers
- Provide in-service and pre-service training for HIV testing, counselling, treatment and sexual health to health care workers, including in rural facilities
- Provide in-country scholarships to increase the number of community health workers, nurses and midwives enrolled in Papua New Guinean training institutions.

Specific commitments will be determined once the findings of a World Bank Human Resources for Health analysis are released and the development of the Papua New Guinea Health Workforce Development Plan is completed.

4. NHP Key Result Area 3: Strengthen Health Systems (Infrastructure)

Shared target: No performance information for health infrastructure is available.

Australia's contribution:

- Support a coordinated approach to rehabilitate aid posts/health centres and establish Community Health Posts that provide maternal and child health delivery services and outreach services (also known as health patrols)[17]. The implementation and rollout of this program is guided by the NHP and MTDP and NDoH development budget coordination
- Refurbishing/upgrading all four existing midwifery schools and re-establishing a fifth midwifery school in the New Guinea Islands
- Rehabilitate (or rebuild where not possible to rehabilitate) at least 50 health facilities and all housing for health workers to NDoH minimum standards, including a reliable supply of clean water and appropriate sanitation facilities
- Ensure 15 new STI clinics are completed, and sexual health services linked to maternal and child health, HIV and TB services are used
- The Government of Papua New Guinea will seek assistance from the Government of Australia to rebuild of one of the four priority regional hospitals (for example Lae).

[17] The Asian Development Bank (ADB) will provide technical assistance to develop the model for community health posts. The mechanism for assistance from the Government of Australia will be decided in light of the ADB's recommendations.

5. NHP Key Result Area 2: Strengthen Partnerships and Coordination with Partners

Australia's contribution:

- Support the improvement of service delivery through implementation of critical reforms such as the Provincial Health Authority
- Provide small, medium and large grants to civil society organisations, churches and communities to increase demand for better health service delivery, and to improve health seeking behaviour of communities in the areas of maternal health and hygiene promotion. These grants will be consistent with the MTEF and will be transparent to budgetary processes
- Support provinces to establish service agreements (in line with the National Partnership Policy) with civil society organisations, churches and the private sector to provide health services and report on outcomes
- Improve quality and coverage of health and HIV services supplied by civil society organisations, such as churches and NGOs
- Fund the Institute of Medical Research to develop and implement an agreed research agenda with NDoH.

6. NHP Key Result Area 6: Reduce the Burden of Communicable Diseases

NHS Priority Area 1: Prevention of HIV and STI

Shared targets:

- *80 percent of men and women aged 15-59 who had more than one sexual partner in the past 12 months who report the use of a condom during last intercourse*
- *80 per cent of male and female sex workers report the use of a condom with their most recent client*
- *80 per cent of HIV positive pregnant women on antiretroviral treatment (for prevention of parent to child transmission)*
- *80 percent of pregnant women who were tested for HIV and receive their results-during pregnancy, during labour and delivery and during the post partum period (<72hours), including those with previously known HIV status.*

Australia's contribution:

- Support civil society partners to provide comprehensive prevention to most at risk populations including sex workers and men who have sex with men, with a focus on the National Capital District and the highlands highway provinces
- Support civil society and NDoH partners to improve and expand provision of counselling, testing, prophylaxis and treatment to pregnant women attending ante natal clinics
- Support civil society partners to scale up STI and HIV services linked to TB
- Support delivery of innovative models of STI care and treatment and work with provincial health and civil society partners to improve quality of STI service delivery
- Support innovative prevention campaigns, including by community leaders based on customary norms and traditions
- Support civil society partners to address risk and vulnerability factors associated with transmission of HIV, especially in rural areas.

NHS Priority Area 2: Counselling, testing, treatment, care and support
Shared target: 80 per cent of adults and children with advanced HIV infection receive antiretroviral therapy.

Australia's contribution:
- Support the expansion of quality STI and HIV testing integrated into existing health services and facilities, including in rural areas
- See ensuring ARV distribution under 2. NHP Key result area 3: Strengthen health systems (drug and medical supplies)
- See health worker HIV training under 3. NHP Key result area 3: Strengthen health systems (health workforce).

NHS Priority Area 3: System Strengthening
Shared target: 75 per cent of technical assistance deployed to support NHS implementation at subnational level compared to total TA; 90 percent of provincial governments report to the PLSSMA on their specific HIV responsibilities under the Determination on Service Delivery[18].

