

Governance Program

Provincial & Local-level Governments Program
Kokoda Initiative Development Program
Bougainville - Governance Implementation Fund



Completion Report

Experience and Analysis of an Australian aid
Provincial and Local-level Governments Program, Papua New Guinea (2012-2016)

May 2016



Governance Program - EPSP and PLGP are managed by Coffey, a Tetra Tech company, on behalf of the Australian Government

Basic activity information	
Project	Provincial and Local level Governments Program
Activity #	59692
Description	The Provincial and Local level Governments program was a five-year AUD 101,933,417 funded program designed to increase capacity of provinces, including district administrations, local-level governments and other key institutions, to implement and account for decentralised service delivery functions
Location	Papua New Guinea
Delivery by	Coffey International Development on behalf of the Australian Department of Foreign Affairs and Trade
Key dates	Contract signing – May 2011 Contract amendment 1 – 5 October 2011 Contract amendment 2 – 1 July 2012 Contract amendment 3 – 9 December 2013 Contract amendment 4 – 14 March 2014 Contract amendment 5 – May 2015 Contract completion date – 30 June 2016
Approved costs	AUD 101,933,417
Actual costs	AUD 82,585,914 (20/4/2016)
Savings requested by AHC	AUD 20,102,091
Form of aid	Capacity development and governance improvement at all levels of government with emphasis on sub-national administrations

Basic activity information	
Project	Bougainville – Governance Implementation Fund
Activity #	Trust Instrument Deed
Description	The Governance Implementation Fund, managed by PLGP from 2011-2016, provided a financing mechanism for the Government of Papua New Guinea to help implement autonomy, improve good governance and implement public sector reform in Bougainville.
Location	Papua New Guinea
Delivery by	Coffey International Development on behalf of the Australian Department of Foreign Affairs and Trade
Key dates	Tasking notes from ABG to GIF on a quarterly basis for approval by Steering Committee - no fixed budget or amendments
Approved costs	No fixed budget
Actual GIF costs	AUD 50,335,884 (2011-2016)
Actual PLGP costs	AUD 15,040,754 (20/4/2016)
Savings requested by AHC	Nil
Form of aid	Recruitment and logistical support for the engagement of international and national technical staff to support project implementation

Basic activity information	
Project	Kokoda Initiative Development Program
Activity #	59692
Description	Kokoda Initiative development Program (formerly known as Kokoda Development Program) managed by PLGP from 2012 to 2016 to provide infrastructure in villages along the Kokoda Track.
Location	Papua New Guinea
Delivery by	Coffey International Development on behalf of the Australian Department of Foreign Affairs and Trade
Key dates	Contained within key dates for PLGP
Approved costs	AUD 8,370,000
Actual costs	AUD 8,174,149 (20/4/2016)
Savings requested by AHC	Nil
Form of aid	Health and Education infrastructure; equipment and supplies; WASH facilities; and Infrastructure renovations and maintenance

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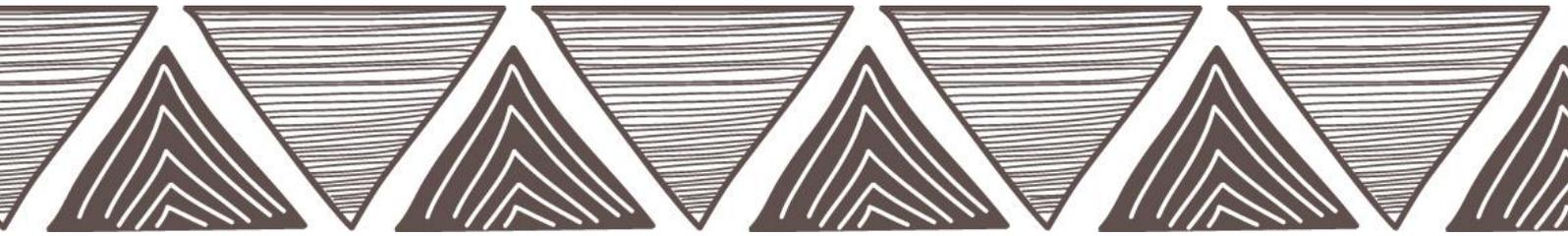
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Acronyms

ABG	Autonomous Bougainville Government
ACIAR	Australian Centre for International Agricultural Research
AGO	Auditor General's Office
AHC	Australian High Commission
ARoB	Autonomous Region of Bougainville
AUD	Australian Dollar
AusAID	Australian Agency for International Development
BEC	Bougainville Executive Council
BUPNG	Baptist Union of Papua New Guinea
CDA	Capacity Development Agreement
CEO	Chief Executive Officer
CIMC	Consultative Implementation and Monitoring Council
CNA	Capacity Needs Analysis
CPR	Commonwealth Procurement Rules
CSF	Commodity Support Facility
CSO	Civil Society Organisation
DA	District Administrator
DAC	Development Assistance Committee
DAI	District Accountability Initiative
DCT	Development Cooperation Treaty
DDA	District Development Authority
DEC	Department of Environment and Conservation
DFAT	Department of Foreign Affairs and Trade
DfCD	Department for Community Development
DIMS	District Information Management System
DIRD	Department of Implementation and Rural Development
DMT	District Management Team
DNPM	Department of National Planning and Monitoring
DoE	Department of Education
DoF	Department of Finance
DoT	Department of Treasury
DPLGA	Department of Provincial and Local Government Affairs
DPM	Department of Personnel Management
DSIP	District Services Improvement Program
DSP	Development Strategic Plan
DT	District Treasurer
ECT	Establishment Comparison Table
EPSG	Economic and Public Sector Governance
EPSP	Economic and Public Sector Program
FFR	Financial Framework Review
FSV	Family and Sexual Violence
GBV	Gender Based Violence
GESI	Gender Equity and Social Inclusion

GoA	Government of Australia
GoPNG	Government of Papua New Guinea
GSA	Governance Support Agreement
GST	Goods and Services Tax
HR	Human Resource
HRM	Human Resource Management
HTA	Head Trust Account
ICT	Information Communication Technology
INA	Institute of National Affairs
IPBS	Integrated Planning and Budgeting System
IRC	Internal Revenue Commission
IT	Information Technology
JDPBPC	Joint District Planning Budget Priorities Committee
KDP	Kokoda Development Program
KI	Kokoda Initiative
KIDP	Kokoda Initiative Development Program
LES	Locally Engaged Staff
LLG	Local level Government
LLGSIP	Local level Governments Service Improvement Plan
M&E	Monitoring and Evaluation
MAN	Male Advocacy Network
MALER	Monitoring, Analysing, Learning, Evaluating and Reporting
MBL	Mul Baiyer-Lumusa
MBP	Milne Bay Province
MPA	Minimum Priority Activities
MTDP	Medium Term Development Plan
NATA	Non-Advisory Technical Assistance
NCD	National Capital District
NCOBA	National Coordination Office for Bougainville Affairs
NDoe	National Department of Education
NDoH	National Department of Health
NEC	National Executive Council
NEFC	National Economic and Fiscal Commission
NGO	Non-Government Organisation
NRI	National Research Institute
OECD	Organisation for Economic Cooperation and Development
OHE	Office of Higher Education
OLPGLLG	Organic Law on Provincial Government and Local level Government
PCaB	Provincial Capacity Building Program
PCDD	Provincial Capacity Development Division
PCMC	Provincial Coordination and Monitoring Committee
PEC	Provincial Executive Committee
PEFA	Public Expenditure Financial Accountability
PER	Provincial Expenditure Review
PFM	Public Financial Management
PGAS	Provincial Government Accounting System

PGF	Papua New Guinea Governance Facility
PGK	Papua New Guinea Kina
PHQ	Provincial Headquarters
PIDPIM	Provincial Integrated Development Planning Implementation Management
PIP	Public Investment Program
PIPS	Policy Implementation and Planning Sessions
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
PMRT	Performance Monitoring and Reporting Tool
PMT	Provincial Management Team
PNG	Papua New Guinea
PPII	Provincial Performance Improvement Initiative
PSIP	Provincial Services Improvement Plan
RDG	Restoration Development Grant
RIGFA	Reform of Inter-Governmental Financing Arrangements
RTMS	Revenue and Tracking Monitoring System
S119	Section 119 Report – Organic Law
SBT	Small Business Training
SC	Steering Committee
SD	Service Delivery
SDSA	Service Delivery Support Agreement
SGP	Strongim Gavman Program
SIF	Special Implementation Fund
SIP	Service Improvement Plan
SME	Small Medium Enterprise
SMT	Senior Management Team
SNP	Sub National Program
SNS	Sub National Strategy
SP	Service Provider
SPSN	Strongim Pipol Strongim Negin
ToR	Term of Reference
TOT	Training of Trainers
TVET	Technical Vocational Education and Training
VfM	Value for Money
VHV	Village Health Volunteer
WHPA	Western Highlands Provincial Administration
WHPHA	Western Highlands Provincial Health Authority
WHP	Western Highlands Province
WIL	Women in Leadership
WNB	West New Britain



Executive Summary

The Provincial and Local level Governments Program Completion Report describes and analyses activities and outcomes under the Provincial and Local level Governments Program (PLGP) including two other Australian aid programs which PLGP managed: Kokoda Initiative Development Program (KIDP) and the Governance Implementation Fund (GIF) established for the Autonomous Region of Bougainville (ARoB). The completion report covers the period from July 2012 when PLGP commenced to June 2016 when it ceased to operate.

The objectives of the three programs contributed to the development of improved financial management, infrastructure and human and economic capacities to lead to improved service delivery by national, provincial and district agencies in Papua New Guinea (PNG). PLGP adapted to the changing forms of Australian aid and development policies of the Government of Papua New Guinea (GoPNG) required refocusing and rethinking implementation strategies until its completion in June 2016.

BACKGROUND

The programs shared a common aim to enhance the lives of men, women and children in an increasingly decentralised approach.

The three programs continued previous Australian aid initiatives under the overall management and implementation of PLGP. PLGP had its beginnings in the Sub-National Initiative (SNI) and the Sub-National Strategy (SNS). KIDP was previously known as the Kokoda Development Program (KDP). The GIF commenced in 2004 before PLGP took over management in 2012.

GOALS

The goals of each program were aligned with broad GoA and GoPNG development objectives aimed at improved governance and financial management, economic development, and enhanced lives of men, women and children in an increasingly decentralised approach.

The goal of PLGP was Increased capacity of provinces (including selected district administrations and LLGs), and other key institutions, to implement and account for decentralised service delivery functions.

The goal of KIDP was: *enhanced quality of life for landowners and communities through improved delivery of basic services, income generation and community development activities.*

The goal of GIF was to support the peace process and *to help implement autonomy, improve good governance and implement public sector reform in Bougainville.*

RESPONSE

All three programs were responsive and flexible to accommodate the dynamic political environment and shift in government policies and priorities and were relevant. The withdrawal of funding for the Provincial Performance Improvement Initiative (PPII) in 2013 was a major change in direction for PLGP. The program moved rapidly from systems support to whole-of-government to decentralisation. PLGP advisers became facilitators rather than providers of specialist technical skills. The early community development approach of KIDP became much more focused on infrastructure development from 2014 onwards. KIDP took over responsibility for the Kokoda Track Authority and the challenges of improving safety for citizens and trekkers.

GIF moved from the early 'needs funding modality' approach to development and evolved to a more structured, programmatic and strategically focussed multi-donor program during PLGP management.

The programs were nimble and responded within the complex strategic and delivery environment, whenever there had been a shift in focus for investments to achieve better outcomes, including:

- targeting the sub-national level where service delivery responsibility is concentrated, and engaging more directly with lower levels of government, NGOs, churches and the private sector;
- financing delivery of infrastructure, provision of essential services, including strengthening PNG systems to deliver these services, rather than financing advisory services; and
- promoting greater coherence across the entire Portfolio by ensuring that sector investments were working towards common outcomes, and by measuring and reporting on these for the Portfolio as a whole.

The investments evolved in line with the GoA's commitment to improving effectiveness, accountability and outcomes of investments. These commitments were driven by the aim to improve understanding and learning, including knowing if key outcomes had been achieved from aid programs; understanding what contributed to successes and failures; investing in activities to find new and better solutions; and building new partnerships to bring different perspectives and expertise.

INNOVATION

Innovations in both design and activities helped PLGP remain flexible, adaptable and ultimately successful. From advisers working differently as facilitators rather than technical experts, working politically and documenting that knowledge through the PLGP Monitoring, Analysing, Learning, Evaluating and Reporting (MALER) system, and analytical models for fiscal and non-fiscal performance such as Provincial Expenditure Reviews (PER), Performance Monitoring Tool (PMT) and Provincial Budget Model (PBM), PLGP provided innovative solutions and activities throughout its lifetime.

PLGP, following on from successful pilots conducted by the Economic and Public Sector Program (EPSP) commenced citizen accountability initiatives in five priority districts that gave voice to people and their perceptions of government services, development policies and decision making processes.

RESULTS

PLGP focused on four result areas and each program contributed to the result areas:

Improved Public Financial Management - PLGP provided advisory support for a range of activities related to improving sub-national financing, budget and expenditure management, and monitoring and reporting, in national agencies including Department of Provincial and Local Government Affairs (DPLGA), National Economic and Fiscal Commission (NEFC), and Department of Implementation and Rural Development (DIRD). The Provincial and Local level Services Monitoring Authority (PLLSMA), designed to coordinate collection and analysis of financial and performance information across government provincial administrations, was strengthened through PLGP advisory support. GIF reinforced the principles of good governance in the development of its transition plan in 2013 by offering to support the wider process of Public Finance Management Reform together with institutional capacity building and multi-year program planning and budgeting.

Enhanced Intergovernmental Relations Finance and Funding - PLGP supported NEFC with advisory assistance and Non-Advisory Technical Assistance (NATA) and provided independent advice to government on intergovernmental fiscal affairs, conducted budget practice reviews, costing studies, expenditure monitoring reviews and revenue reviews and worked closely with Department of Treasury (DoT), Department of Finance (DoF) and DPLGA.

GIF worked directly with the ARoB and GoPNG and service delivery partners to build capacity to develop and manage approved program and project initiatives, guaranteed cash flow to project partners and enabled them to complete their projects while reducing fiduciary risk through management of the GIF Trust Account.

Increased Health, Education and Infrastructure Services - There was a significant contribution made by KIDP for a small population living across twenty-four wards and in a short period of time. Between 2011 and 2016 18 primary school classrooms were constructed in 17 villages along the Track; a teacher's house was built in six villages and each fully furnished; a health facility was constructed in each of five villages and renovation of health staff accommodation was completed in eight villages. Water and sanitation hygiene improvements were made in 19 villages.

Stronger Economic and Human Development Promotion – 237 males and 200 female citizens of Manus Province completed small business training aimed at improving existing or new business activity. Economic opportunities were investigated in five PLGP priority districts and plans and strategies developed to enhance opportunities. The Commodity Support Facility was established in 2015 as a grant making delivery mechanism to support and promote economic development in Bougainville. A total of 180 Village Health Volunteers received initial or refresher training and 104 elementary and primary teachers upgraded teaching qualifications supported by KIDP. The GIF Steering Committee worked with the private sector to support institutional strengthening and capacity building in the ABG Department of Community Government, Bureau of Media and Communications, Department of Finance and the information and communication technology function of the Department of Technical Services.

LESSONS LEARNED

Each program operated in very sensitive bureaucratic and political areas where often stakeholders had competing interests about program management, processes and outcomes.

The three programs each learned lessons ranging from the commonly accepted benefits of donors, contractor and recipients working well together to understanding the value of continuity in development.

PLGP overall learned the importance of managing knowledge and broadcasting that knowledge effectively and speedily to stakeholders. PLGP found that it was necessary to learn to work 'politically' to better understand the bureaucratic and cultural processes operating in PNG and to form effective coalitions with the emerging decision makers in PNG. This required re-thinking about the role and work of advisers who no longer were technical experts, but needed to be facilitators to bring people together, to work more effectively and constructively for development.

CONCLUSION

The diversity and complexity of the three program components required PLGP to take an iterative adaptive approach to design and practice. PLGP provided innovative responses to an ever-changing political and economic environment.

Each program component developed differently and further research is required to fully assess the appropriateness and sustainability of the three programs. Further research and analytical work in the governance sector will assist in refining and targeting Australian aid supported development programs in Papua New Guinea.

1. Introduction

This completion report describes and analyses activities and outcomes of the Provincial and Local level Governments Program (PLGP) from July 2012 until June 2016. The program's objectives were to contribute to 'improved service delivery to the men, women and children of Papua New Guinea', and improved 'whole-of-government approach to the delivery of services' at all levels of government in Papua New Guinea.

The following sections of the report look at the development and effectiveness of the program and how it adapted to the changing forms of Australian aid over a four year period from systems support; to whole-of-government initiatives; and finally to a strong focus on selected provincial and district development.

The management of PLGP was also responsible for managing and initiating development activities for the Australian Government funded Kokoda Initiative Development Program and the Bougainville Governance Implementation Fund. This completion report also includes description and analysis of the performance of those two programs.

The completion report is framed by the Organisation for Economic Co-operation and Development (OECD) Development Assistance Committee (DAC) indicators of relevance, efficiency, effectiveness, impact, sustainability, and lessons learned. Links to the program's reports, research and evaluations and other key documents are found in Annex 1 and case studies in Annex 2.

2. Provincial and Local level Governments Program

BACKGROUND

The Provincial and Local level Governments Program (PLGP) had its origins in the Sub National Initiative (SNI) funded by the Government of Australia (GoA) from 2003 to 2006. SNI focused on a selection of Government of Papua New Guinea (GoPNG) central agencies and provinces with the mandate to support improved public

administration across provinces and local level Governments (LLGs).

SNI was consolidated within the Sub National Strategy (SNS) Program from 2007 to 2011 with the goal of 'improved service delivery for the men, women and children of Papua New Guinea. SNS contained three focus areas:

- supported PNG Government initiatives that aimed to improve public administration and governance processes related to enhanced service delivery such as GoPNG Provincial Performance Improvement Initiative;
- supported improved performance in provinces or regions of national interest to both governments, such as Bougainville and Kokoda;
- informed the alignment of GoA's sectoral PNG programs so that they were more responsive to service delivery challenges at the sub-national level.

RELEVANCE

PLGP commenced in July 2012 and continued until June 2016. The program was designed to continue the Provincial Performance Improvement Initiative (PPII) funding model and to work with partner institutions at the national and provincial levels and for provinces to engage better with district level administrations and LLGs.

Provinces and districts were the focal points of engagement as key enablers and coordinators of improved service delivery. The end-of - program outcome for PLGP at that time was:

Increased capacity of provinces (including selected district administrations and LLGs), and other key institutions, to implement and account for decentralised service delivery functions.

PLGP was structured around three intervention strategies:

- Strengthen the capacity of sub-national administrations to coordinate and manage the delivery of services, based on the determination of functions, with particular emphasis on the implementation capacity of districts and LLGs.
- Enhance demand for and evidence of service delivery improvement through improved mechanisms for performance monitoring and accountability between sub-national government and national government and between sub-national government, local politicians, civil society and the public at large.

- Promote a whole-of-government approach to decentralised service delivery that promotes a coordinated approach and that recognises the respective mandates and responsibilities of central agencies, sector departments and sub-national government in delivering decentralised services.

PLGP 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 guided by the Development Cooperation Strategy between PNG and Australia (2013) that promoted prosperity, poverty reduction, and enhanced stability. The program was aligned with GoPNG major planning documents including Vision 2050 and the Medium Term Development Plan (2010-2015) that stressed improved performance, accountability and service delivery at provincial and district levels.

ITERATIVE ADAPTIVE DESIGN

The approach of PLGP was realigned as a result of three changes in the policy directions of GoA and GoPNG between 2012 and 2016.



SYSTEMS SUPPORT 2012-2013

From July 2012 to September 2013 PLGP employed three mutually reinforcing approaches that supported service delivery at national, provincial, district and local government levels:

1. recruitment and management of technical advisers;
2. management of Provincial Performance Improvement Initiative (PPII) Incentive Grants; and
3. management of Non-Advisory Technical Assistance (NATA) through the Capacity Development Menu of Options such as infrastructure, exchanges, workshops and training.

1. Technical Advisers

Technical advisers were used strategically at national and provincial levels of government. PLGP had some 40 advisers contracted in 2012 operating in 18 provinces and national agencies such as the Department of Provincial and Local Government Affairs (DPLGA), National Economic and Fiscal Commission (NEFC) and the Department of Implementation and Rural Development (DIRD). The skill sets of the advisers ranged across areas such as planning, financial management, budgeting and human resource development.

The advisers supported the work of PPII to achieve 16 criteria that had been established under that program as crucial for development such as; performance management system in place; integrated planning and budgeting commenced; and Section 119 reporting completed each year and on time.

2. Provincial Performance Improvement Initiative

PLGP maintained PPII that had been functioning under SNS.

PPII was designed to strengthen the capacity of provincial administrations in Papua New Guinea to better deliver effective services to the people.

There was a preparatory phase to the program which ensured that 18 Provinces targeted for support were aware and ready to accept the support and the challenge.

There were three phases to the program. Phase 1 required provinces to meet two criteria: corporate plans developed and management teams in place and functioning to receive incentive funds of K500,000 provided as technical support via DPLGA or direct advisory support in the province. Provinces could then progress to Phase 2 which had 14 criteria to be met in order to receive K1 million delivered by PLGP as in Phase 1. Phase 3 was focused on enhanced economic development and sustainability and although some provinces met the criteria none proceeded to the final phase.

In response to a directive from AHC in September 2013, all Provincial Trust accounts used for PPII Incentive Funds were suspended and all NATA activities were put on hold pending an Australian Government strategic reassessment of program priorities (AHC Public Sector Governance Strategic Plan 2014-15).

Australian aid withdrew all funding for PPII in October 2013 and allowed NATA activities to resume in 2014 until 2016.

PPII funding was withdrawn for the following reasons:

- AHC wanted to be more focused in its support to governance in PNG. PPII support had become too big and too broad- and covered nearly every province.
- There was little evidence to show GoA support to PPII had improved governance and service delivery. PPII tried to fix the 'system' but it had not succeeded.
- The move from AusAID to DFAT provided the opportunity to change the form of Australian aid.

DPLGA was unhappy about the withdrawal and it was made clear by PLGP that there would be no alternative developed. PLGP's and AHC's relationship with DPLGA was severely impacted by the withdrawal for PPII funding.

The suspension of the provincial PPII trust accounts in late 2013 had a major impact on the provision of technical support to the provinces. Travel to provinces was restricted to completing on-going corporate and development planning support. Many planned activities and the work of a number of advisers at provincial level was interrupted, curtailed, or cancelled.

3. Non-Advisory Technical Assistance

Non-advisory Technical Assistance (NATA) provided by PLGP was resumed after the suspension and used judiciously to support the exchange of knowledge between agencies, provided incentive funding initiatives, procured equipment and developed infrastructure that were expected to yield high returns in improved governance for the investments.

WHOLE-OF-GOVERNMENT ISSUES

2013-2015

PLGP activities moved away from attempts to fix public service systems to a more contextual approach which aimed at developing a deeper understanding of the public sector by facilitating relationships, iteration and incrementalism.

By the end of 2013 stakeholders at meetings agreed that PLGP had 'grown too big and too quickly in a non-strategic and unfocused way'. The changing focus of GoA governance support in PNG and GoPNG's policy change with the introduction of DDAs in late 2014 provided an opportunity to review the direction of PLGP.

This outcome was a new strategic direction and focus for PLGP as well as altered modalities for

program delivery. There was a new and explicit approach to cross-program collaboration and structured 'harmonisation' with the Economic and Public Sector Program (EPSP) that operated across eleven central GoPNG agencies with mandates that extended to provincial and lower sub-national levels. Both programs continued to operate under existing results based frameworks, but the harmonisation resulted in sharing of financial resources and technical expertise and provided a more effective whole-of-government approach.

In September 2013, the EPSP Project Management Group (PMG), chaired by the Chief Secretary to the Government of PNG, endorsed the proposal for PLGP strategic management to come from the PMG. This replaced the previous governance arrangements for PLGP through the PPII Secretariat.

A joint PLGP-DPLGA situational analysis was conducted in ten provinces between January and July 2014. The analysis concluded '*there is very little evidence of adequately functioning systems*' across four areas of public financial management: planning and budgeting; coordination and implementation; monitoring and reporting; and evaluation and feedback. A fifth issue also emerged concerning bottlenecks in inter-governmental relations.

This was a key point of departure for PLGP and the realisation that many service delivery bottlenecks originated at the national level and could not be adequately addressed without sufficient national-level engagement and support. As a result, four Service Delivery Support Activities (SDSAs) were designed by PLGP and EPSP to investigate specific problems affecting GoPNG and involved multiple government stakeholders. Three consultants were contracted to review three of the issues:

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

Reports were produced by the consultants and presented to GoPNG confirming independently much of what was already known.

The fourth SDSA was developed with the Auditor-General's Office (AGO) and a long term EPSP Service Delivery Performance Adviser was employed 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.

New initiatives were developed by PLGP that focused on strategic 'pressure points' within the system. There was a recognition of the importance of effective financial management systems to improve service delivery; a renewed emphasis on whole-of-government engagement that aimed to strengthen cross-agency and intergovernmental collaboration; and improvement of integrated systems for monitoring and reporting. There was a strategic emphasis on applied research and careful analysis, especially on analysis of the actors, incentives, political interests, and systemic constraints that conditioned service delivery.

A further key point of departure for PLGP from previous practice was the shift towards working politically and understanding the political economy surrounding governance and development in PNG. PLGP was well placed to work in these areas because the majority of its technical advisers were PNG nationals with extensive networks, experiences and understanding of the public sector and governance in PNG. There was a strong realisation that Australian aid would never have the resources to 'fix GoPNG systems', but could provide funding to PLGP for case studies to better understand incentives for change, coalitions of players, and to pilot activities to test ideas about better ways to support GoPNG.

National Agency Counterparts

At the national level, PLGP continued to work with the Department of Provincial and Local Government Affairs (DPLGA), the National Economic and Fiscal Commission (NEFC), and Department of Implementation and Rural Development (DIRD).

At DPLGA, the Provincial and Local-level Services Monitoring Authority (PLLSMA) was seen as critical in coordinating collection and analysis of performance information, sharing information across government departments, and providing direction to national agencies to meet their mandates and deliver core support at sub-national levels. PLLSMA was not performing as mandated and PLGP, in partnership with DPLGA and AHC, carefully assessed the viability and sustainability of PLLSMA as a recipient of GoA development assistance, and determine if those resources could prove more effective if dedicated elsewhere. PLGP continued to support PLLSMA and in 2015 had stronger representation from

provinces and central agencies than in previous times as a result of that support.

NEFC had developed a strong reputation for accurate and reliable data about the financial status of provinces. It contributed to objective policy discussions and contributed to performance management of service delivery. NEFC continued to receive support from PLGP and proved to be a key strategic counterpart to the program. DIRD was charged with managing and monitoring government development activities at district level and with the GoPNG policy shift towards districts in 2014 was seen as more relevant than ever for continued support from the program.

Decentralisation 2015-2016

The program strengthened its focus on districts as a result of the District Development Authority (DDA) legislation passed by the National Parliament in late 2014. The legislation gave more power and authority to districts. PLGP in its final iteration emphasised the GoA strategy of supporting GoPNG decentralisation through sustainable growth, poverty reduction for the rural majority, the need to empower women, and facilitate economic development.

In early 2015 PLGP was asked to lead the drafting of the strategy to support GoPNG decentralisation. GoPNG aspired to bring services closer to the people and to strengthen service delivery to the rural majority. It began reforming its decentralised system of government to support this aspiration in 2014. The PLGP decentralisation strategy that was developed supported PNG's refinement and implementation of its service delivery reforms at local implementation and policy levels. This included supporting: district pilots to accelerate the strengthening of local service delivery for community well-being and economic participation; and PNG's policy discourse, with informed practice, learned lessons, using local and international expertise.

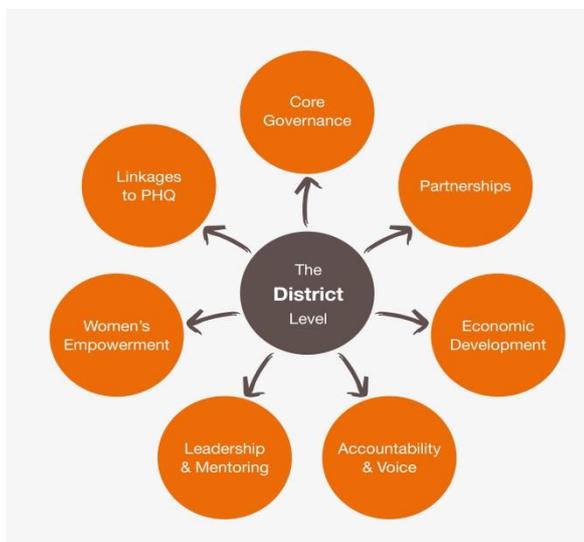
In line with new thinking about Australian aid support to GoPNG, it was decided to focus on six provinces rather than the 18 provinces supported from 2012 to 2013 by PLGP. The six provinces with priority districts were: Nuku in West Sepik, Sohe in Oro, Manus in Manus, Nawaeb in Morobe, Talasea in West New Britain, Mul Baiyer-Lumusa in Western Highlands.

A decentralisation workshop was organised for a wide group of stakeholders by PLGP in August 2015 and a Decentralisation Support Strategy

was developed by PLGP following the presentations and discussion at the workshop.

Diagram 2.1 indicates the priority focus areas of the Decentralisation Support Strategy to guide the work of PLGP District Service Improvement advisers in 2016.

Diagram 2.1: Decentralisation Support Strategy



INNOVATION

From late 2014 onwards, PLGP introduced a number of innovations to the program. The pioneering 'district work' embraced the mantra of 'doing development differently'. By working politically, and facilitating across a wide group of actors, the program is exploring 'what works' in five select districts. The districts are remote and challenging and the view of 'governance' is expansive and viewed as a key enabler.

The district work linked with the program's commitment to generate, communicate and socialise knowledge. The ability to 'achieve scale' via shared learning was critical in a setting that included 22 provinces and 89 districts. The inventive PLGP Monitoring, Analysing, Learning, Evaluating and Reporting (MALER) approach, which used applied knowledge and innovative communication and socialisation techniques, created a new approach to managing knowledge.

PLGP trialed and tested a range of technology related innovations. Analytical models were developed in the fiscal and non-fiscal performance domains: the Provincial Expenditure Review (PER) model that successfully reviewed and benchmarked provincial expenditure at NEFC and the Performance Monitoring Tool used by DPLGA. Budget-related tools were designed and

implemented to inform GoPNG: the Provincial Budget Model (PBM) at NEFC and the Integrated Planning and Budgeting System (IPBS) model. A district level research database named District Information Management System (DIMS) was developed at the Department of Implementation and Rural development (DIRD) with assistance from PLGP. The PLGP MALER approach to knowledge management used new search software to identify learning from program activities.

MALER collected, synthesised and communicated 'real time' information of a political and contextual nature in a timely manner. Monthly Reports were given to AHC which contained up to date analysis and information. Knowledge gained from the MALER process allowed PLGP to devise packages of support for the districts, such as funding design work for local markets and ward centres in Nuku District.

Many elements of the program had already been scaled up and replicated due to their inherent design features. The district work was designed to be both replicated in other select districts, but also to scale up through knowledge sharing and socialisation.

EFFICIENCY

Coffey signed a contract number 59692 with the Australian Government to conduct the Provincial and Local-level Governments Program (PLGP) on 30 May 2011.

Figure 2.1: PLGP Original and Final Funding (2011-2016)

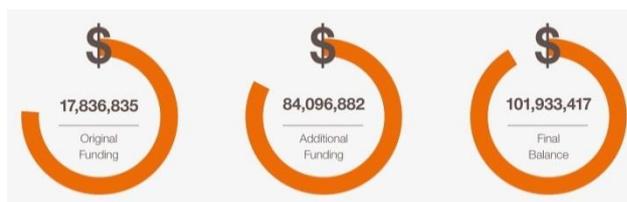


Figure 2.1 indicates the original funding included in the first contract and five amendments to the contract.

Additional funding was approved bringing the final funding to a total of AUD 101,933,417.

Amendment # 1 dated 05 October 2011 – to include management of the Kokoda Development Program under SNS. The starting financial limit was AUD 16,875,456 with an increase of AUD 1,090,000. The new financial limit was AUD 17,965,456.

Amendment # 2 dated 01 July 2012 – to exercise the first option under the existing contract to extend for 1 year and 9 months to

implement PLGP. The starting financial limit was AUD 17,965,456 with an increase of AUD 30,596,698.62 the new financial limit was AUD 48,562,154.62

Amendment # 3 dated 09 December 2013 – contract included new personnel and additional inputs to enable effective implementation of DFAT's new governance strategy. The starting financial limit was AUD 48,562,154.62 with an increase of AUD 671,303.38. The new financial limit was AUD 49,233,458.

Amendment # 4 dated 14 March 2014 - schedule change for Contract – to exercise the second option under the existing contract to extend an additional 20 months to implement PLGP. The starting financial limit was AUD 49,233,458 with an Increase of AUD 23,216,937. The new financial limit was AUD 72,450,395.

Amendment # 5 dated May 2015 - schedule changed for Contract – the new closing date was 30 June 2016. The starting financial limit was \$72,450,395 with an Increase of \$29,483,022. The new financial limit was \$101,933,417.

PLGP was requested by AHC in October 2015 to generate savings from Amendment # 5. By terminating agreed activities including advisory support and activities such as Bougainville Small Business Training (SBT), EHP Kit Homes, Nuku Construction initiatives, Manus design and not using unallocated funds. The Program was requested to facilitate the transfer of old PPII funds from the provincial trust accounts to the Head Trust Account (HTA). Coffey worked with DPLGA to facilitate the transfer from the HTA to a newly created Operating Account to be used to reimburse activities under the contract. The program achieved savings of over AUD 20,102,091.

PLGP ceased operational activities on 30 June 2016.

Business processes

In accordance with the terms of the PNG – Australia PLGP Head Contract, PLGP maintained procedures that were consistent with the Australian 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. PGLP 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 PLGP 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.

Value for Money

PLGP ensured Value for Money (VfM) outcomes through efficient, effective, economical and ethical business processes 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** PLGP 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 PLGP Financial Management and Procurement Manual - September 2012.
- **Procurement method** was determined in consideration of the type of goods or services and timeframe available given client urgency (GoPNG/AHC) and small to medium enterprise (SME) availability to deliver services. However all procurements were in accordance with the CPR (2014) and approved PLGP procurement thresholds.
- **Planning and performance** to frame and manage budget, program planning, financial reporting and program governance PLGP 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 PLGP internal accountability was achieved through reference to Coffey International policy and procedural manuals such as the PLGP Financial Management and Procurement Manual - September 2012, regular senior management meetings supporting all activity

planning, and the application of internal and external audit such as the 2015 'Audit of the Provincial and Local level Governments Program – Adviser Salaries and Reimbursable Costs'.

- **Financial delegation** was appointed to PLGP 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 PGK 2,000 in value.

Expenditure

Total expenditure from 2011/12 to 2015/16 financial years was AUD 83,736,107.

Figure 2.2: Expenditure by Financial Year

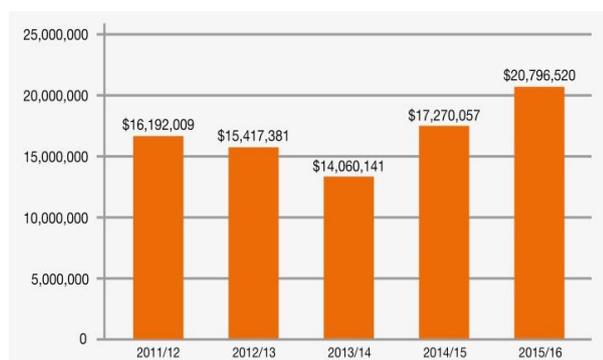


Figure 2.3 indicates that ABG and DPLGA have received the most financial support from PLGP from 2012 to 2016. Funding to provinces has mostly been directed to the six priority governance provinces since 2014.

Figure 2.3: PLGP Funding by Agency (2012-2016)



EFFECTIVENESS

Theory of Change

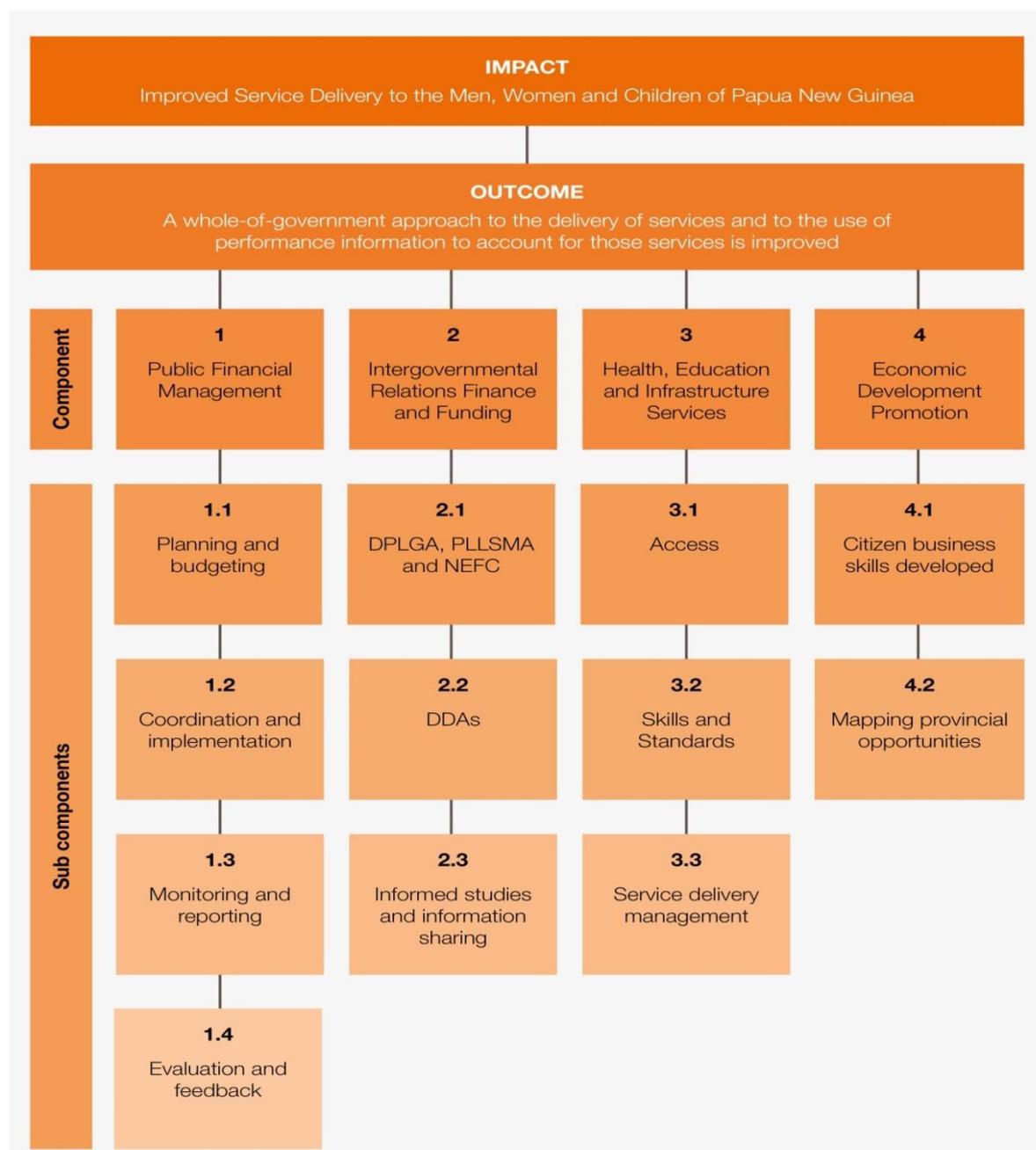
The original PLGP theory of change in 2012 assumed that by improving public service capacity and systems such as planning, budgeting, monitoring, and human resource development would lead to improved service delivery.