Australia's contribution:
- Provide technical assistance and organisational capacity building to support NHS implementation at the sub-national level, including by civil society organisation partners, including in rural areas
- Support NDoH to strengthen surveillance systems (biological and behavioural surveys, case reporting and STI and HIV surveillance)
- Fund national HIV research grants and training programs for researchers.

Cross cutting across NHP key result areas 4 to 8 is the need for effective surveillance and response to disease outbreaks. The Partnership will provide support to this strategy and to improving evidence based decision-making.

Geographic Focus

Australia will provide support to strengthening Papua New Guinea's health system across the country. In addition to this, it will have a geographic focus on those provinces currently trialling a provincial health authority (Milne Bay, Eastern Highlands, Western Highlands, Autonomous Region of Bougainville and Western Province).

In relation to HIV, the Government of Australia will differentiate its response in each province based on the levels of infection and drivers of the epidemic. The Government of Australia will provide support in the most affected provinces along the highlands highway (Eastern Highlands, Western Highlands, Southern Highlands, Morobe, Chimbu and Enga) and the Autonomous Region of Bougainville.

The Government of Australia will use evidence from research to target resources to most at risk populations in focus provinces. Support to civil society and technical assistance programs will be reshaped to suit this engagement in target provinces and to forge working relationships with the provincial health administrations.

[18] National HIV and AIDS Strategy 2011-2015 targets

Health / HIV Integration

The Government of Australia will use a single implementation service provider for Health and HIV technical assistance and grant management from 2012 onwards. This is a contractual arrangement only designed to promote efficiency and will not impact the separate nature of services currently provided by the Health and HIV/AIDS programs.

The Government of Australia will seek to integrate STI and HIV testing and treatment into Maternal Child Health services, especially in the National Capital District and the highlands areas, in order to prevent STI and HIV transmission from parent to child, and to save the lives of mothers and infants with HIV.

The Government of Australia will seek to develop links between STI, HIV and TB testing and treatment, especially in the Highlands and the National Capital District. The Government of Australia will build capacity in government and NGO health services at district and provincial level for HIV prevention, testing and AIDS treatment.

Commitment on Aid Effectiveness

Consistent with the *Paris Declaration on Aid Effectiveness* and *Papua New Guinea Commitment on Aid Effectiveness*, activities and expenditure commitments under the Partnership will be considered within Government of Papua New Guinea's budget process and financial frameworks. The Partnership recognises the significant financial resources available to the sector from various sources including the Global Fund and other development partners to implement these plans. To ensure funding is most effectively used, the Partnership will integrate with the health sector wide approach (SWAp), recognising that existing SWAp mechanisms need to be strengthened to better align with Papua New Guinea's decentralised system and better support service delivery. Work undertaken in 2010-11 will continue in 2012-13 in a process led by the Government of Papua New Guinea and supported by health sector development partners.

ANNEX 1 – Australia's contribution to Partnership outcomes through other programs

The immediate development results articulated under this Schedule will require a **stable macro-economic environment, capable officials,** and **appropriate allocation of funds to service delivery priorities**. In the medium to long-term, development results will be more achievable through **increasingly effective and sustainable service delivery mechanisms**, whether through government, the private sector or civil society. As well as the activities directly supported through this Schedule, the following programs will support our mutual objectives.

Program	**2011 Funding AUD'm**	**2012 Funding AUD'm**	**Total Initiative Funding AUD'm (years)**
Strongim Gavman Program	28.2	29.3	138.0 (2009-13)
Economic and Public Sector Program	25.3	20.0	100.0 (2010-14)
Sub-National Program	18.4	13.4	110.0 (2007-12)
Papua New Guinea-Australia Incentive Fund	17.8	22.2	60.0 (2010-14)
Scholarships	20.1	21.7	110.0 (2011-16)
Strongim Pipol Strongim Nesen	7.5	18.4	105.0 (2010-14)
Church Partnership Program	7.0	6.5	50.0 (2010-15)
TOTAL	121.7	123.6	689.0

Note: In 2011 approximately 85 per cent of Australian aid to Papua New Guinea was be provided under the Partnership for Development.