By 2013 stakeholders including AHC, PLGP and DPLGA agreed that the sub-national approach of SNS and PLGP 'had grown too big and too quickly in a non-strategic and unfocused way'.

The joint PLGP-DPLGA situational analysis conducted in 2014 provided the opportunity to review the PLGP results framework to align with the changed focus of GoA and GoPNG on development priorities. Public Financial Management (PFM) became the overall focus of PLGP together with improved inter-governmental arrangements. PLGP took over management of the Kokoda Initiative Development Program (KIDP) and added a third result area in 2014: Health, Education and Infrastructure Services to the PLGP results framework to accommodate the work of KIDP.

Diagram 2.2 is an abbreviated version of PLGP's Results Based Management Framework indicating impact and four program component outcomes: Public Financial Management; Intergovernmental Relations Finance and Funding; Health, Education and Infrastructure Services; and Economic Development Promotion.

Diagram 2.2: PLGP Results Based Management Framework



Some, but not all, program component outcomes were measurable within the short time span from development and implementation of the results based management framework in 2014 to the finalisation of PLGP in June 2016.

PLGP was focused on collecting data that related to activity outputs until such time and activities progressed to be able to identify outcomes from the program. After less than two years of working with pilot districts it was 'too early' to expect outcomes to emerge from the activities that were focused on the six priority districts that had commenced in 2015 and the development of the newly introduced Decentralisation Support Strategy.

OUTCOME COMPONENT 1 - PUBLIC FINANCIAL MANAGEMENT

This outcome area focused on planning and budgeting, coordination and implementation, monitoring and reporting and evaluation and feedback.

Provincial Planning

The PLGP Development adviser and the Corporate Planning and Implementation adviser supported DPLGA to review the Corporate Plans of six provinces (out of eighteen provinces requiring assistance) in 2013 and 2014. The six provinces were Manus, Madang, Oro, West New Britain, Western Highlands and Gulf.

West Sepik Planning

West Sepik Province had an ad-hoc and uncoordinated approach to the conduct of government business. The Province adopted a Provincial Integrated Development Planning Implementation Management (PIDPIM) process to enhance integration of government and administration at the sub-national level to improve performance and poorly coordinated functions. Two PLGP advisers: a Corporate Planning and Implementation adviser and a development adviser supported initiatives to strengthen the PIDPIM process and:

- Facilitated a major process of public consultation, including elected leaders and other stakeholders from all 346 wards in the province.
- Contributed to improved staff motivation, communications and working relationships between public servants at Provincial, District and LLG levels through regular visits.
- Advocated to elected provincial and national political leaders on the need for an integrated approach to the conduct of government business.
- Facilitated consultations between development sectors and districts, of the need to pool transport funds: the most challenging service delivery impediment. As a result, a district air charter service was established to meet needs of the remotest parts of the province including Telefomin, Nuku and Green River.

The PLGP advisers also contributed to changes in the capacity of personnel and supported reform of corporate management processes essential to improved systems for sub national service delivery.

An example of this support was the successful conduct of the 2013 District Administrator's Conference. A notable area of change was the participation of LLG managers for the first time and hence the establishment of a direct corporate link between Provincial Headquarters, District and LLGs. The conference, which brought together District Administrators, LLG Managers and District Planners, is now an annual output under Sandaun's PIDPIM process.

The Manus Province Corporate Plan expired in 2009. The provincial administration had difficulty in reviewing and updating it until support was offered through PLGP. Madang sought assistance from DPLGA and PLGP in the implementation of its Corporate Plan. Oro and Gulf Provinces had never had Corporate Plans implemented although drafts had been developed. DPLGA and PLGP facilitated the process of finalising and launching the provincial plans. The Corporate Plan for West New Britain expired in 2007, and the province faced difficulties in terms of timing and technical expertise to review the plan. PLGP advisory support assisted the province to review the plan through stakeholder consultative meetings.

National Agency Support

Department of Provincial and Local Government Affairs

DPLGA is mandated under the Organic Law to administer; supervise and guide the affairs of the Provincial and Local level Governments.

PLGP contracted two advisers to support the work of DPLGA since 2013: an Institutional Strengthening adviser and an Organisational Management adviser.

The advisers worked with the DPLGA Senior Management Team including the Secretary, Deputy Secretary and Directors and provided support to PLLSMA while that adviser position remained unfilled. The PLGP advisers assisted DPLGA:

- institutionalise the agency Corporate Planning and Annual Activity Planning processes;
- develop the DPLGA Corporate Planning and Budget Review Committee;
- strengthen the Provincial and Local level Services Monitoring Authority;
- develop understanding amongst sub-national stakeholders of District Development Authorities (DDAs). 26 DDAs were sworn in during 2015;
- review of the Organic Law approved by NEC and accepted by Parliament in June 2015; and
- develop frameworks for partnership agreements with provinces that will be part of the DDA arrangements.

Human Resource Development

The joint situation analysis conducted by PLGP and DPLGA in 2014 indicated that, in total, 57 per cent of all staff establishment positions were unfilled at the time of the visits. Vacancy rates ranged from 21 per cent in WNB to 77 per cent in EHP. The analysis further showed that the majority of the vacancies (65 per cent) were at the district and LLG front-line service delivery level.

DPLGA recognised the importance of developing human resources to improve the quality of basic performance monitoring and service delivery. DPLGA appointed two full time officers who providing training at provincial level and rolled out the Performance Monitoring and Reporting Tool (PMRT) with mentoring and guidance from the PLGP Performance Management adviser.

A comprehensive but simple to use HR reporting database was developed by PLGP for use with agencies, provincial governments and provincial health authorities enabling them to make evidence-based planning decisions around HR planning, recruitment and management of unattached officers.

OUTCOME COMPONENT 2 – INTERGOVERNMENTAL RELATIONS, FINANCE AND FUNDING

National Economic and Fiscal Commission

The role of the National Economic and Fiscal Commission (NEFC) is to provide independent advice to Government on intergovernmental fiscal affairs. PLGP continued the support of NEFC that had been provided by Australian aid since 1999. NEFC worked closely with central agencies such as DoT, DPLGA and DoF; major sectoral national agencies – such as education, health and works; and across sub-national levels with a new focus on districts. Agencies had greater knowledge and analysis about past allocations and distribution of financial resources that informed policy development and implementation of new ways to disperse funds to provinces and districts.

Information sharing

The NEFC acquired a reputation as an 'externally focused' organisation, with strong relationships across government and with development partners and civil society. This was achieved through fulltime and periodic PLGP advisory support and with NATA funding that supported information sharing activities.

The annual regional workshops that NEFC facilitated were strong institutionalised examples of information sharing across national and sub-national levels.

The Interdepartmental Committee was a central agency body that NEFC facilitated and established to coordinate the implementation of the Reform of Intergovernmental Financing Arrangements (RIGFA) which responded to specific sub-national issues. Less formally, NEFC continued to act as a link between the fiscal interests of national and sub-national administrations.

Snapshot - RIGFA

The Reform of Intergovernmental Financing Arrangements (RIGFA) began in late 2001 during a period of intense fiscal pressure in PNG. After design and consultation a final RIGFA was agreed to and commenced in the 2009 fiscal year.

RIGFA established an affordable pool of sub-national funding, a methodology for sharing these funds with Provinces and LLGs according to need, and a set of operational grants for priority sectors that targeted priority areas of service delivery.

With the assistance of PLGP advisory support, the NEFC implemented a series of initiatives to monitor the wellbeing of the sub-national financing system; and promote improvement, learning and accountability that impacted all levels – sub-national and national.

The information generated by the NEFC monitoring system, was widely disseminated and engaged upon. As a result, all parties with an interest in sub-national service delivery, had access to fiscal information from GoPNG accounting system ordered in a standardised manner to enable cross-provincial comparison and support for priority service delivery sectors and activities.

A time series of data is now available, allowing users to track progress over time by province, sector and activity.

The investment of PLGP resources in the NEFC during the period 2012-2016 has supported the consolidation of financing arrangements, and promoted better practice in sub-national budget setting and expenditure management.

See Case Study Three: RIGFA in Annex 2

Creating visibility around financial matters was a longstanding feature of NEFC work. PLGP advisers assisted NEFC to design and establish a variety of studies that were important catalysts for promoting understanding, transparency and driving better fiscal performance. NATA funding also supported publications at certain times.

Examples included budget practice reviews, costing studies, expenditure monitoring reviews and revenue reviews.

Equalisation Systems

The successful implementation of RIGFA introduced and socialised the concept of fiscal equalisation for sub-national funding and grant allocations in Papua New Guinea. PLGP advisers supported the myriad activities that took place to consolidate the ethos of RIGFA. Further, under PLGP efforts were made to review the success of the RIGFA system and to address shortcomings.

The acceptance of fiscal equalisation created opportunities to discuss its application in other areas of sub-national financing. Discussions were held with Government on the possibilities for introducing 'equalisation' to the Government flagship Service Improvement Program (SIP). Whilst this was not implemented, it demonstrated the acceptance and appetite for thinking of how it might be applied. Further, with PLGP adviser support, the NEFC successfully worked with the National Department of Education to introduce an equitable means of distributing the Government's free education policy.

Informed studies and analysis

NEFC studies continued to inform evidence based policy in the area of intergovernmental financing. Firstly, the ABG sought to use the NEFC's costing methodology to inform its financing needs, and budget and expenditure practices. Further, the NEFC responded quickly to the GoPNG Chief Secretary's request for a costing study on activities related to the legislation enacting the Lae City Authority in 2015.

Citizen Accountability Initiatives

The PLGP Decentralisation Strategy in 2016 included an innovation not used by PLGP in the past: citizen accountability initiatives.

Public Opinion Surveys

PLGP's sister program, EPSP, successfully piloted public opinion surveys in Alotau and Unggai-Bena Districts in 2015. The opinion surveys recognised that citizens play an

important role in development in PNG and decision-makers would be more informed if they had a better understanding of what citizens at the district level perceive as development. The 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 political leaders wanted feedback from citizens about their perceptions of development.

EPSP and PLGP collaborated and applied the pilot methodology in five of the governance priority districts in 2016 (Case Study 5: Mul Baiyer-Lumusa).

District Accountability Initiative

The second citizen accountability activity was called the District Accountability Initiative (DAI). The purpose of the initiative was the rapid administrative resolution of service delivery complaints at a district level. PLGP and EPSP partnered with the GoPNG funded Consultative and Implementation Monitoring Council (CIMC) and gathered research data from five priority districts about strategies used to achieve mandated and promised service delivery in districts. The initiative was not fully completed because AHC requested the program to generate savings in its budget in 2015/16.

OUTCOME COMPONENT 3 - HEALTH, EDUCATION AND INFRASTRUCTURE SERVICES

This outcome aimed at improving education and health services delivery, critical to achieving sustainable livelihoods and basic living standards.

A later section of this report describes and analyses the contributions that the Kokoda Initiative Development Authority (KIDP) made to this PLGP outcome for improved health and education.

OUTCOME COMPONENT 4 - ECONOMIC DEVELOPMENT PROMOTION

This results area focussed on improving business opportunities for citizens; and identifying economic opportunities.

Business opportunities for citizens

The Manus based PLGP District Services Improvement adviser in partnership with the Manus Provincial Administration supported a series of small business workshops conducted by the Institute of Banking and Business Management (IBBM) and Queensland

Technical and Further Education on different occasions. Initial two day workshops were conducted in July 2014 and were attended by more than 200 participants.

Based on demand and the needs identified during the training a second series of workshops concluded in 2015 followed by a third series of workshops in 2016.

Snapshot – Manus Small Business Training

More than 750 male and female business and would-be business people from Manus Province completed small business training facilitated by PLGP and the Manus Provincial Administration between 2014 and 2016.

A private training provider was contracted to conduct initial training in 2014. The training was popular and filled a community need. The public demanded further training opportunities and four workshops were provided in 2015 and a further three workshops in 2016. Training was available at beginner, intermediate and advanced levels depending on past business experience and education attainment.

The workshop experience was evaluated by PLGP. Participants commented positively on the training. Lina Badabeli wrote:

I haven't started a business and I don't know what business is. I heard there will be business training in Manus so I registered. I am looking at starting a trade store to sustain my family livelihood. This workshop helped me to focus on my business plan and work towards achieving it. I thanked the people who made it possible and would like to see more of this training in the future.

See Case Study Two: Manus Small Business Training in Annex 2

Participants came to the workshops inform business areas such as catering, transportation, financial services, building and construction, real estate, farming, fishing, textiles, trade store sales and information technology including others. The training improved their skills in business planning and business financial management.

Economic Opportunities in Provinces

In mid-2015 an Economic Development adviser was employed by PLGP.

The appointment was in response to the focus on districts and changes in the development policies of Australian aid and GoPNG to

support the private sector and to develop economic opportunities for small scale economic activity in PNG.

The adviser developed an Economic Strategy for PLGP and commenced implementation of the strategy. The adviser visited the six governance program priority districts and collected information on the enabling environment for business development in PNG; completed an analysis of the PNG business mindset; diversity in business; and explored potential partnerships for economic development.

Figure 2.4: District Economic Opportunities



The adviser assisted district staff to identify unique economic development opportunities in each district. For example:

Nuku District West Sepik Province

Nuku is a wet, lush, fertile district far enough inland and not so high above sea level to be overly impacted by drought or frost. An array of vegetables and fruits grow well including broccoli, carrots, tomatoes, cauliflower and semi tropical and tropical fruits. The local Member of Parliament has opened the district by building roads to the four LLGs and the time is right to start transporting produce out of Nuku to major markets in Wewak, Aitape and elsewhere. The Women's Council in Nuku is strong and represents more than 10,000 women who have taken the first steps to developing a large local shareholder company and have an excellent chance of success with help and guidance from the DDA support team.

GENDER EQUITY AND SOCIAL INCLUSION

PLGP drew on the recommendations from the SNS Gender Analysis Report (2007) as the basis for its Gender activities from 2012 to 2014. The report mainly urged capacity building and leadership sensitisation about gender issues for national agencies including DPLGA, PLLSMA and NEFC.

By 2014, this work translated into support for gender workshops to increase awareness of the national Gender Equity and Social Inclusion policy and the importance of mainstreaming GESI activities throughout all aspects of agency work.

By 2015, PLGP and EPSP harmonised gender work to improve effectiveness and efficiency and ensure a 'line of sight' approach..

Collaborative activities with DPM and DPLGA such as mainstreaming gender in central and sub-national GoPNG agencies, focal points and help desks were conducted in national and sub-national agencies

PLGP and EPSP supported the Male Advocacy Network (MAN) and advocates from twelve national agencies and three provinces, and four provincial GESI focal point staff attended workshops conducted by Fiji Women and Children's Crisis Centre focusing on violence against women and domestic violence issues. The Women in Leadership (WIL) group established by EPSP visited two provinces with PLGP to strengthen women's associations. PLGP and EPSP facilitated successful gender action research in Abau District in 2015.

A major activity conducted jointly by PLGP and EPSP and DPM from 2014 to 2015 was the roll-out of GESI policy to two pilot provinces: West New Britain and Gulf to assess strategies and develop the best approach to manage the roll-out of GESI at provincial and district levels.

Snapshot – GESI in the Provinces

The roll-out of the GESI policy in West New Britain Province in 2014 proved to be a success. A consultative process and the national GESI Policy gave stakeholders in the province the opportunity to identify significant issues affecting female public servants. Two key areas were selected to be trialled in the province: gender help desk and a capacity needs analysis (CNA) of female public servants who had been overlooked for training and promotion in the past.

Both activities commenced resulting in positive outcomes. The help desk supported females who have made complaints ranging from sexual harassment to domestic violence and actions have been taken against perpetrators. The behaviour of males and females has changed through sensitisation training and is reflected in policy, planning, budgeting and operational matters within the Administration. The CNA resulted in sponsorship for overseas and domestic training opportunities for female public servants previously reserved for males.

The success of the pilot was attributed to the work of DPM and the GESI team over five visits and executive leadership by the provincial administration to support female public servants.

See Case Study One: GESI in West New Britain in Annex 2

The GESI roll-out commenced with sensitisation and awareness workshops in each province to acquaint provincial staff with the concepts and principles of GESI. Meetings agreed to introduce GESI activities in the two provinces, GESI implementation committees were established, and stakeholders identified workplace violence and lack of training and promotion opportunities as focus issues for both provinces. It was decided by the implementation committees that women's help desks and a capacity needs analysis for female public servants were immediate strategies to help to resolve the issues.

District Engagement

In 2015 and 2016 PLGP continued to support DPM and conducted Policy Implementation and Planning Sessions (PIPS) as part of the roll-out of the National GESI Policy in the remaining PLGP priority provinces and districts.

PLGP partnered with the National Agriculture Research Institute (NARI) and the Baptist Union of PNG (BUPNG) to use Australian Centre for International Agricultural Research (ACIAR) trained facilitators to conduct five workshops across five districts in women's business acumen training. The training targeted family groupings at village level to help them understand rudimentary opportunities to generate income.

ACIAR Training

The training provided in Mul Baiyer-Lumusa by PLGP and BUPNG in March 2016 involved, for example, 12 husband and wife teams received training using a training of trainers (TOT) approach to prepare them to teach others about business acumen.

At the end of the training the 12 teams received corn seedlings from BUPNG and store purchased vegetable varieties to use to train a further five households each in the district under the supervision of two local ACIAR Business Acumen Trainers.

A total of 60 households received training as a result of the successful initial TOT conducted in the district.

SUSTAINABILITY

PLGP investment in a range of areas and activities has proven to be high in both value and impact. Examples include the work in the priority area of Manus and the pioneering work 'doing development differently' in select districts.

In the fiscal realm, Australia's investment in supporting: evidential monitoring (provincial expenditure reviews); robust costing (rural and urban cost of services studies) and vertical-horizontal engagement (regional workshops) are all institutionalised elements that are now well established and accepted within the GoPNG eco-system. PLGP's focus has been GoPNG national, intergovernmental and sub-national subsystems, which have been used, impacted and strengthened,

PLGP worked inclusively across DFAT governance and sector programs (e.g. EPSP, Health), other development partners (e.g. World Bank, UN), and civil society actors (e.g. churches and the private sector).

More broadly, PLGP's commitment to knowledge management and dissemination seeks to generate and share knowledge through a variety of communication modalities.

The challenges for sustainability are complex. For example, SNS, PLGP and Australian aid provided considerable technical and financial support for PPII over several years. The PPII Steering Committee provided program oversight of PLGP and the Program Management Group (PMG). The Steering Committee and the PMG were formal governance mechanisms and were chaired by senior GoPNG public servants who had strong views on the nature and direction of PLGP support. GoPNG's strong ownership suggested a good chance for sustainability.

But when GoA support for PPII was withdrawn in 2014, sustainability became questionable and the withdrawal impacted on working relationships with GoPNG and the sustainability of actions.

It is difficult for PLGP to make clear and firm statements about the likelihood of the achievements of the program being sustained when the program itself has undergone three changes in direction and has spent time realigning its work and re-establishing working relationships with existing GoPNG agencies and establishing new relationships in new locations and political contexts in PNG

The most difficult challenge facing sustainable development as a result of PLGP activities 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. Questions about 'why and how?' change takes place in PNG contexts are the question that lay at the centre of sustainability. They are not well understood and require more research.

Post-PLGP studies conducted six to twelve months after program end may 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. For example, it is recommended to study the sustainability of PPII support to provinces and how the supported provinces developed after the GoA withdrawal of support in 2013.

KNOWLEDGE MANAGEMENT AND LEARNING

PLGP emphasised the importance of knowledge management and implemented an initiative to socialise knowledge and to form coalitions with other knowledge partners across broader national and international audiences.

It did this through a process known as MALER (Monitoring, Analysing, Learning, Evaluating and Reporting) which gathered information about PLGP activities and through analysis and learning reported knowledge outcomes through monthly reports, quarterly bulletins and video productions for stakeholders. For example, the provincial and district expenditure reviews by NEFC captured the effectiveness of development and operational funding that informed key GoPNG agencies such as PM&NEC, DoT, DoF and DNPM about the fiscal status of provinces and districts.

Monthly reports provided AHC with insights into the activities taking place in priority provinces and districts. A pilot Quarterly Bulletin produced by PLGP in May 2016 brought issues into the public domain with its wider audience reach.

PLGP activities such as district accountability initiatives and public opinion surveys provided additional knowledge and data to district bureaucrats, and local leaders to assist with planning, budgeting and improved implementation of development initiatives.

PLGP activities gave MALER source material to generate knowledge which confirmed good development practices and identified difficulties in applying good practice as well.

For example:

- workplace practices and behavioural changes do not automatically follow from workshops aimed at developing skills of public servants;
- understanding strengths and weaknesses of PNG governance structures and awareness and knowledge of key GoPNG legislation underpin development good practices;
- building and maintaining strong relationships amongst all stakeholders and working cooperatively contribute to successful actions;

- relationship building and participation is time consuming, expensive, and complicated but necessary;
- multi-stakeholder engagement, dialogue, and collective decision-making is difficult, time consuming, technically demanding, and is complex and complicated;
- change is more likely to occur when there is alignment of multiple stakeholders around common interests working together to achieve results; and
- governance reform initiatives cannot be successful without engagement, direct participation, and direction provided by highest levels of bureaucratic leadership.

PLGP had to be adaptable, nimble and agile as the program design evolved from 2012 to 2016 in response to changing GoA and GoPNG development priorities.

The MALER approach had additional qualities that enabled PLGP to think and work in a broader way and seek knowledge about the actions of political-bureaucratic and non-state players.

MALER was able to provide a deeper understanding of the cultural dimensions of governance performance as it gathered more data at the district level and how planning and implementation decisions were made. An important conclusion was that cultural dimensions were often more important than technical dimensions to the success of the reform process.

This led to an understanding that the political environment was critical for achieving improved service delivery at provincial and district levels.

For example, DSIP funding allocations are guided by Waigani decisions about dispersal. The funding ideally follows the financial instructions provided by DoF and DIRD. The financial instructions dictate where DSIP funds should be spent by sector, and by what percentage. These financial instructions attempt to control spending and ensure appropriate sectors receive legislated funds.

District Service Improvement advisers had observed that provincial administrations did not always follow the financial instructions from Waigani. For example, funds assigned to and credited to education charts of accounts, as per financial instructions from Waigani are accorded an 'education label', but may be used for something else such as a vehicle

purchase for another sector to provide services there.

Snapshot – Emphasising the Local

The reality is that districts follow their own methods of DSIP funding allocations. A closer look at DDA’s will show that funds are allocated through project proposals, and ‘other requests’, submitted by various interest groups to the DDA board to decide upon. They do not always relate to approved district plans.

It required a different level of thinking, working politically, seeking local solutions, having new sets of assumptions, skills sets, and wider stakeholder engagements, underpinned by a facilitative approach as opposed to technical advising. Facilitators with appropriate skills sets are necessary to make this work. Individuals who are able to think, and do development differently, working locally seeking local solutions, understand and appreciate the context, locally and the decentralisation strategy.

They will need skills to facilitate collaboration with the district, provincial and national agencies, but importantly advocate for locally led and local derived solutions. Working with politicians, such as, councillors, local members, and governors of provinces are critical points of influence, together with churches, community groups, NGO’s, business houses and citizens to influence change and impact service delivery. Individuals who have a silo view of governance and decentralisation are a danger to such work.

See Case Study Five: Mul Baiyer-Lumusa in Annex 2

Such is the dilemma in allocating national funds based on needs and instructions from Waigani versus the economic, political and cultural realities operating in the districts.

The most significant lesson learned from the evolution of the program was articulation of a better way for PLGP advisers to engage with provinces and districts. It translated in the form of advisers as knowledgeable facilitators working politically rather than knowledgeable advisers working technically.

3. Kokoda Initiative Development Program

RELEVANCE

In 2008 the Australian and Papua New Guinea (PNG) governments signed a joint understanding known as the Kokoda Initiative (KI) which covered the period 2008 to 2010. The understanding set out arrangements for the two governments to work together to protect and manage the Kokoda Track and Owen Stanley Range region; and to improve the livelihoods of communities along the Track.

The first joint understanding was followed by a second joint understanding for the period 2010 to 2015. The goals of the second joint understanding included:

1. A safe and well-managed Kokoda Track, which honoured its wartime historical significance and protected and promoted its special values.
2. Enhanced quality of life for landowners and communities through improved delivery of basic services, income generation and community development activities.
3. The wise use and conservation of the catchment protection area, including the Kokoda Track, and its natural and cultural resources and values.
4. Building national and international tourism potential of the Owen Stanley Ranges and Kokoda Track region, supported by a possible future World Heritage Nomination.
5. Working with communities, landowners, industry and all levels of government to ensure that activities established under the Kokoda Initiative were sustained into the future.

A third five year (2016-20) known as the “PNG-Australia Joint Declaration on the Preservation of the Kokoda Track Region” was signed by the PNG and Australian Governments in September 2015.

There were multiple stakeholders with a range of interests in the Kokoda Initiative in both Australia: Departments of Environment, Foreign Affairs and Trade, Veteran Affairs, Prime Minister and Cabinet and Defence.

PNG stakeholders included Government of Papua New Guinea, Conservation and Environment Protection Authority (CEPA), Tourism Promotion Authority, Oro and Central Provinces, DPLGA, DNPM, National Museum and Art Gallery and customary landowners along the Track.

KOKODA INITIATIVE DEVELOPMENT PROGRAM

The Kokoda Initiative Development Program (KIDP) was a component of the Kokoda Initiative (KI) funded by Australian aid.

The KIDP contributed to Goals 2 and 5 of the Second Joint Understanding.

Coffey was contracted to manage KIDP in 2011 through the Sub-National Strategy (SNS) Program. The Provincial and Local level Governments Program (PLGP) assumed responsibility for KIDP when it replaced SNS in 2012.

KIDP delivered activities mainly within the International Protection Zone and across three catchment areas: Sogeri, Mt Koiari and Kokoda located in two Local level Government areas. A total of 24 wards with a population of 10,049 benefit from KIDP activities.

KIDP annual activity plans were guided by major GoPNG planning documents and central and line agency corporate plans which directly informed and guided the Kokoda Initiative Development Program such as:

- Vision 2050, Medium Term Development Plan 2010-2015, Central Province 5 Year Development Plan 2013-2017, Hiri District 5 Year Development Plan 2010-2014, Koari LLG and Kokoda LLG's 5 Year Development Plans 2010-2014.
- Education Sector, specific strategies including National Education Plan 2005-2014, Universal Basic Education 2010-2019, National Early Childhood Care and Development Policy 2014.
- The Health component stringently aligns with the PNG National Health Plan (2011-2020), the National Health Service Standards 2011-20 which sets out a planned structure and process for the health services provision in Papua New Guinea.
- The National Health Service Standards are the blue print for providing safe, quality care: they reflect the National Health Plan 2011-20's intention to transform the health system and the goal of 'strengthening primary health care for all and improved service delivery for the rural majority and urban disadvantaged'.

The completion report covers the period of PLGP responsibility for KIDP from 2011 to 2016.

EFFICIENCY

KIDP, in comparison to other Australian aid programs in Papua New Guinea, was focused on villages along the Kokoda Track - just 96 kilometres across the Owen Stanley Ranges from Owers' Corner in Central Province to the village of Kokoda in Oro Province.

The program was an intensive activity operating in extremely difficult physical, cultural and political contexts and stakeholders in Australia and Papua New Guinea in a location where little permanent infrastructure had been provided by GoPNG in the past.

KIDP had a staff of eight when PLGP assumed responsibility from another contractor. By 2015, KIDP had a total staff of 13 consisting of a full time Program Manager and eight locally engaged staff.

PLGP embraced a short term advisory model for KIDP to provide specialist skills to compliment the capacity of permanent staff in the delivery of desired program outcomes.

Four short-term international advisers specialising in health, infrastructure, logistics, and communications positions were recruited by PLGP in early 2015 due to the demand for increased service delivery support and a greater level of longer term strategic capacity building, infrastructure requests and under expenditure by the program.

PLGP was requested by AHC in late 2015 to take financial oversight and accountability of Australian aid linked funds for the Kokoda Track Authority as part of KIDP and to support the operational activities and safety projects of the Authority including maintenance of the Kokoda weather station; the Kokoda airstrip and road works between Owers Corner and Depo; and the Kokoda Track Authority radio network. The road works and the installation of 23 solar powered UHF radios was completed in May 2016.

Expenditure

Figure 3.1 indicates that total expenditure from 2011 to 2016 by KIDP was AUD 8,194,149. Activities were delivered throughout the 24 wards delineated by the boundaries of the Interim Protection Zone (IPZ) and located in the Local level Government areas of Koiari and Kokoda.

Figure 3.1: Total KIDP Expenditure (2011/12 to 2015/16)



There was a change in spending patterns over time shown in Figure 3.2. In 2011/12 operational costs were the highest expenditure area. Spending changed substantially from 2014/15 as infrastructure development became a stronger focus of the program.

Infrastructure investments peaked in 2014/15 and continued as the major KIDP investment in the 2015/16 financial year.

Figure 3.2: Expenditure Categories by Financial Years (2011/12 to 2015/16)



Total expenditure in 2014/15, for example, was AUD 2,740,040 of which 49 per cent was spent on infrastructure, 30 per cent on operational costs, 17 per cent on capacity development, and 5 per cent on other costs.

The growth in program activity from 2014 resulted in the highest annual expenditures in 2014/15 and 2015/16 since the inception of KIDP. Increased activities in health; strengthened relationships between KIDP and the Education Department and district and provincial authorities resulted in a steep increase in education activities. Infrastructure and WASH program activity also escalated resulting in a significant impact on reaching National Standards developed by GoPNG departments.

Planning process

The KIDP-supported activities aligned with provincial and district development plans and were selected through consultation with provincial and district-level health and education advisers, LLGs and community.

Following agreement at the sub-national level on infrastructure or capacity development (CD) activities, communities engaged collaboratively with government officers and KIDP personnel. The purpose of the proposed infrastructure or CD was explained and written agreements were negotiated with communities and stakeholders, outlining shared roles and responsibilities.

Local technical personnel and labourers were engaged to assist with construction, and training was delivered to enable local personnel to maintain and/or manage facilities. Staff of KIDP also maintained close communications with the sub-national officers responsible for providing agreed GoPNG inputs in service delivery, more prevalent in non-infrastructure related activities. Infrastructure and training was delivered to recognised GoPNG standards at all times.

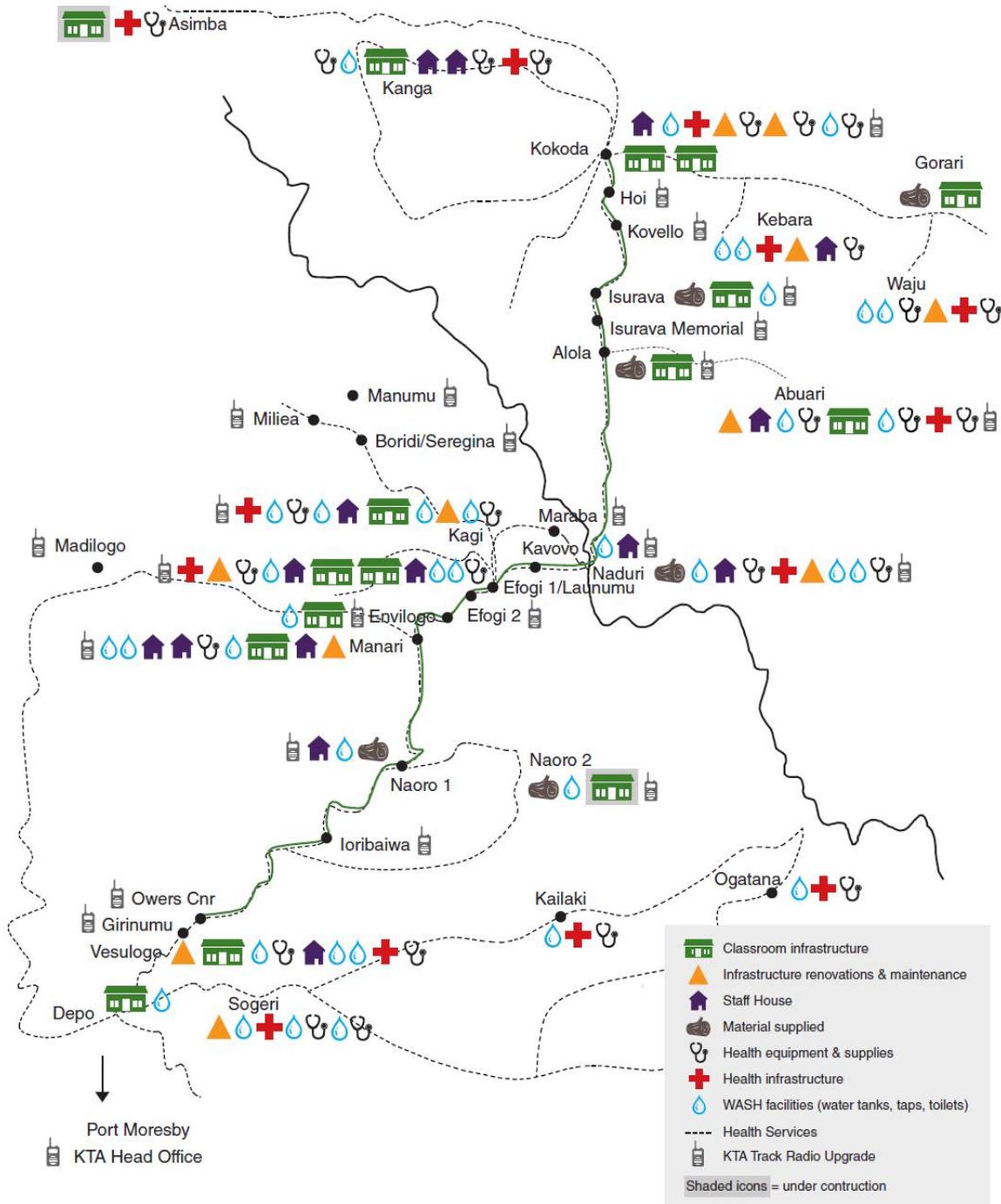
EFFECTIVENESS

PLGP redeveloped its monitoring and evaluation framework in 2014 to accommodate the management of KIDP. An additional Outcome 3 - Health Education and Infrastructure Services was added to the framework. Three sub-components were attached to Outcome 3:

1. access to quality health, education and safe water services is increased;
2. skills and standards of key health and education professionals and volunteers are upgraded; and
3. multi-level service delivery management and coordination is improved.

Kokoda Initiative

This map represents the Kokoda Initiative's support to health, education and water and sanitation projects in the region.
Updated as of May 2016.



This section of the report catalogues the extent of infrastructure development; provision of

equipment; and supplies; and skills development from 2014 to 2016.

KIDP operated under PLGP management from 2011. Output data are available about the activities of KIDP. There are good news stories from people about accessibility and the provision of infrastructure to support service delivery. Impact studies showing longer term outcomes or the impact of the provision of health and education facilities are yet to be undertaken.

Infrastructure

The provision of infrastructure had always been a major logistical challenge for governments and for KIDP. Building materials were not available locally and had to be sourced from major urban areas. The logistics around the delivery of materials usually required expensive helicopter services, although at times villagers carried building materials such as cement bags and timber by hand in attempts to speed up construction and development work.

The breadth, size and investment of the KIDP infrastructure program required a combination of strategic planning, key decision making, clear procurement pathways, project management, administrative structures and support, contacts with local stakeholders, on-going communication pathways and capacity to deliver a significant quantum of outcomes within a short period of time. Like most complex infrastructure delivery projects while there was a constant need for a manager to oversee the whole program, various skillsets were required at different times to ensure the plans were delivered within budget and within timeframes.

The existing permanent workforce did not have the capacity to address the full range of required skillsets to facilitate the program and therefore the short term adviser model was adopted to provide targeted expertise in areas where the greatest need existed. PLGP recruited an Infrastructure Adviser to assist KIDP with programming and procurement aspects of delivering specific projects. PLGP also recruited a Security and Logistics Coordinator to address the broader coordination and planning needs generated by multiple projects delivered at the same time.

KIDP advisory assistance contributed to the construction of five health facilities at Kanga, Abuari, Kebara, Sogeri and Naduri villages. Health infrastructure renovation, refurbishment of staff houses was completed in eight villages. Improvements included building cook houses, clean water systems, ablution block, waiting houses for pregnant women and installation of incinerators and rural laboratory.

Services at Sogeri Health Centre were severely comprised due to a combination of weak capacity of staff, leadership and planning. Infrastructure was also a limiting factor for a time however major infrastructure assistance from KIDP was launched by the AHC in March 2016.

The assistance included a Disease Control Building and new laboratory, increased access to water and sanitation facilities and full renovation of the existing health centre and a full upgrade of the birthing delivery suite. The total upgrade cost was over AUD 380,000.

Improved health facilities contributed to increased understanding of the prevalence of HIV in the area and pointed to actions that needed to be taken by the program.

Despite positive developments in some locations there were significant gaps in health facilities along the Track. For example, Efoji had the largest population of the mid-track villages, yet its health facility was closed. Kagi Aid Post was barely functioning and possible over-investment was made at Naduri.

Eighteen primary school classrooms were constructed in 17 villages along the Kokoda Corridor; a teacher's house was built in six villages and each fully furnished. For example, double classrooms were opened at Isurava and Abuari in May 2016, together with four VIP toilets, four water taps and a 3000 litre water tank in each village at a cost of AUD 205,000.

Water and Sanitation Hygiene

Water and Sanitation Hygiene (WASH) facilities such as water tanks and latrines were provided in 19 villages and 65 VIP pit toilets were provided to accompany health and education infrastructure.

Skills development

A total of 108 village health volunteers (VHVs) were trained and 72 VHVs and health staff received refresher training in TB testing, diagnosis and treatment. Eighteen HIV peer educators were trained to carry out peer to peer awareness and behaviour change programs for those seeking VCT services. Seven health professionals completed training and were accredited to prescribe and manage Anti Retro Viral Therapy for HIV positive clients.

Every six weeks VHVs were active in supporting the health staff in delivering integrated outreach through health patrols that provided on-site health care to 103 villages.

Health Professional Melissa Jinga

“With the trainings that I have received funded by the Kokoda Initiative, I now have knowledge to help my people. I am not only helping people from Kokoda, but people from all parts of Oro Province,” Melissa Jinga said.

Melissa also attended the KIDP funded Anti-Retroviral Treatment (ART) training. She is now one of the few trained health professionals in the Oro Province certified to prescribe treatment to HIV/AIDS patients.

“In the past, when individuals were tested and received positive results, they were referred to a district health centre to get medication, which could be a long way away. This is not the case anymore,” Melissa said.

Melissa can now use a Rapid Test Kit to test for HIV and receive the results in 15 minutes. She can provide immediate treatment of the ART drug.