These programs will support broader objectives of the Government of Papua New Guinea and underpin other Government of Australia programs at the **national and sub-national levels to:**

- encourage macro-economic stability through a sustainable budget process; encourage funding allocations through national and provincial budgets to better target service delivery priorities; and improve public sector efficiency and sustainability through:
    - training public servants
    - reform of public financial management systems
    - promoting a culture of accountability and performance through improved auditing and monitoring of performance.
- support civil society, NGOs, churches and the private sector to effectively deliver basic services to Papua New Guinea communities and build demand for improved government, private sector and NGO accountability to communities, together with the Papua New Guinea government.

Equally important to achieving the development results in this schedule is a **zero tolerance approach to fraud and corruption** in the Australian aid program. Both Governments acknowledge the negative effect that fraud and corruption have on the effective delivery of services to the people of PNG. Both Governments will ensure that Australian aid program is transparently programmed, managed and effectively delivered. The Government of Australia agrees to use PNG Government systems and procedures where these processes are suitably robust to minimise the risk of Australian aid funding being lost to fraud or corruption; and where there is demonstrated development benefit for PNG. The aid program, through governance initiatives listed below, will help improve PNGs anti-corruption measures. These measures include implementing the National Anti-Corruption Strategy, strengthening the capacity of PNG law enforcement agencies to tackle corruption, and improving PNG procurement and financial systems.

At each Annual Partnership Dialogue, both governments can review achievements under these programs taking into account the annual assessments of the Provincial and Local Level Service Monitoring Authority, the National Economic and Fiscal Commission reviews, periodic World Bank Institute Government Effectiveness Score assessments and Public Expenditure and Financial Accountability assessments, targets for which are articulated under the MTDP, and other independent review mechanisms. The Governments of Australia and PNG will work closely together during 2013 and 2014 to ensure that future support for improved governance and public sector reform is increasingly aligned with the agreed Partnership priority outcomes and the focus on helping people overcome poverty.

The **Strongim Gavman Program (SGP)** assists the Government of Papua New Guinea to strengthen public sector performance in key agencies in the sectors of economic and public sector management, law and justice, border management and transport security. Senior officials from the Australian public service are placed in Papua New Guinea agencies to provide strategic advice and support for capacity development. SGP officials are accountable to the Papua New Guinea agency head as well as the Government of Australia. Increasing focus is given to those central government functions that enable delivery of Government of Papua New Guinea policies related to service delivery in the health, education and the law and justice sectors.

The **Economic and Public Sector Program (EPSP)** will strengthen central and core agencies in their role as key enabling government institutions to enable service delivery. The program will be managed by a Program Management Group (PMG), comprising senior level representatives from the Departments of Prime Minister and National Executive Council (PM&NEC), Personnel Management (DPM), National Planning and Monitoring (DNPM), Treasury (DoT), Finance (DoF), Provincial and Local Government Affairs (DPLGA), Office for the Development of Women, AusAID, and the Managing Contractor, and work directly through PM&NEC, to the Central Agencies Coordinating Committee (CACC). Funding flows will be guided by an Annual Strategic Framework developed by the PMG and agreed by AusAID and the CACC.

Scholarships PNG (SPNG) is a joint collaboration between the Governments of Australia and New Zealand to provide post-secondary education and training opportunities to Papua New Guineans. This contributes to Papua New Guinea's human capital development in areas identified by the Government of Papua New Guinea as national training priorities. The Government of Papua New Guinea chairs the processes of selecting awardees.

The **Sub-National Program (SNP)** partners with the Government of Papua New Guinea to help improve vital aspects of its decentralised service delivery system. This includes: supporting reforms that increase funding to provinces for service delivery; supporting the

operation of the Government of Papua New Guinea's mechanisms to monitor and coordinate service delivery; assistance to the Government of Papua New Guinea's Provincial Performance Improvement Initiative to strengthen sub-national performance and support for improved service delivery capacity of the Autonomous Bougainville Government.

The **Incentive Fund** encourages Papua New Guinea organisations to improve their overall performance and contribution to development. Grants of between PGK0.5 million to PGK10 million are provided to good performing organisations in Papua New Guinea to enable them to expand their services in mainly the health and education sectors. Over the life of the program, the Australian Government will provide approximately AUD60 million to successful organisations across PNG.

The **Church Partnership Program (CPP)** assists Papua New Guinea churches enhance their capacity to deliver health and education services to disadvantaged and often remote communities, as well as contribute more broadly to development in Papua New Guinea. CPP is based upon partnerships between the seven Papua New Guinea churches, their seven counterpart Australian faith based NGOs, AusAID and the Government of Papua New Guinea.