Skills development for Education staff was supported by KIDP and eleven primary teachers completed a refresher course in Diploma in Primary Education. A total of 24 elementary teachers obtained Certificates in Elementary Teaching. Sixty-three members of school boards of management completed training in roles and responsibilities of boards. Seven school supervisory visits were conducted for 15 schools in 2015, quality control checks were conducted in nine schools in 2015 and 69 elementary and primary school teachers were trained and certified in Creative Phonics, School Learning Improvement Plan (SLIP), Reading Scheme and Classroom Library.

Along the Kokoda Corridor there were a total of 10,170 students of which 30 per cent were in elementary, 48 per cent primary and the remaining 21 per cent in secondary education. The students were taught by 213 teachers across 61 elementary, primary and secondary schools.

There was a 63 per cent increase in the number of students in schools supported by KIDP in 2016 compared to the 2008-10 enrolment figures. Within this period 15 additional schools were built and funded from a variety of sources including KIDP.

Student enrolment figures increased across all schools along the Track. For example, Kokoda LLG had a total of 989 students enrolled in 15

primary schools in 2011. By 2015 this figure had increased to 2,525 in schools in the LLG. Disaggregated data are not available for these enrolment figures.

Snapshot – Kanga Infrastructure

Kanga community had received very little infrastructure due to its ‘low visibility’ and remote location away from the main Kokoda Track in the past. The primary school consisted of bush material staff houses, a semi-permanent classroom for primary school children.

Kanga was the largest recipient of KIDP infrastructure and received over 50,000 kilograms of building and WASH materials delivered via helicopter or walked in by community members and school children in 2015.

The infrastructure provided by KIDP included a double classroom, new staff accommodation new aid post and upgrade water supply and hygiene facilities. KIDP constructed a new aid post building and a staff house for the local health worker. Total expenditure by KIDP on infrastructure in Kanga village was AUD 350,000.

The community did not rely on donors for development. Funds were raised locally and a permanent double classroom and two staff houses were built by the community to match the infrastructure investment from KIDP.

The outcomes of the projects are significant with over 1,000 men, women and children from Kanga and surrounding communities of Ebei, Mamba, Assimba and Karukaru with access to better health and education facilities.

See Case Study Four: Kanga Village in Annex 2

Equipment and Supplies

Medical equipment and supplies were delivered to seven villages and four solar vaccine fridges delivered. Solar power systems were replaced in all health facilities and annual procurement and distribution of infection control supplies (such as detergents, toiletries and cleaning supplies) were supplied to all 17 health facilities along the Track.

Five primary and three elementary schools were supplied teacher resources, curriculum and stationary supplies.

Patrols

KIDP provided direct support both financial and on-site mentoring and planning support for a minimum of five outreach patrols throughout each catchment annually.

These patrols visited 24 wards and ninety-one villages utilising resources of Village Health Volunteers, government and church managed health staff and partners such as World Vision, District level staff, KIDP staff, No Roads to Health and the Kokoda Track Foundation.

In 2014-15 as a result of regular patrols:

- a total of 3,257 vaccines were administered to babies
- 229 pregnant mothers were screened at antenatal clinics
- 122 child bearing age mothers were vaccinated for Tetanus Toxoid
- 221 new female acceptors started on various family planning methods, which included pills and injections
- 660 suspected cases of TB were identified, 51 were confirmed TB patients and put on treatment
- 70 malaria cases were screened with 25 positive cases treated
- 16 clients were counseled and tested for sexually transmitted infections. Rapid Test Kits were used for HIV testing
- 5,440 outpatients were seen for a variety of illnesses. Follow up treatments were completed for 206 patients.

Between July-December 2015 KIDP completed a comprehensive health patrol and conducted TB and HIV testing in 103 villages along the mountainous corridor through Central and Oro Provinces.

In addition to the strengthening of services through outreach patrols, service delivery improvements at the static health facilities occurred.

For example, between Jan-May 2015 more <1 year olds received their complete measles schedule than for the full 12 months of 2014. A further 425 >1year olds received catch up doses not administered in 2014. In the first five months of 2015 an average of 134 antenatal checks were conducted each month in health clinics: an increase from 115 for all of 2014. Supervised deliveries by VHV or at Aid Posts increased significantly from nine in 2014 to 33 in the first 5 months in 2015.

Stakeholders

KIDP is also working with other stakeholders such as the National Department of Health (NDoH) through its Medical Standards Branch to review best practices in construction of water, sanitation and staff housing to ensure that all new or renovated health facilities meet the PNG Health Service Standards.

The six month health blitz, conducted between July and December 2015, with local health workers, Seventh Day Adventist Health and World Vision International, detected 51 new tuberculosis cases and two new HIV cases.

The integrated patrols conducted 3,200 health consultations, more than 1,500 childhood immunisations and 83 antenatal checks. Family planning advice was provided to more than 120 women.

The project was delivered with support from health authorities in Central and Oro Provinces and Hiri and Sohe District.

Communications

The Kokoda Initiative JU2 Mid-term review (MTR) was completed in 2014. It was evident that a higher and more effective level of both internal and external communication was indicated. Two specific areas were identified as constraints:

- lack of understanding of overall Kokoda Initiative program;
- delays in completing and implementing the M&E processes for the Kokoda Initiative and KDIP activities; and
- public diplomacy opportunities on behalf of Australian Government.

A part time Communications Specialist was employed by KIDP in 2014 to focus on enhancing the 'brand' of the program and to implement media and communication activities.

In 2015, PLGP recruited a short term Communications consultant based in KIDP to support and mentor the KIDP Communications and M&E coordinator. The role also helped to coordinate and support Communication Officers in the other KI stakeholder organisations: CEPA, KTA and TPA and to liaise closely and communicate with the KI Program Management and Public Diplomacy Unit at the Australian High Commission in PNG.

Coffey significantly transformed its communications approach in 2015 by forming a 'communications pod' as a result of the newly merged EPSP-PLGP programs.

Combining specialist expertise, the 'Communications pod' harnessed the special skillsets of individuals in the areas of: media engagement, event management, online communications, products and branding – ultimately supporting the Communication activities across all of the programs while enhancing the service to both PNG and Australian Government stakeholders.

Two Kokoda Initiative newspaper inserts were designed. The first was produced and distributed in April 2015 to coincide with the Anzac Day commemorations. The second is still awaiting final approval at the time of writing this report.

Stakeholder engagement was further enhanced by presenting case studies and reporting on specific infrastructure opening events in on-line publications and on social media sites including the Australian High Commission Facebook page.

Numerous video features were also been produced and a Photography Project. A professional photographer was engaged to walk the track with the KIDP Communications and M&E Coordinator to capture specific projects areas and activities of the KIDP along the Kokoda Track. This project produced an extensive and high-quality library of images and video footage (by camera and drone technology). An added outcome of the Photography Project was the professional skills development of the KIDP Communications and M&E Coordinator.

Gender Equity and Social Inclusion

The KIDP design and implementation processes did not include a gender strategy, audits of women, or analysis of issues facing women along the Track.

There was some engagement with the PLGP GESI adviser in 2015 who met with seven women leaders, including youth, from different locations along the Track. The women pointed out that despite 70 trekking companies operating on the track there was no economic benefit for women and children as trekkers spent little money along the Track and porters took almost nothing back home for the women and children.

Few livelihood activities conducted under the broader Kokoda Initiative had translated into sustained income generation for women. Assisting women's groups in the area to build food production and marketing skills were identified as future activities to enhance livelihood opportunities.

IMPACT

Mid-term Review

A mid-term review of the second joint understanding of the Kokoda Initiative was conducted by Cardno Emerging Markets in 2014. The review had implications for KIDP. The review pointed out that M&E processes were 'weak' and 'simplistic' and gender was not built into the design and there was no evidence of mainstreaming gender in activities.

The objectives of the KI and KIDP and the role of the agencies in the initiative were not fully understood and appreciated by local people due to a lack of a community targeted communication strategy. KIDP responded to this and appointed a Communications Specialist in 2015.

The review recommended that an integrated database of education, health, other community facilities, and trekking support resources along the Track was needed to support planning of priorities and future activities by all government and NGO stakeholders. This would assist KIDP planning and implementation and help to overcome difficulties it has encountered managing the planning and decision making processes with LLGs in the area.

Status Report

The Kokoda Initiative Development Program Status Report (July 2015) confirmed the view that local people had little understanding of roles and responsibilities of the many stakeholders involved in the Kokoda Initiative and less so to KIDP. Participants interviewed for the KIDP Status Report commented that several stakeholders appeared to be 'delivering similar or complimentary activities to KIDP'. Focus groups revealed there was little knowledge about 'who all these organisations are and what they do'.

The report noted the absence of a platform where all stakeholders could collaborate. The Kokoda Track Foundation mentioned that if it cooperated with KIDP more strategically both organisations could cut logistics costs. The lack of a platform for communication with the community representatives was a widely recognised issue and improved capacity of a key focal point is likely to help improve program efficiency and effectiveness.

Lack of information sharing and community engagement contributed to rumours about what Kokoda Initiative was and what benefits it would deliver to local communities. Incidents such as track closures have occurred in the

past which may be attributed to a lack of transparency around what KI and KIDP can and can't deliver and ever rising community expectations around increased cash incomes.

Community Survey

A community survey of the Kokoda Track was conducted in 2015 with a sample of 212 households evenly distributed throughout each of the three catchment areas of Kokoda.

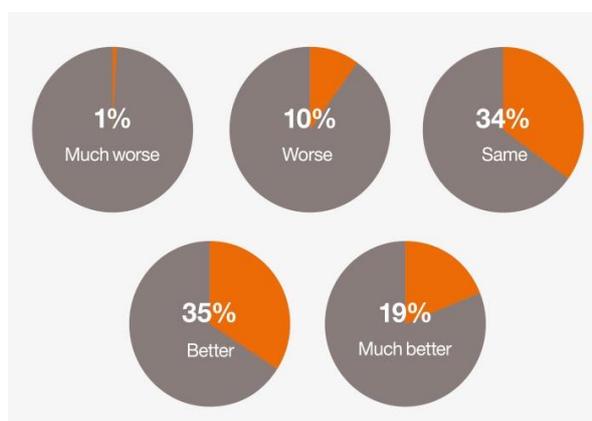
The objective of the survey was to assess governance arrangements and the economic and social needs of the communities located along the Kokoda Track to assist the Papua New Guinea and Australian Governments to engage more effectively with communities.

The report noted that 'about a quarter of respondents participated in some sort of planning process with their local level government' and a similar number 'had met with national leaders in the previous year'. However communities expressed a sense of frustration that such interactions did not always result in suitable development and were confused with the decentralised process of government.

The report concluded that the KIDP had delivered required health and education infrastructure along the Track with some support for capacity building.

During the survey participants were asked to compare how well off they were at the present time in comparison to five years ago as a measure of wellness. Figure 3.3 indicates that 54 per cent of respondents felt that they were better off, or much better off, than they were in 2010.

Figure 3.3: Perception of Wellness



SUSTAINABILITY

Constraints to Sustainability

Landowner issues

Landowner disputes have the potential to disrupt program delivery: landowners have the ability to influence the progress of any project and veto any decisions. For instance when the landowners believed that they had not been consulted adequately in relation to track maintenance, or benefited from the trekking industry, they had periodically threatened to close the track. In relation to KIDP activities, landowner disputes affected the prioritisation and implementation of infrastructure projects and the use of completed infrastructure by the beneficiaries in the past. Landowner disputes had the potential to divert KIDP funding from areas of highest need.

Planning

KIDP relied heavily on sub-national planning processes for its annual planning.

The process was aligned with government plans and based on negotiation with sub-national officers.

Plans were often out of date, and were influenced by local politics or informed by inaccurate data or poor strategy. This was not an issue KIDP could rectify without engaging in lengthy planning processes with government, which created other risks for the program and the Track. In the absence of clear GoPNG processes, there was considerable ambiguity around decision making related to specific projects. There was also a lack of technical capacity at the LLG level and LLG plans were not realistically costed or strategically prioritised based on demographic data.

Cost Effective Planning

KIDP built a health post in Naduri in 2012 which cost around PGK 2 million. It consisted of one main building with infrastructure capacity to manage in-patients, basic accommodation for antenatal delivery, two separate consultation rooms, an external house, cook area, a complete bathroom, storerooms and a pharmacy.

Community health post provides a comprehensive service to a minimum of 5000 people according to the government criteria. The population of Naduri is less than 300 and it was anticipated the facility would be a feeder for surrounding communities. Work load at Naduri was very low with records showing just 30-50 outpatient consultations per month.

The Post was equipped with necessary equipment of a health centre including emergency equipment which has been rarely or never used. A vaccine fridge was airlifted into Naduri in 2012 and has not been installed. No static immunisation programs were conducted for more than 3 years as a result.

KIDP Program Status Report 2015

Staffing

Whilst the provision of infrastructure is a significant 'pull' factor in drawing staff to the region, it is far from a comprehensive solution to development.

There were challenges in attracting and retaining skilled workers in the region. There were significant problems with staffing of health and education facilities. For example, the District Education Coordinator in Oro province noted that around 50 per cent of teacher positions in primary schools were vacant in 2015.

As a result of the issues with attracting and retaining qualified staff, a number of facilities completed by KIDP were either unstaffed or understaffed, limiting operational effectiveness. Whilst KIDP played an advocacy role, these issues were beyond the mandate of the program. Attracting teachers and health workers to the region was complex. The practical difficulties working as a public servant in the Kokoda region were extreme given the terrain and weather conditions. Furthermore, public servants were often not paid consistently or not paid at all for extended

periods. There was a lack of locally-trained professionals and current salaries and incentive schemes were not adequate to attract workers to the region because of its isolation, poor access to services for families, issues with cultural integration and the high cost of transportation to Port Moresby.

Paying the Price?

Enabling environment constraints acted as powerful disincentives. These include a lack of transportation, telecommunications, and electrification services for communities between Ower's Corner (Central Province) and Isurava (Oro Province). Investigations also established that teachers and health workers are frequently not paid for lengthy periods (months to years).

The Kokoda districts and LLGs do not have sufficient financial or human resource to complement KIDP inputs effectively. This is a common scenario at the sub-national level in PNG, the Australian narrative around Kokoda and commitments made under the Joint Understandings create unique disincentives with respect to Kokoda.

As a senior administrator commented, 'I don't have enough resources to deliver services across my area, so Australia can look after Kokoda'. In focus group discussions with councillors from Koiari and Kokoda LLGs, 80 per cent and 75 per cent of informants respectively agreed that Australia had a greater responsibility than their own government for service delivery in the Kokoda region.

Community Survey Report 2015

Funding constraints

The Sogeri and Kokoda LLG catchment areas did not receive any operational or service delivery funds for health outreach patrols through either HSIP Trust Account or Recurrent funds in 2014/15. Despite Oro Province publically announcing that it was the first province across PNG to implement direct Facility based funding there was no evidence that this announcement resulted in any facilities receiving any funds. Funding requests were submitted to the province through the recurrent budget for each of these patrols however there was no response in 2015.

LESSONS LEARNED

Community Engagement

A review of a sample of agreements between KIDP and villages revealed that the community contribution was predominantly in the form of land and paid labour. Whilst this approach promoted community participation for project implementation, it was clear that it had limitations in terms of a systematic approach to bottom up planning, design and monitoring processes.

The focus group discussions revealed that 80 per cent of the participants in Koiari LLG and 51 per cent of the focus group participants in Kokoda LLG thought that there were many opportunities for land owners to participate in decision making. KIDP could leverage these avenues to engage with the landowners more effectively.

Communications

Ideally all participants in the field should have a shared and broad knowledge of activities and agendas across each other's areas of expertise when communicating with remote communities.

Effective communication and awareness within the KIDP team was achieved by acknowledging the importance of communication and the benefits of the flow of relevant information to all players and stakeholders. This was strength of KIDP by 2015. The program ensured that the teams in the field had a range of contacts at all levels with key stakeholders and there was a constant flow of communication informing all parties (from the administration through to each affected community) of program planning and of changes that were expected to occur.

4. Bougainville – Governance Implementation Fund

BACKGROUND

Bougainville experienced conflict from 1988 to 1997. From 1997 to 2005 it underwent a peace process which resulted in the Bougainville Peace Agreement and the establishment of the Autonomous Bougainville Government (ABG). The ABG is now involved in on-going peace building and reconstruction and will hold a referendum on its political future between mid-2015 and mid-2020.

A Governance Implementation Fund (GIF) was established in 2004 to support the peace process. In 2008 the Australian High Commission (AHC) contracted Coffey International through the Sub-National Strategy (SNS) program to supervise the management of the GIF Trust Account to provide recruitment and logistical support services for the engagement of international and national technical support staff to support project implementation.

Development support was guided by the Australian Government's new development policy - Australian aid: promoting prosperity, reducing poverty and enhancing stability.

RELEVANCE

PLGP replaced the SNS program in 2011 and continued the management of Australian aid support for GIF.

PLGP support was aligned with GoPNG major planning documents including Vision 2050; the Medium Term Development Plan (2010-2015); and the Development Cooperation Strategy between PNG and Australia. PLGP activities in Bougainville aimed at strengthen and refine implementation of government service delivery reforms at the local implementation and policy levels.

The PLGP provided advisory support to ABG departments; a program management office capability, and a GIF Secretariat.

Diagram 4.1 provides the PLGP Results Based Management (RBM) Framework for the management of GIF.

Diagram 4.1: PLGP - Results Based Management Framework



Governance Implementation Fund

The GIF's purpose was to provide a financing mechanism to GoPNG and ABG:

to help implement autonomy, improve good governance and implement public sector reform in Bougainville.

This purpose was reflected in the GIF's goal of:

Strengthening: autonomy, effective government, the economy and fiscal self-reliance in Bougainville.

GIF was sponsored by the Autonomous Bougainville Government, the Government of Papua New Guinea (GoPNG) and development partners: Governments of Australia and of New Zealand.

The GIF Logic and Results Based Management Strategy was: If:

- a. ABG has drawn down sufficient powers and funding to function effectively as an autonomous region within PNG;
- b. The ABG Parliament and the Administration are performing their mandated functions and public infrastructure and services are being restored and maintained across Bougainville;
- c. The economy of Bougainville is progressively being strengthened by responsible investment in renewable and non-renewable resource development and employment and incomes are increasing; and
- d. Bougainville is becoming more fiscally self-reliant through increased collection of taxes and revenues;

Then:

The people of Bougainville will be better positioned during the Referendum to make an informed decision on autonomy and their future social, economic and political well-being.

This theory of change was articulated in the output and outcome objective hierarchy reflected in the four program components:

- Understanding Autonomy;
- Effective Government;
- Revenue and Economic Development;
- Human Capital Development.

Collectively, it was anticipated the short and medium-term outcomes of the program

components will contribute to achieving the goal of the program.

The GIF was highly relevant to the ongoing process of reconstruction and development, peace and reconciliation and strengthening autonomy in Bougainville.

Both the ABG and GoPNG acknowledged the importance of the contribution of the GIF to the development of Bougainville and, in particular, the shift from project to multi-year program planning which laid the foundation for strengthening autonomy, effective government, the economy and fiscal self-reliance in the lead up to the referendum scheduled for 2020.

EFFICIENCY

The GoA contribution was provided through the Sub-National Strategy (SNS) (now PLGP). GoA and New Zealand contributions were made directly into the GIF trust account.

The GIF principally provided demand driven project support to the ABG from 2008 to 2011, as directed and approved by the development partners through a Steering Committee (SC), for a wide range of reconstruction and development; peace and reconciliation; and recurrent operational support activities.

In November 2011, the SC commissioned an Independent Review of the GIF and noted the fund was being used by the ABG as supplementary budget support for minor works, infrastructure and recurrent operational activities with only minor support for the process of autonomy and effective government. The review recommended that a transition plan realign the GIF to support its original purpose, but continue on-going support for essential government infrastructure.