Strongim Pipol Strongim Nesen (SPSN) aims to assist government, civil society and the private sector to work together to meet Papua New Guinea communities' health, education and other needs by providing grants and capacity building support to organisations throughout Papua New Guinea. The program will also build demand for improved government, private sector and NGO accountability to communities. The SPSN Joint Governing Council, currently comprised of DNPM, DPLGA, Department of Community Development (DfCD) and AusAID, sets the program's strategic direction. SPSN will directly target poverty by delivering many tangible benefits from community generated projects in rural and remote areas.

ANNEX 2 – Complete Costing for Health

To be updated in 2013

	2011 Appropri-ations	2012 Costing estimates	2013 Costing estimates	2014 Costing estimates	2015 Costing estimates
STAFFING COSTS – TOTAL	398.8	407.1	414.0	422.3	431.0
NDoH	39.2	39.4	39.5	39.5	39.5
Pre-service training	13.5	14.1	14.7	15.4	16.1
General Hospitals	189.5	189.5	189.5	189.5	189.5
Rural Health Services:	156.6	164.1	170.3	177.9	186.0
Provinces health services	95.7	99.6	102.9	107.5	112.4
Church services	60.8	64.5	67.4	70.4	73.6

Staff costs estimates for rural health service staff (incl. churches) from 2012 based on required increase in staff numbers by 4.5 per cent per annum because of increased workload as a result of expected service improvements and growing population. Pay increases, e.g. the recent 7 per cent increase, has not been factored into the cost estimates.

MEDICAL SUPPLIES - CENTRAL PURCHASE	143.7	152.1	153.0	160.6	168.7

The 100 per cent HC and AP kits for distribution in 2012 will be procured and paid in 2011, and similarly kits for distribution in 2013 will be procured and paid in 2012 etc. The additional cost requirements in 2012 are due to an increase of donor funded supplies in particular from the Global Fund for Malaria. In addition, an overall increase of annual supplies by 5 per cent per annum from 2013 as a result of expected service improvement and growing population.

OTHER RECURRENT GOODS AND SERVICES	345.2	348.6	314.1	325.8	338.3
NDoH	177.3	160.7	115.1	115.1	115.1
Pre-service training	3.5	3.8	4.1	4.2	4.3
General Hospitals	70.8	72.8	74.8	76.9	79.1
Rural Health Services:	93.6	111.3	120.1	129.6	139.8
Provinces health services	73.8	91.5	98.8	106.6	115.0

	Church services	19.7	19.7	21.3	23.0	24.8

NEFC costing estimates adjusted to distinguish between government and church facilities have been applied. Indicative estimates of increased distribution costs for 100 per cent kits from 2012 have been factored into 2012 cost estimates, resulting in an overall funding shortfall of around PGK17 million per annum for the provinces. This again is based on the inclusion of the current 2011 Health Function Grants, internal revenue for health, Church Operating Grants and the DP funded provincial HSIP.

TOTAL RECURRRENT EXPENDITURE	887.7	907.9	881.1	908.8	938.0

TOTAL CAPITAL EXPENDITURE	203.5	313.2	315.9	336.3	292.0
NDoH	28.2	7.2	9.2	8.0	8.3
Pre-service training					
General Hospitals	116.5	169.7	169.7	217.5	172.9
Rural Health Services (incl. church services)	58.8	136.4	137.0	110.8	110.8

Current appropriations (2011) include the development budget of PGK170 million as well as donor funded projects of PGK24 million (in particular the EU rural water supply project). Costing estimates from 2012 are based on the NHP costing. Costing estimates for hospitals cover redevelopment of the four priority (phase one) hospitals - Angau, Kerema, Goroka and Nonga from 2012-2016 while up-grading to regional referral hospitals factored in from 2014. RHS infrastructure (rehabilitation and equipment up-grading of RHS facilities, including churches) expected commenced in 2012. Pre-service training: no costing estimates available - depending on the workforce study that is expected to provide cost estimates for requirements for up-grading and expansion of pre-service training capacity for all the main health cadres.