A Strategy and Implementation Plan 2014-2016 was approved by the SC which saw the program transition from an annual submission-based project facility to a multi-year program planning and budgeting initiative.

This programmatic approach enabled PLGP to take greater program management responsibility for implementation activities.

A total of five long term male advisers and eleven short term consultants (10 males and 1 female) were recruited by PLGP to assist ABG between 2011 and 2016. Advisers worked in areas such as overall co-ordination of GIF, strategic planning, financial management, human resources, legislative drafting, urban planning, communications, primary industry, and elections.

GIF Steering Committee

GIF was managed by a Steering Committee (SC) and supported by a PLGP Coordination adviser. The SC included:

- the ABG (Co-Chair) – currently the Acting ABG Chief Secretary;
- the National Co-ordination Office for Bougainville Affairs (NCOBA) (Co-chair) – represented by the Director reporting to the Prime Minister and the National Executive Council;
- Australian Department of Foreign Affairs and Trade (DFAT); and
- New Zealand Ministry of Foreign Affairs and Trade (MFAT).

The GIF included a trust account operated by the ABG under GoPNG public finance laws and instructions with oversight from PLGP staff located in Buka with support staff in Port Moresby.

From 2004-2008 the GIF maintained a balance between supporting capacity building and the rehabilitation and restoration of services and facilities. By November 2011 the GIF had over 170 projects across the region many of them incomplete due to poor management and supervision by ABG departments.

In November 2011 an Independent Review Team recommended that:

- an urgent rationalisation be commenced to get the portfolio under control; and
- GIF be progressively realigned to support the original objectives of capacity building for *autonomy, good governance and public sector reform*.

In June 2012 the GIF work plan was reduced to 75 which were largely completed by June 2013 enabling the realignment process to commence.

The GoPNG national budget in 2012 made a K500 million, five-year commitment (2012-2016) to High Impact Projects (HIP) in Bougainville under a Special Intervention Grant.

The 2013 GIF Transition Plan

Subsequent to the GIF Review and the progress made in clearing the backlog of outstanding 2011 GIF project activities, the ABG endorsed a Capacity Development Strategy (CDS) which identified priority strategies and thematic areas for targeting institutional strengthening and capacity building to support Autonomy in Bougainville.

In response to the CDS priorities, the GIF program for 2013 was realigned to support activities initially targeting Economic Development, Public Service and Financial Management and Peace and Autonomy initiatives. In all, 22 project activities were approved for inclusion in the 2013 Work Plan.

In approving these activities the Steering Committee acknowledged that the Work Plan needed to provide the basis for transitioning from an annual submission-based planning facility to a multi-year program planning and budgeting initiative to give greater effect to the GIF contribution to *autonomy, good governance and public sector reform* in the lead up to and during the Referendum in Bougainville.

In October 2013 the GIF Working Group reviewed the GIF 2013 work plan progress and performance and presented a Concept Paper for the mobilisation of a consolidated GIF 2014-15 Strategy and Implementation Plan which was endorsed by the GIF Steering Committee.

The 2014-2015 GIF Strategy and Implementation Plan

The GIF strategic plan was informed by two documents: *The Capacity Development Strategy (CDS)*, approved by the Bougainville Executive Council in November 2012. And *The Joint Review of Bougainville's Autonomy Arrangements by Government of Papua New Guinea and the Autonomous Government of Bougainville* (October 2013) was endorsed by the BEC (February 2014) and GoPNG NEC (April 2014). This review contained 19 recommendations for further action which complement the focus of the CDS.

As anticipated, subsequent administrative and political developments in the ABG during 2015 resulted in amendments to the initial 2014-15 Plan and a significant up-scaling of GIF technical assistance, organisation and management capacity. These developments were reflected in the update of the plan and took into account the decision by the GIF development partners to extend project activities through to June 2016.

The amendments reflected:

A decision by the ABG and the GoPNG to secure the services of the United Nations to assist in planning and managing the referendum process thereby allowing the GIF to continue to address its principal purpose of assisting the ABG to pursue the goal of *Strengthening: autonomy, effective*

government, the economy and fiscal self-reliance in Bougainville;

The re-assignment of the Literacy and TVET activities of the Human Capital Development component to the AHC sponsored Education Sector program in Bougainville to the PLGP RBM Framework Program Component 4: Human Capital Development (see Diagram 4.1).

The re-alignment of support to the PLGP RBM Framework Program Component 3: Revenue and Economic Development in the PLGP RBM Framework through:

- Significant up-scaling of support for the Taxation and Revenue Generation Reviews supporting institutional development and capacity building in the Department of Primary Industry and the mobilisation of the Commodity Support Facility;
- Scaling back on support for the Panguna Negotiations while the stakeholders address outstanding issues associated with the Bel Kol process and the PNG Government's interest in becoming the principal shareholder for the Panguna Mine; while simultaneously scaling up support for the rollout of Community Government infrastructure and development planning in the Panguna District.

Improved Efficiencies

The 2012-14 transition proved to be an important learning experience for the members of the GIF Steering Committee representing the ABG, NCOBA and the Australian and New Zealand Governments who became much more proactive in the appraisal, decision making and monitoring and evaluation process during this period. The end result was a more efficient and effective working relationship between the SC members and the Managing Contractor.

Given the up-scaling of the GIF activity under the updated 2014-16 Strategy and Implementation Plan the Steering Committee facilitated the development of a draft PGF Bougainville Governance program design, a sub-program of the PNG Governance Facility (PGF). The Bougainville Governance Program aimed to integrate GIF (and CSF grant management) initiatives with advisory support that were currently being delivered through the PLGP.

Use of In-line Advisers and Local Contractors

Seventeen key in-line positions were recruited by PLGP to improve ABG department

efficiencies and operations aimed at improving public sector service delivery.

An additional key enabler of the transition from project to multi-year program planning between 2012 and 2014 was the use of local contractors and funding of in-line ABG positions to assist in the development and mobilisation of the program.

Ten local contractors supplemented the operations of key government departments. These contractors had an immediate impact through their technical and mentoring skills on improving ABG capacity to support management of GIF and SIF project portfolios.

Following the success of the deployment of local contractors, the SC subsequently approved the appointment of other contractors to support institutional strengthening and capacity building in the Department of Community Government, the Bureau of Media and Communications, the Department of Finance and the ICT Function of the Department of Technical Services.

Internal review findings showed that the effectiveness of local contractors, particularly those supporting planning and institutional capacity building functions, was enhanced by the SC preparedness to deploy contractors on a long term basis for up to 24 months.

GIF Trust Account

Price Waterhouse provided accounting services for the GIF when it was initially established. In 2008, the ABG took over responsibility for the management of the operating trust account and processing and issuing cheques in Bougainville using GoPNG public finance management instructions. Coffey was appointed by Australian aid to manage the head trust account into which the donor partner contributions were placed.

This arrangement was found to be unsatisfactory over time for the following reasons:

- cases of fraud in requisitioning goods and services and payment salaries and allowances
- a proven record of lost documentation with some claims having to be submitted three or four times
- delays of up to three months in having cheque processed for approved claims.

The 2008 agreement was reviewed and ABG agreed that the management of the financing

mechanism should be totally in the hands of PLGP from 1 July 2014. It was agreed that:

- the requisition and commitment processes under the Bougainville Public Finance (Management and Audit) Act 2015 were followed with appropriate ABG senior management approval;
- the Service Provider, with additional Buka based Financial staff, verified the paper work independently of the ABG for compliance with the relevant GoPNG laws and instructions; and
- the Service Provider issued the cheques.

Figure 4.1: GIF Expenditure (2011-2016)



The ABG was supportive of this arrangement however the appointment of a new Chief Secretary overturned the arrangement in January 2015 and that ABG would have the final authority over processing cheques.

The operating efficiency of the GIF Trust fund was compromised and remains an issue in 2016 that requires resolution between ABG and GoPNG. A separate operating account and trust instrument for programming activities may be the best solution to re-establish transparency and accountability.

EFFECTIVENESS

In addition to being well aligned to the needs and policies of the target group (the ABG and GoPNG and the constitutional mandate for Autonomy under the Peace Agreement) the GIF demonstrated since 2014 that it was a consistent and a flexible form of aid delivery which continued to:

- work directly with the ABG and GoPNG and service delivery partners to build their capacity to develop and manage approved program and project initiatives
- guaranteed cash flow to project partners and enabled them to complete their projects while reducing fiduciary risk

through management of the GIF Trust Account.

A number of departments and agencies under the Effective Government Component of the GIF which already had staff and technical advisers in place from the 2014 program responded well to ongoing GIF support and made steady progress towards achieving their initial activity work plans and output objectives. The departments included:

Two long term PLGP advisers in Organisational Management and Human Resource Development assisted the Department of Personnel Management and Administrative Services to restructure and reform the public service. The advisers assisted a short term local HR consultant at the same time. Major accomplishments included:

- design and implementation of the overall ABG Public Service structure
- development of position descriptions for the restructured ABG Public Service
- development of Public Service systems and procedures
- Public service training and capacity development of public servants.

The Bureau of Public Affairs Media and Communications was assisted by a short term PLGP Media and Communications adviser to facilitate communication, coordination and awareness around the Bougainville Peace Agreement and the autonomy and referendum process through a range of activities including:

- Piloting Community Radio
- Building ABG Communications Capacity with staff and equipment
- Development of an ABG Web Site
- Media Engagement and sponsored visits
- Publication of an ABG newspaper (the Bougainville Bulletin)
- Qualitative Audience Research.

PLGP recruited three short term consultants: Project Feasibility and Design Specialist; Primary Industry Institutional Support Facilitator; and a Commodity Support Facility Value Chain Adviser to assist the Department of Primary Industry and Fisheries update its 5 year Plan and:

- strengthened multi-year planning and budgeting

- maximised returns to smallholders and medium scale enterprises from the SIF and other ABG development budget revenues
- increased industry consultation, and identified priority economic infrastructure projects
- continued the drawdown of powers from PNG statutory authorities (National Department of Agriculture, Forestry, Fisheries and Quarantine).

The Department of Finance and Treasury was supported by two short term PLGP consultants: Strategic Public Financial Management consultant and a Public Financial Management (Contracting Out) consultant to address gaps in the GIF accounting, trust account management, and financial reporting system.

A Facilitator: Draw Down of Powers consultant was also recruited to support draw down activities at Finance and Treasury and worked with other ABG departments as well.

A long term PLGP Policy and Program Local level Government adviser assisted the Department of Community Government and District Services and:

- prepared a Strategic Action Plan (SAP) for the restructuring of the Department in preparation for progressive roll out of Community Government post Community Government elections in June 2016
- drafted a New Community Government Act to replace the Council of Elders Act
- in association with the Department of Lands and Physical Planning, completed 14 District and Community Government Infrastructure Plans.

The Department of Technical Services was assisted by PLGP with a short term Special Implementation Fund and PMU adviser who supported departmental activities:

- scoping, outsourcing and supervising the GIF infrastructure program
- roll-out of ITC services for government departments in Buka.

Local consultants including ICT Network Engineer; an ICT Cabling Supervisor; Civil Engineer; Infrastructure Contractors; Infrastructure Manager; Roads Engineer; and, a PMU Manager were supported by the adviser through GIF funding.

The Department of Lands and Physical Planning, with PLGP advisory support from a short-term Senior Urban Planning consultant completed research and produced a comprehensive baseline survey of ABG district infrastructure profiles of assets by sector and their functional status in terms of service provision.

Progress was also made under the Human Capital Development component and a Technical and Vocational Education and Training (TVET) Research consultant assisted ABG develop:

- an adult literacy pilot project that supported 51 literacy classes in 2013 and 2014 with an enrolment of approximately 1,370 students, of which 30 per cent were women
- a TVET project that supported the mobilisation of trade testing centres and upgrading of the teaching skills of 42 teachers through a training partnership with the Australia-Pacific Technical College, the National Apprenticeship and Trade Testing Board, the University of Goroka, and HORIZONT3000.

A short term Legislative Drafting consultant and a short term Strategic Planning consultant were also employed by PLGP to work across priority ABG departments.

IMPACT

Monitoring and Evaluation

There was no consolidated M&E reporting against the GIF prior to the establishment of the ABG Program Management Unit in 2012.

Monitoring was undertaken by the implementing agencies on an individual project activity basis under the supervision of assigned PLGP advisers reporting to an M&E Officer based in the PLGP office in Port Moresby and to the SC in Buka on a quarterly basis.

A local contractor was assigned as the GIF M&E Officer with the establishment of the PMU in 2012 and compiled consolidated project activity reports for the GIF Steering Committee and PLGP. In 2013 the services of the GIF M&E officer were extended to assist the Division of Planning with the monitoring of the ABG's Restoration and Development Grant (RDG) and the Special Intervention Fund (SIF).

Composite quarterly status reports on the GIF, RDG and SIF activities were produced by the M&E Officer and two Planning staff from 2013 to 2015. The reports focused on monitoring project activities, outputs and

expenditure against annual activity plans and budget appropriations. The composite reporting was discontinued in March 2015 with the transfer of the M&E Officer to the GIF Project Office (Secretariat) and the departure of the two Division of Planning project officers on study leave.

The GIF 2014-15 Strategy and Implementation Plan (March 2014) included a draft Results Based Management Framework (Diagram 4.1) with a hierarchy of objectives at the output, outcome and impact level and approved.

The RBM Framework captured program, project and contractor progress and performance.

The GIF initially operated as a 'needs basis' funding modality and evolved to a more structured, programmatic and strategically focussed multi-donor program during PLGP management.

Baseline to end-line comparative analysis to measure success at the outcome and impact levels was problematic, due to the management arrangements in place. Whilst there were instances of improved effectiveness, measuring overall impact was limited.

Many project activities were either new or re-scoped initiatives approved by the SC in late 2015 such as Autonomy and the Draw-down of Powers, the Taxation and Revenue Reviews, the Commodity Support Facility pilot, support for the Department of Technical Services and the PMU, support for the Department of the President and the Bougainville Executive Council (BEC), support for the Office of the Chief Secretary were still awaiting the mobilisation of technical staff before full activation could take place at the time of writing this report.

For example, the Commodity Support Facility (CSF) was approved by the SC in December 2015 as part of the Revenue and Economic Development component of GIF. It is a grant-making delivery mechanism supporting economic development in Bougainville. The objectives of the CSF are to promote the growth and development of the agricultural, forestry and marine resources sectors within Bougainville through funding appropriate sector-focused production, marketing, research, extension and training activities that are consistent with the strategic framework being articulated in the DPI Agriculture Investment agenda.

Economic developments such as the CSF are intended to deliver both economic and social

benefits to the community. Improving the economy, will provide the ABG with a stable revenue base for autonomy, and improving the lives of women and youth and support a stable community. The impact of economic programs will not be measurable for some years to come.

SUSTAINABILITY

The GIF had an application and approval process which provided a systematic framework for the formulation of project concepts and the consideration of sustainability issues through a formal appraisal and approval process. The technical design and sustainability issues were collaboratively developed between PLGP advisers, GIF project staff and ABG counterparts. They were appraised by the GIF Activity Coordinator and support staff under the supervision of the GIF Manager who referred projects to the Steering Committee for final approval.

However, while the GIF appraisal and approval processes assisted the Steering Committee to make an informed decision on the capability and commitment of an institution at a particular point in time, there was no guarantee the institution would retain this capability and commitment in the short or long term.

All institutions have to face the challenge of how they are going to maintain services and/or replace aging infrastructure whether it was provided by the GIF or another source. Institutions need to transition from project planning to a process of program planning.

The GIF funded a project to research and produce District Infrastructure Profiles for all 14 ABG districts. This work was central to strengthening opportunity for sustainability in Bougainville.

Cash flow problems associated with the allocation of ABG and GoPNG revenues are likely to persist for some time and there is likely to be dependency by both governments on ongoing support from the GIF which limits the scope for sustaining the initiatives from PNG revenue sources over the short to medium term.

However, while ABG and GoPNG cash flow problems are likely to weigh on the sustainability of GIF initiatives, sustainability issues should still be pursued through a more strategic approach to developing synergies between the GIF and ABG sponsored programs and projects funded from available DSIP, PSIP, Restoration Development Grant RDG and SIF revenues.

The vehicle for exploring and developing these synergies should be through the update of the ABG's Strategic Plan of which support was recently approved by the GIF Steering Committee.

ANALYSIS AND LEARNING

Gender Equity and Social Inclusion

The GIF development partners are committed to ensuring the development activities they sponsor to improve the livelihood of the target beneficiaries, are sustainable and do not have negative impacts.

The level of analysis of Gender Equity and Social Inclusion issues was relatively superficial. However, with the decision to improve the revenue and economic development component of the GIF, there was now increased focus on addressing core policy dimensions, particularly the issue of gender equality. This was reflected in GIF support for the Commodity Support Facility, Adult Literacy and TVET which had explicit gender equality objectives.

Whole-of-government Development

There was progress in terms of the achievement of objectives at the activity and output level, particularly for those project activities mobilised in 2014. The GIF will need to be implemented as part of a whole-of-government development initiative if the higher order development objectives are to be achieved. It will require the ABG to adopt a more strategic and medium-term approach to program planning and budgeting with better communication and coordination with administrative and parliamentary arms of ABG GoPNG, donors, NGOs and the private sector.

Strategic Action Plan

In 2014 the Bougainville Executive Council (BEC) commissioned an update of the ABG Strategic Action Plan (2006-2010) with the specific intent of formulating a long term vision and development objectives to guide sector planning and investment in Bougainville. This update did not proceed and the BEC instructed the Acting Chief Secretary to reactivate the development of the Strategic Plan as a priority. In response to this instruction, the Acting Chief Secretary appointed a Working Group chaired by the Planning Directorate to manage and supervise the formulation of the Plan and specified that the plan should be:

- informed by the Bougainville 2001 Peace Agreement and the 2005 Constitution; and
- developed through a consultative process with a wide range of stakeholders.

Continuous Learning

The strength of the GIF 2014-2016 Strategy and Implementation Plan evolved through a process of continuous learning initiated by the 2011 Review which saw the program progressively transition in 2012 from an annual submission-based project facility to a multi-year program planning and budgeting initiative in 2014 focusing on strengthening autonomy, effective government, the economy and fiscal self-reliance.

This transition was assisted by the PLGP and the GIF Steering Committee representing the ABG, the National Government and the Australian and New Zealand Government development partners:

- maintained consistency in its membership from 2013 to 2015 during which time the plan was formulated and consolidated; and
- through this consistency, the SC became more informed and proactive in the GIF appraisal, decision making and monitoring and evaluation process; which
- enhanced the working relationship between the SC members and the Managing Contractor and the Specialist PLGP advisers and local contractors.

Generally, the specialist PLGP advisers and local contractors provided sound technical advice and analysis to ABG counterparts, the SC and the service provider. Specifically:

- The contribution of the findings and recommendations of the October 2013 Joint Review of Bougainville's Autonomy Arrangements by the GoPNG and the ABG to informing the GIF Strategy and Implementation Plan and recommends that another Joint Review be mobilised in the first half of 2016 as a matter of priority to enhance the learning process.
- The importance of appointing experienced advisers familiar with the ABG administration and parliament and the GIF program objectives to assist the Service Provider and the Steering Committee orientate and mentor newly appointed PLGP advisers and local contractors.

Push Back on Good Governance

Since the establishment of the ABG in 2005, the planning and budget process was administered with a high degree of flexibility to accommodate the peace, reconciliation and reconstruction process. While this flexibility served a useful purpose in the initial establishment of the ABG, and has assisted in the re-establishment of basic infrastructure and services, the 2011 GIF Review noted the high level of 'flexibility' in the system was contributing to governance practices which were not particularly participatory, transparent, accountable or equitable.

In response to this concern, the GIF sought to reinforce the principles of good governance in the development of its transition plan by offering to support the wider process of Public Finance Management Reform together with institutional capacity building and multi-year program planning and budgeting within selected departments. The Review Team noted that while ABG departments responded positively to this offer and embraced the principles of good governance at the project design level, at implementation:

1. actual governance practice still left much to do particularly for the planning and managing of non-GIF related budget sources such as the RDG, SIF, DSIP, PSIP; and
2. there was push-back at a senior administrative and political level at times against the involvement of GIF/PLGP advisers seeking to facilitate Public Financial Management reform.

There is high tolerance at an administrative and political level in Bougainville and GoPNG for the endorsement of financial transactions which do not fully comply with the provisions of both the National and ABG Public Finance (Management) Acts.

Resolution of outstanding Public Financial Management issues and reform in Bougainville pose a significant challenge to the ARoB as a viable government entity in the lead up to and after the referendum set for 2020.

Monitoring and Evaluation

GIF represents a large Australian aid investment in Bougainville. The GIF alone provide funding of AUD 50,335,884 between 2011 and 2016. In addition, PLGP provided funding of AUD 15,040,754 during the same period. The continuation of the program should be supported with adequate monitoring and evaluation resources to properly and

accurately assess and understand the nature and extent of activities; value for money; the achievement of output targets and indicators; and the realisation of outcomes over time.

An effective monitoring and evaluation framework is needed and M&E decisions made early would provide baseline and trend line data over time to more appropriately assess the long term impacts of the Australian aid investment in Bougainville.

5. Conclusion

PLGP was a fragmented program. It managed:

- Government of Australia support to provinces and districts initially through PPII support and later through the newly developed Decentralisation Support Strategy with a strong focus on GoPNG ownership and sustainability;
- KIDP – a community based program providing mainly infrastructure support to villages on the Kokoda Track with a strong public diplomacy focus; and
- the GIF instrument in Bougainville and additional PLGP advisory and consultancy support.

The diversity and complexity of the three program components required PLGP to take an iterative adaptive approach to design and practice. PLGP provided innovative responses to an ever-changing political and economic environment.

Each program component developed differently and further research is required to fully assess the appropriateness and sustainability of each of the three program components

Annex 1

Reports, Reviews and Research

The following reports were handed over to the Australian High Commission in Port Moresby as part of the formal completion process of PLGP.

PLGP Quarter Reports

PLGP Quarter 1 Report 2012
PLGP Quarter 3 Report 2012
PLGP Quarter 1 Report 2013
PLGP Quarter 3 Report 2013
PLGP Quarter 1 Report 2014
PLGP Quarter 3 Report 2014

PLGP Six Month Reports

PLGP Six Month Report June 2012
PLGP Six Month Report Dec 2012
PLGP Six Month Report June 2013
PLGP Six Month Report Dec 2013
PLGP Six Month Report June 2014
PLGP Six Month Report Dec 2014

PLGP Monthly Reports

PLGP Monthly Report Mar 2015
PLGP Monthly Report Apr 2015
PLGP Monthly Report May 2015
PLGP Monthly Report Jun 2015
PLGP Monthly Report Jul 2015
PLGP Monthly Report Aug 2015
PLGP Monthly Report Sept 2015
PLGP Monthly Report Oct 2015
PLGP Monthly Report Nov 2015
PLGP Monthly Report Dec 2015
PLGP Monthly Report Jan 2016
PLGP Monthly Report Feb 2016
PLGP Monthly Report Mar 2016
PLGP Monthly Report Apr 2016
PLGP Monthly Report May 2016

Video Productions

Bougainville Commodity Support Facility video

<https://youtu.be/xmYtW4dlus8>

Male Advocacy Network video (PLGP advisers and district representatives attended this workshop)

<https://youtu.be/sVFd6o2IKm0>

Kokoda Initiative Airlift video

<https://youtu.be/NU2AQ72ACY8>

Annex 2

Case Studies

1. GESI in West New Britain
2. Manus Business Training
3. Reform of Intergovernmental Financing Arrangements
4. Kanga Village
5. Mul Bayer-Lumusa District

Case Study One

GESI in West New Britain

This case study documents the first steps in taking the National GESI Policy developed by the Department of Personnel Management with advisory assistance from PLGP and EPSP to the provinces where public sector gender issues have received little attention in the past.

RELEVANCE

The Government of Papua New Guinea (GoPNG), in demonstrating its commitment to upholding the principles of human rights and equal opportunity as enshrined in the National Constitution of Papua New Guinea, has introduced the *National Public Service Gender Equity and Social Inclusion (GESI) Policy*. The policy has been driven by the Department of Personnel Management (DPM). The Government, in doing so, acknowledges its leadership role and responsibility for policy development as well as the influencer of positive change in workplaces and communities.

This policy sets a framework for promotion of gender equity and social inclusive practices across the National Public Service and is consistent with the guiding principles articulated in the National Policy for Women and Gender Equality 2011-2015 and major GoPNG planning documents such as Vision 2050, the Development Strategic Plan 2010-2030 and Medium Term Development Plan.

The key intervention strategies of the GESI Policy include:

1. Establishment of Focal Points
2. Mainstreaming GESI in Agencies
3. Piloting the GESI Policy in selected Provinces,
4. Establishing GESI Help Desks
5. Implementing Male Advocacy
6. Promoting Women in Leadership
7. Developing and Distributing Gender Sensitisation Package, and
8. Gender Tool Kit.

This case study is concerned with key strategy 3 and the roll-out of GESI to provinces. Much of the early work of GESI had focused on central GoPNG agencies and significant achievements had been gained at this level. The GESI principles were equally important, if not more so, at the provincial level where female public servants were often overlooked for training and promotion opportunities.

Case Study Methodology

A mixed approach was used for data collection. Firstly, available literature was reviewed to establish the rationale, objective(s) and the implementation arrangements of the GESI Pilot. Secondly, a visit was made to the site and eleven face-to-face interviews were held with a wide range of people (including advisors, victims of discrimination /violence at the work place, policy makers and influencers, beneficiaries of the GESI pilot) from the West New Britain Provincial Administration. Semi-structured questionnaires were used to guide the discussions.

EFFICIENCY

EPSP and PLGP provided technical advisory support to the GESI Policy roll-out in the provinces. Five visits were completed by the GESI team including DPM GESI staff to each of the provinces from 2014 to 2015.

A total of AUD 225,000 was spent for five visits altogether which included transport, accommodation, per diems and venue costs.

This case study was conducted 12 months since the completion of most of the roll out activities in West New Britain.

EFFECTIVENESS

There were five stages to the roll-out of GESI to the province:

- 1) Develop awareness and understanding of the GESI Policy
- 2) Identify GESI Policy priority action areas aligned to the provincial Corporate Plan
- 3) Implement and mainstream activities in support of the relevant priority action areas as identified within the GESI Policy
- 4) Monitor and evaluate the pilot implementation of the GESI Policy within the Province to assist in releasing the learning from the Pilot, and
- 5) Submit an Activity Completion Report to the PMG on the impact and learning from the roll-out.

The available evidence indicates that the five stages were successfully implemented and achieved.

The awareness was effective for those who attended the sessions. Pre and post testing of GESI concepts and gender issues with participants indicated that learning took place and improved understanding of issues faced by women.

The priority action areas developed by the participants after the first two visits by the GESI team were a Gender Help Desk and a Capacity Needs Analysis (CNA) to be conducted for all female employees in the province.

In addition, a GESI Implementation Committee was established and three provincial staff (one male and two females) opted to form a local M&E team to monitor the progress of the pilot activity.

The three members of the local M&E team attended a conducted 5 day basic M&E training in Port Moresby conducted by EPSP to assist them with their tasks. The team with technical assistance from the EPSP and PLGP M&E advisers developed a program logic for the GESI action plan. For example:



Internal PLGP reporting showed that the pilot activities were successfully implemented. A site visit by an evaluator in March 2016 confirmed that most of the activities planned under the pilot were accomplished. The key achievements included:

Provincial GESI Committee

A Provincial GESI Committee was established under the pilot to provide oversight for the roll out of the GESI policy. The original Committee was disbanded due to infighting and misunderstanding among members of the Committee and a new Committee was established and functioned well supporting the establishment of the help desk and the CNA process.

The GESI tool kit developed by DPM and PLGP and EPSP was provided to the GESI Committee to assist it with a wider rollout of GESI policy in addition to the work of the pilot activity.

GESI Help Desk

The Help Desk was well publicised following its landmark launching with provincial administration staff, AHC, PLGP and EPSP representatives in attendance in 2015.

A total of 24 cases have been registered with the Help Desk since its establishment. Of the total, 16 cases have been reported by Public Servants within the Province whilst the remaining eight cases have been registered by Complainants from the private sector.

Figure 1 shows the type of complaints received and the number of cases reported for the period Oct 2014 to March 2016.

Figure 1: Type of Complaints and Cases Reported



Out of the total number of cases reported by the Public Servants in the province, three (3) cases are pending further investigations whilst the rest have received appropriate action. 'Appropriate action' in this instance refers largely to *referrals* to relevant authorities such as the Police (as the Help Desk itself does not have the legal authority to deal with such cases). In most instances, the cases reported by Public Servants through the Help Desk are firstly referred to the Provincial Administrator's Office. The Provincial Administrator then delegates cases to specific divisions or authorities depending on the nature of the case.

The Help Desk has collaborated with a number of institutions/partners in handling complaints including Family and Sexual Violence Unit of the Provincial Police in Kimbe, the Welfare Section of the Community Development Division, the Public Prosecutors Office, and the Provincial Administrator's Office.

A success story stemming from the referral work of the Help Desk is that a female audit officer, employed for more than 30 years in the Public Service, was finally given the opportunity to advance her knowledge /skills through further training. This female officer was the first whistle blower (through a 2 page letter) exposing the high level of discrimination /nepotism against women in the work place particularly in relation to training opportunities and job promotions. Following her complaint registered through the Help Desk, she was finally considered for training in 2016.

Capacity Needs Analysis

A Capacity Needs Analysis (CNA) was conducted by the DPM among female officers in the West New Britain Province administration. The analysis was done to assess the current capacity of female officers to undertake particular tasks; identify the capacity gaps against a particular task/job; and devise a learning and development plan to address capacity needs resulting from the analysis.

A Provincial Learning and Development Plan (2015-2019) was developed following this study. This plan will enable the female officers who were featured in this study to achieve their maximum potential in executing their respective jobs.

A total of 17 women were selected for further studies as recommended from the analysis. These officers will commence their respective training in 2016.

GESI Focal Point

In addition to agreed activities for the pilot, several additional activities were supported by the GESI team. A local WNB female employee was appointed as the GESI Focal Point to manage the daily operations of the GESI Help Desk Office.

Women in Leadership

Two consultative meetings were organised with 62 female leaders in attendance in 2015. The meetings were held to inform the women in the province on the latest developments occurring in relation to working towards achieving gender parity; and to encourage women leaders in the province to organise themselves, have courage and take ownership as women leaders in addressing issues that affected them as women.

IMPACT

Noticeable changes have occurred in a number of areas following the successful completion of the GESI Pilot in the West New Britain Province. Some of these changes are more direct and immediate whilst others are less direct and long term.

Changes in the Behaviours and Attitudes of Female Public Servants

A profound and positive change emerged among the female public servants in the WNB Provincial Administration as a result of the pilot. Female officers are now more determined, focused, full of drive and ready to make a difference.

Many of the female officers consulted during the field visit expressed great contrast between a 'pre GESI Help Desk' and a 'post GESI Help Desk'. Under the 'pre GESI Help Desk' scenario, the female officers indicated that there was so much discrimination and nepotism in the public service in relation to job promotions, salary increases, and study opportunities. As a result, the female officers had no hope of success. However, since the establishment of the GESI Help Desk, the female officers expressed that they have found new hope, new energy and drive to excel. Many of the female officers indicated that the establishment of the GESI Help Desk has given us a 'new beginning in life' and 'we are all excited about it'.

The female officers also mentioned that the establishment of the GESI Help Desk has given them the greatest confidence to stand up, speak up and rise up. They expressed that they are no longer shying away but standing up for what is fair and justice. Furthermore, the female officers indicated that their morale has been boosted and they feel that they have the right to training and other opportunities.

Changes in the Behaviour and Attitudes of Male Public Servants

Changes in the behaviours and attitudes of male public servants could be classified into two groups: a) at the operational level, and b) at the executive management level.

At the top executive management level, the male public servants including the Provincial Administrator have embraced the GESI Policy and are putting in relevant measures to mainstream gender. Some of these measures include integrating two GESI Help Desk positions in the new proposed structure of the Provincial Administration, allocating office space for hosting the GESI Help Desk, and giving specific instructions (through a Circular) to various divisions within the Administration to mainstream GESI related activities in their respective divisional plans and corresponding budgets, and attending to cases /complaints coming through from the GESI Help Desk.

At the operational level, many of the male officers are now fully sensitized on gender equality. As a result, many of them are taking necessary steps to ensure that their actions do not discriminating against female officers. The male officers also expressed that they are now mindful of their actions outside of the workplace, in particular, avoiding physical violence and abuse of women /wives. One male officer within the HR Division stated; *"we have been greatly humbled, brought down from our high horses and made to realise that we need to treat the women right, both at the workplace and outside of the workplace. Because we now know that someone is watching us and if we do not do the right thing, we will face disciplinary action."*

Increased Opportunities for Female Public Servants in the area of Learning and Development

In 2015, the training opportunities for female officers within the West New Britain Provincial Administration increased enormously. A total of nine female officers completed various courses offered by the International Training Institute (ITI) in Kimbe; two female officers went to Melbourne in Australia to attend short courses in Project Management; and three female officers completed Certificates in Middle Management from PNGIPA. All these women have successfully completed their courses. For many of the women featured in these trainings, it was their first chance to take up training.

Another milestone achievement in this area is that following the successful completion of the Capacity Needs Analysis study, a total of seven female officers were selected for further studies and commenced their studies in 2016.

Promotion of Female Officers into Management Positions

A number of female officers have been promoted into management positions following the completion of the GESI Pilot in the Province. Two female officers were promoted as Managers at the LLG level, one female officer was promoted as the Senior Supervisor within the Provincial Audit Unit, and one other female officer is working as the Provincial Accountant at the Department of Treasury.

The above promotions of female officers into management positions reflect that the Provincial Administration in West New Britain Province is not only talking about achieving gender parity in the workplace but is actually actioning the talk.

Mainstreaming GESI Principles

The key principles and concepts of the GESI Policy are being mainstreamed into the West New Britain Provincial Administration's systems and processes. The evidence of the mainstreaming efforts surfaced when each of the divisions within the Provincial Administration were able to sponsor training courses for female officers within their respective divisions. These female officers were given opportunities for training as a result of the mainstreaming process initiated by various divisions within the Administration.

A Circular from the Provincial Administrator's Office paved the way for the mainstreaming efforts to begin in the entire provincial government system.

Financial Support for Achieving Gender Parity in the West New Britain Provincial Government

Since the completion of the GESI Pilot in 2014, the Provincial Administration and in particular, the Provincial Administrator has taken upon himself to promote gender equality in the Province to ensure that *'a positive, respectful work culture that ensures equity and diversity for all employees and is free from discrimination is maintained within the Provincial Administration in WNB'*.

The Provincial Administration allocated PGK 40,000 to renovate the GESI Help Desk in 2015 and allocated PGK 200,000 for GESI activities in the Province for 2016.

Political Will to Achieve Gender Parity

The WNB Province has established its first School of Nursing and the first in-takes commenced in 2016. The Governor of the Province and the Provincial Administration have committed to paying the full tuition and boarding fees for all female students enrolled in the school.

The Governor's decision to support women in education demonstrates that there is political will to empower women in the Province.

SUSTAINABILITY

There is sufficient evidence and progress to indicate that the GESI Policy which was piloted in the West New Britain Province is becoming institutionalised. This indicates that the chances of sustaining the GESI Policy and its associated activities are good in the West New Britain Province.

The Provincial Government has been and is continuing to allocate funding to support the activities of GESI.

At the administration and leadership level, anecdotal evidence available reflects that the very senior management, including the Provincial Administrator and the Deputy Administrator for Corporate Services, are the 'champions' for implementing the GESI Policy in the West New Britain Province.

At the political level, the Governor of the Province is a keen player in empowering women in the Province.

From a technical perspective, the National Department of Personnel Management (DPM) has committed resources towards the GESI Policy roll out throughout PNG. This support has been offered to the West New Britain Provincial Administration in the past and will continue to do so as long as the GESI Policy remains a priority, both for DPM and the National Government of PNG.

LESSONS LEARNED

When it comes to advocating for gender equality, or talking about the need to collaborate to achieve gender parity both in homes and at the work place, talk to men and use examples that relate to their real-life experiences and their knowledge of events that have occurred in the recent past in PNG.

In-fighting and jealousy among women destroys many of the good initiatives that are aimed at elevating women's position and status, both at the workplace and at home. Greater efforts should be placed on sensitising women about gender and creating understanding of the purpose of planned activities before any are implemented on the ground.

In terms of the GESI Pilot in West New Britain, strong and determined leadership at the executive management level of WNB Provincial Administration enabled the achievement of positive development outcomes sought under the GESI Pilot. This confirmed the conventional thinking that good and strong leadership is a key ingredient for achieving gender development outcomes in PNG.

Case Study Two

Manus Small Business Training

This case study exemplifies how a relatively small amount of expenditure mobilises citizens to pursue small scale entrepreneurial activities in remote parts of PNG.

RELEVANCE

The Small Business Development Training is relevant because the main aims of the training are not only to empower the local community to be entrepreneurial, be self-employed and engage in productive livelihoods, but also to become active contributors in the local community. The training also aims at human capacity in building life skills, a key element of sustainable development and poverty eradication. Economic development, through a strong and vibrant local small business sector is important to development at the grassroots level, not only through employment generation, but also through increased government income from local economic activities that are empowering, sustaining and improving the livelihoods of the people of Manus. The success stories coming out and the high demand for more training is a testament of the importance and relevance of this activity and it should be rolled out to other provinces and districts including the Kokoda Track and Bougainville.

EFFICIENCY

The Australian Government in partnership with the Manus Provincial Administration supported the development of local businesses through a series of small business workshops from 2014 to 2016. A total of AUD 181,000 was spent on training costs between 2014 and February 2016.

The Institute of Banking and Business Management (IBBM) was contracted to do the training. IBBM sub-contracted the work to a private training provider. The first training was done in July 2014 over two days and was attended by more than 200 participants. The training had been organised based on an urgent request from AHC in 2014. The cost of the first series of training was AUD 76,218 paid to IBBM. The training provided was appropriate although there was some concern about the overall quality of the program.

A public tender was let for small business training in 2015 and Queensland Technical and Further Education (TAFE) won the contract. Total expenditure for the second series of training conducted in 2015 was AUD 99,126.

EFFECTIVENESS

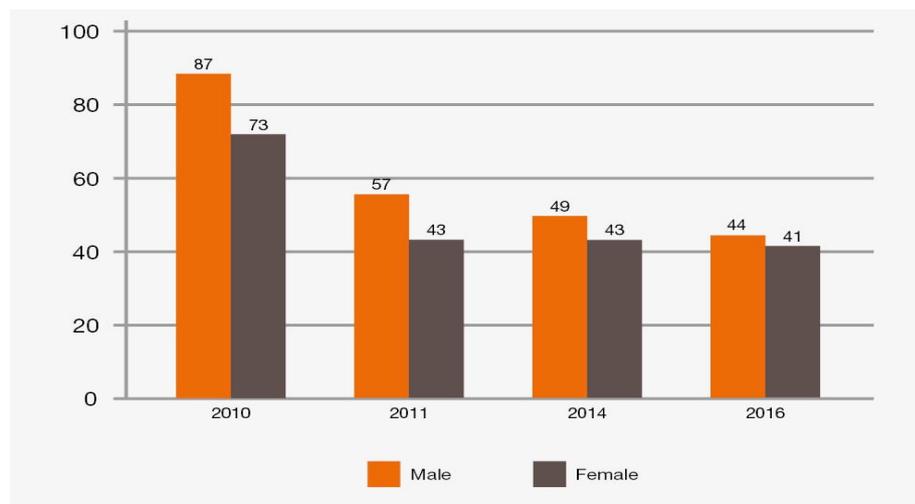
Series Two Training

The second series of small business workshops commenced in February 2015 and concluded in May 2015 based on demand and the needs identified during the training in 2014.