TOTAL EXPENDITURE	1091.2	1221.1	1197.0	1245.1	1230.0

ANNEX 3 – Government of Papua New Guinea MTDP Indicators

Government of Papua New Guinea MTDP Indicators showing areas of AUSAID support					
Sector	**MTDP Indicator**	**2015 targets**	**2020 targets**	**2025 targets**	**2030 targets**
MDG **Health and HIV**	Infant mortality rate	43 deaths per 1000 live births	35 deaths per 1000 live births	26 deaths per 1000 live births	Below 17 per 1000 live births
	Neonatal mortality rate (%)	22 deaths per 1000 live births	18 deaths per 1000 live births	13 deaths per 1000 live births	9 deaths per 1000 live births
	Under 5 mortality rate (refer Appendix table for regional and provincial targets)	56 deaths per 1000 live births	44 deaths per 1000 live births	32 deaths per 1000 live births	Below 20 deaths per 1000 live births
	Maternal mortality rate	500 deaths per 100,000 live births	360 deaths per 100,000 live births	230 deaths per 100,000 live births	Below 100 per 100,000 live births
	Life expectancy	Males: 62.2 years Females: 62.7 years	Males: 64.2 years Females: 64.7 years	Males: 66.2 years Females: 67.2 years	70 years
	Proportion of 1 year old children immunised against measles	68%	80%	87%	94%
	Proportion of 1 year old children immunised with 3 doses of DTP-HepB-Hib	80%	86%	92%	97%
	Proportion of children immunised against TB	75%	80%	87%	95%
	Proportion of births attended by trained health personnel	44%	68%	81%	95%
	Contraceptive Acceptor Rate (per 1000 women of reproductive age)	320	360	400	450
	Contraceptive Prevalence Rate (%)	40%	65%	67%	70%
	Couple years of contraceptive protection	115	125	135	145
	Proportion of children born to mothers outside the age range 20-34	25%	22%	20%	18%
	Percentage of children born to mothers with 4 or more children	27%	24%	20%	15%
	Proportion of births with birth interval < 2 years	24%	21%	18%	15%
	Proportion of pregnant women who received at least one antenatal care visit	80%	85%	90%	95%
	Women aged 15-49 with unmet need for family planning (%)	25%	22%	18%	15%
	Underweight births as a proportion of total births	9.0%	8.9%	8.6%	8.2%
	Proportion of underweight children under 5 years of age	25%	24%	22%	20%
	Proportion of children under 5 who are significantly below average height for their age				
	Proportion of children under 5 sleeping under long life impregnated nets (LLIN)	80%	90%	95%	95%
	Proportion of households owning mosquito nets	65%	85%	90%	95%
	Proportion of children under 5 with malaria who are treated with	35%	50%	75%	100%

Government of Papua New Guinea MTDP Indicators showing areas of AUSAID support					
Sector	**MTDP Indicator**	**2015 targets**	**2020 targets**	**2025 targets**	**2030 targets**
	anti-malarial drugs				
	Incidence of malaria by sex (cases per 1000 population)	Total = 180	Total = 150	Total = 120	Total = 100
	Incidence of TB per 100,000	400	330	240	150
	TB case detection rate	35	40	50	75
	Treatment completion rate (%)	75%	85%	90%	95%
	Case fatality rate (%) of pneumonia by sex (children under five)	Total = 2.5%	Total = 2.0%	Total = 1.8%	Total = 1.5%
	Proportion of population with access to affordable essential drugs on a sustainable basis	78%	80%	85%	90%
	Prevalence rate (%) of HIV/AIDS by sex	Below 0.9%	0.5%	0.3%	Below 0.1%
	Orphan children due to AIDS	4000	3000	2000	Reverse the rise in orphans
	% of HIV positive pregnant women on ART (PPTCT)	20% coverage	50% coverage	80% coverage	100% coverage
	Degree of stigma and discrimination as identified by PHA's stigma index	20% stigma reduction	30% reduction	50% reduction	80% reduction
	Proportion (%) of condom use by sex at last high risk sex	30%	50%	60%	70%
	Proportion (%) of persons by sex who know about HIV/AIDS	90%	95%	98%	100%
	Prevalence rate (%) of HIV/AIDS among people aged 15-49 by sex				
	Prevalence rate (%) of HIV/AIDS among pregnant women aged 15-24	0.7%	0.5%	0.3%	Below 0.1%
	Proportion of population (%) by sex in need of ARV drugs who receive those drugs	34%	68%	75%	98%