A total of 437 (237 males and 200 females) participants including successful business women completed a one day workshop each month over a four month period. The training supported those intending to start or had a business idea to more advanced small businesses and people eager to improve and grow their businesses.

The participants were placed into three categories: Beginners, Intermediate and Advanced based on participant understanding and experience. Participants came to the workshops with expertise in catering, transportation, financial services, building and construction, real estate, farming, fishing, textiles, trade store sales and information technology. Participants were awarded Certificates of Participation by a representative from the Australian High Commission.

Figure 1: Number of participants completing Series Two training



Series Two training was facilitated by Queensland TAFE in English and Tok Pisin. The training included:

- how to prepare a business plan;
- identify business opportunities;
- set goals;
- manage finances;
- apply for loans;
- procure goods and services; and
- promote a business.

The training methodology was also interactive and participatory, including lectures, oral presentations, experience sharing, group work/projects, discussions, and video presentations. The training 'opened up minds' and helped participants to see the 'bigger picture and think outside the box' and gave them 'new ideas' as well as identifying their own mistakes and how to address them.

The following two success stories indicate the effectiveness of the training.

This catering group is made up of girls and mothers in the family. We formed it last year to tap into money making opportunities like this training. We formed the group to help us earn incomes to support our family basic needs. We raised chickens, do gardening and our brothers and father go out into the sea to catch fish and we prepare them for our clients. We are so thankful that we are given the opportunity to prepare meals for the participants and facilitators. This is money going back into the pockets of the local people and we thank PLGP for such arrangement. We will be sending some of the girls to participate in the next business training. Nancy Roi - Posap Family Group

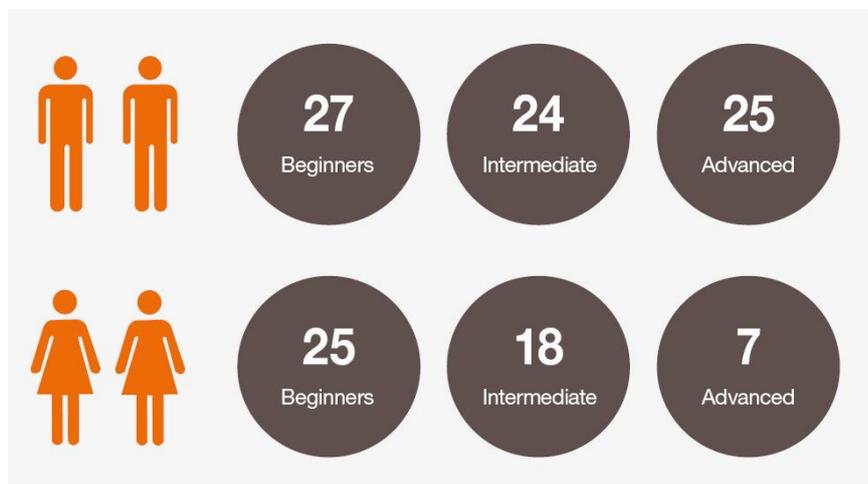
Pomeh started his trade store business in 1986. Since that time, his business activities were not going the way he wanted and he has encountered business breakdowns for so many years. When he heard about the business workshop, he went to the Provincial Commerce Division and registered his name with an aim of learning new tips on how to become a successful business man. 'I didn't have the skills and knowledge in operating and managing a business when I started this business resulting in mismanagement and business break down. But I did not give up. I continue with it. Now that I have learnt a lot about management, book keeping and business principles I am positively empowered to put them into practice'. Pomeh Kambuo - Trade Store Owner

QLD TAFE presentations were limited somewhat by a lack of local knowledge of business culture and legislative arrangements in PNG such as IRC and IPA requirements and Financial Institutions such as MiBank and National Development Bank requirements for people wanting to obtain small loans to start up or grow businesses.

Series Three Training

The demand for training continued and IBBM was successful in winning a new tender for a third series of training that commenced in March 2016. Training for Beginners and Intermediate participants was completed in March and an advanced group completed training in April 2016. A total of 126 participants completed training in April 2016.

Figure 2: Number of Participants completing Series Three Training



IMPACT

The Division of Commerce and Industry (DCI) is more proactive than it was prior to the Small Business Development Trainings. DCI staff is proactive in rolling out the Financial Literacy Training to rural areas/wards of the LLGs. From the participants point of view, they are starting to approach the way they do business from a different perspective after the training and the success stories coming out are testaments of that and they become role models and inspire others and Papua New Guineans as a whole. The success stories have increased the level of interest and this resulted in many people demanding more workshops. On a recent Radio Talk Back show, even inmates from the prison in Manus called in and asked for similar training to be conducted for them, especially those on parole so that they can prepare themselves for life after prison.

SUSTAINABILITY

DCI staff is successfully running Financial Literacy training for people in the wards. According to DCI the Financial Literacy Training is linked to the Small Business Training. DCI is of the view that the Financial Literacy Training at the rural areas will serve as a platform to identify those participants who are keen to advance to the next level. Those identified participants will then be encouraged to attend the Small Business Development Trainings. The Head of DCI also believes this will ensure sustainability of the knowledge acquired and make it easier for his Division to monitor and report on their progress. Sustainability as far as the Financial Literacy Training is concerned is likely to continue, Staff of DCI have been successfully conducting training at the ward level and it will continue after the end of PLGP. This activity is supported by the Australian aid funded Strongim Pipol Strongim Neson (SPSN).

LESSONS LEARNED

- The involvement of a local stakeholder: the Division of Commerce benefited the training through publicity and awareness using Tok Save Radio, notice boards and local newspapers and knowledge of protocols, local customs and politics of the province.
- The timing and scheduling of the workshops required trialling to find the most effective means to provide training. For example, participants from the outer islands and outside of Lorengau town found the one day workshop on a monthly basis an expensive exercise. For participants to have a month's break before continuing on to the next chapter/topic was found to be ineffective as they tried to recall what they learnt in the last month and also the flow of thinking was not there.

- Participants expressed their concerns about the way forward and although PLGP tried to provide some support after the workshops, this was done on an ad hoc basis by the PLGP adviser. Further consideration is needed to provide follow-up mentoring for participants.
- Although AHC through PLGP may set target dates, things get delayed due to the counterparts from Manus Provincial Administration having other priorities. For protocol purposes the trainings must be held on dates and timings that are suitable to the Provincial Administration as the key stakeholder rather than other stakeholders.
- Private training providers are expected to deliver high quality materials and training on time and in an efficient manner. This may not always occur. It became evident in the first and second series of training that training was affected by a lack of student materials, inadequate contextualisation of teaching materials, facilitators with insufficient work experience, and gaps in knowledge and experience of business processes and legislation in Papua New Guinea. Steps were taken as issues emerged during training. Series Three of training in 2016 had remedied issues affecting the quality of training.

The following actions, based on lessons learned, were introduced by PLGP in Series Three training:

- Training was provided on a week-long basis for each level rather than one day a month.
- Training materials were contextualized for each of the 3 levels of groups and must be colour coded to differentiate the 3 groups.
- Series Three training was contracted to a private training provider based in PNG who understood local contexts and used English and Tok Pisin. Training packages were designed in modular format for each levels of training and addressed the IPA/IRC and financial institution requirements.
- The facilitating team worked with the Division of Commerce on a counterpart basis so that staff within the Division could learn from them to add to sustainability of the training. The Division of Commerce provided two officers to be trained as Training of Trainers to deliver similar training in the future
- A follow up protocol was developed to assess the transfer of knowledge and skills to the workplace.

Case Study Three

RIGFA: Successful Implementation of Complex Reform

This case study is a rare example of the successful implementation of a complex reform in the Papua New Guinea public sector: RIGFA, the Reform of Inter-Governmental Financing Arrangements. It demonstrates the value of strategic involvement, partnership and perseverance over time.

RELEVANCE

The National Economic and Fiscal Commission (NEFC) provides independent advice to GoPNG on intergovernmental fiscal affairs.

PLGP has continued the support of NEFC that has been provided by Australian aid since 1999. NEFC works closely with central agencies such as DoT, DPLGA and DoF; and major sectoral national agencies – such as education, health and works; and across sub-national levels with a new focus on districts.

EFFICIENCY

The investment of PLGP resources, to support the implementation of the Reform of Inter-Governmental Financing Arrangements (RIGFA), was at the time a highly strategic use of Australian aid funding that derived a high return consistent with the aspirations of the program.

With the final version of RIGFA implemented in 2009, the investment of PLGP resources in the NEFC during the period 2012-2016 has supported the consolidation of the infant financing arrangements, and promoted better practice in sub-national budget setting and expenditure management.

PLGP support has been a blend of fulltime and periodic advisory support (typically involving two or three consultants), together with limited targeted budget support (through NATA) for activities of real value for socialising a change in behaviour and practice across the country. Examples of NATA support includes: intermittent co-funding of regional workshops; and irregular support for printing key documents to share information with actors across the sub-national system. Both examples are discussed further below.

The Integrity and Efficacy of the Intergovernmental Financing System

The intergovernmental financing system that was introduced in 2009 is a rules-based system that is underpinned by; the quality of information, the work of the NEFC, the acceptance of the NEFC's advice by the Minister; and the budget and disbursement systems administered by the Departments of Treasury and Finance.

With the assistance of PLGP adviser support, the NEFC has worked to maintain, and in some areas improve, the integrity and efficacy of the system. Importantly, according to the annual published Fiscal Report, the NEFC continues to calculate the grants in accordance with the system rules. The mandated Annual Fiscal Report, together with other NEFC publications has promoted a strong level of visibility which reinforces the system's integrity. In each year since inception, the Treasurer has accepted the NEFC's advice on the calculation of the sub-national function grants, and the Treasury has duly acted on these calculations in each annual budget process.

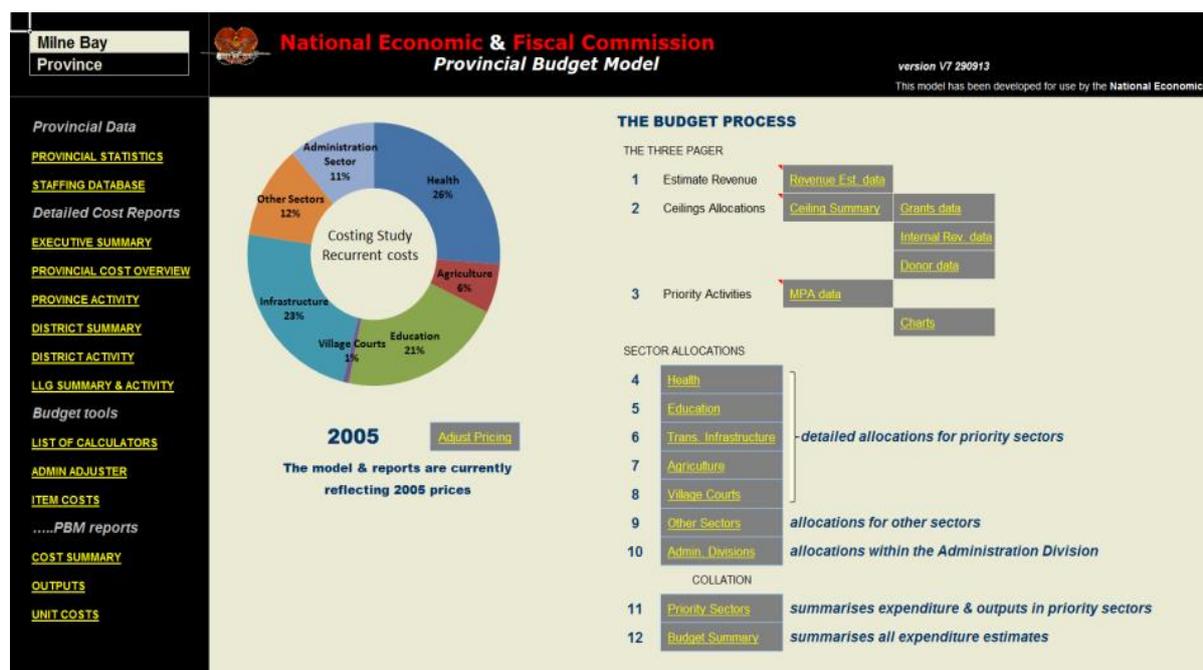
On occasions, when difficulties pertaining to the intergovernmental financing system have appeared, the NEFC has been responsive to the situation. A notable example of this responsiveness is the manner in which the NEFC has advocated for improvement in the timing of release of sub-national funding. Another example is the proactive role the NEFC has taken, in advocating and guiding provinces on improved budget prioritisation and better expenditure management.

Influencing Budget Practice

With the assistance of PLGP advisory support, a number of initiatives have been organically designed and implemented in the area of promoting improved budget practice across Provinces.

In 2009, a budget tool was designed, that draws on the NEFC Cost of Services Study and acts as a guide on how much a province should allocate to support recurrent activities. The tool has been disseminated to all provinces, and a variety of engagement and training approaches have been explored and adopted over a number of years to benefit users. The budget tool provides the NEFC with a natural entry point for engaging with Provinces on 'better budgeting', and helps promote more meaningful discussions on what a 'good budget' might look like.

In 2010, another budget initiative commenced with the introduction of a budget scorecard. Aspects of the budget scorecard methodology draw upon the expenditure review methodology that was introduced by the NEFC with PLGP advisory assistance in 2007. Like the expenditure review, a focus of the budget scorecard is to assess how well the provincial budget supports service delivery activities. The results are published and disseminated in the Fiscal Report, promoting discussion and encouraging improvement in budget setting and practice.



Public Expenditure Management (PEM)

In 2007, the NEFC designed and published its first Provincial Expenditure Review (PER). The review was created with advisory assistance from Australian aid, and has since become a mainstay of the agency's monitoring strategy. The methodology has been refined over time to adapt to the changing context. However care has been taken to ensure a time series of data is maintained.

The PER is now in its tenth year of publication, and promotes a keen sense of discussion and competition between and across Provinces. Provincial feedback on the analysis is welcomed, and reflected in the analysis. Central to the PER methodology, is the notion of linking spending with Government priorities at sector and activity levels. In this way, the PER supports an analysis of the intergovernmental system, and the Governments desire to drive improvement in the delivery of basic services across the country.

Whilst the PER assesses spending in a preceding fiscal year, its title and narrative addresses the state of progress with 'the system' at the time of publication. This ensures the PER serves two key purposes concurrently: first, it serves a vital monitoring role by analysing the fiscal performance of provinces over time; and second, it addresses contemporary issues in sub-national PFM and PEM, and by doing so it seeks to inform and influence.

Annual workshops

PLGP has [intermittently] co-funded NEFC regional workshops, and PLGP advisers support these valued forums. NEFC workshops are a critical gathering of provincial managers responsible for provincial administration and overseeing the implementation of service delivery programs, and for national level officials who play key roles in oversight, policy making and enabling.

Historically, content for the forums has been tightly controlled by the NEFC. Presentations by both national level partner agencies and by provincial teams were required to be relevant and on-point. The workshops have been a key strategy for communicating RIGFA to the wide gamut of actors involved in sub-national service delivery, and for establishing traction and driving improvement.

EFFECTIVENESS

The PLGP program ambition was to assist the Government of Papua New Guinea in developing a performing and accountable decentralised service delivery system. The program's support for the intergovernmental fiscal reform 'RIGFA' – through the National Economic and Fiscal Commission (NEFC) and through other related programmatic activities – was strongly aligned to the programs overarching aspiration.

The PLGP theory of change was structured around three mutually reinforcing intervention strategies that align closely with the Government's RIGFA reforms. As such, the investment by PLGP in supporting RIGFA through the NEFC, demonstrably worked to: strengthen the capacity of sub-national administrations; enhance demand through improved performance monitoring; and promote a whole-of-government approach. In an environment that is widely accepted as exceedingly difficult in which to implement reform, the RIGFA reforms gained traction over the longer term, and became one of the most essential elements in financing the operations of frontline service delivery at the sub-national levels.

RIGFA

The Reform of Intergovernmental Financing Arrangements began in late 2001 during a period of intense fiscal pressure. After a period of design and consultation, an interim solution was implemented in the 2004 fiscal year and a final version agreed and effected in the 2009 fiscal year.

RIGFA established an affordable pool of sub-national funding, a methodology for sharing these funds with Provinces and LLGs according to need, and a set of operational grants for priority sectors that targeted priority areas of service delivery.

Monitoring and Evaluation

With the assistance of PLGP advisory support, the NEFC implemented a series of initiatives to monitor the wellbeing of the sub-national financing system; and promote improvement, learning and accountability that impacted all levels – sub-national and national.

The information generated by the NEFC monitoring system, was widely disseminated and engaged upon. As a result, all parties with an interest in the performance of the sub-national service delivery system, had access to fiscal information from the Government accounting system ordered in a standardised manner to enable cross-provincial comparison and support for priority service delivery sectors and activities.

A time series of data is now available, allowing users to track progress over time. Progress can be measured through a range of dimensions; such as province, sector and activity.

IMPACT

PLGP support for RIGFA through the NEFC has provided a notable return on project investment.

- Recurrent operational funding to Provinces for frontline basic services – in education, health, primary production, transport, and law & justice – has continued to rise from K98 million in 2005 to K480 million in 2016.
- Historically poor Provinces with few resources – like the East Sepik, Gulf, Milne Bay, Oro Sandaun and Simbu Provinces – receive more funding, and for the first time in many years they have the opportunity to allocate dedicated resourcing to support service delivery.

- Some of these Provinces have taken up the challenge and are supporting service delivery. In recent years Sandaun, Simbu and Milne Bay Provinces have outperformed Provinces with greater resources.
- The discipline of monitoring the intergovernmental system has been in place since the 2005 fiscal year. The tenth edition of the PER is to be published.
- RIGFA, as a system, is affordable, and its use has been consolidated. The rules are followed.
- The practice and appetite for evidence-based analysis and information has been promoted in the PNG public sector.

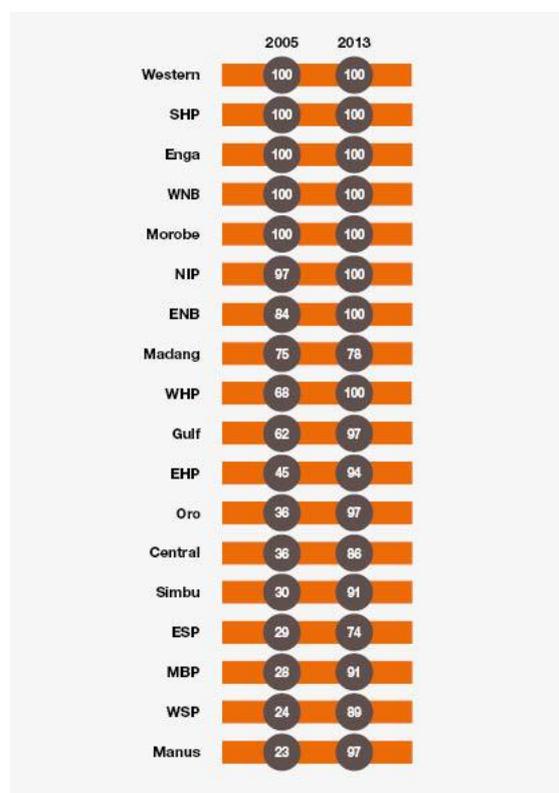
Figure 1 shows the increasing amount committed to the intergovernmental financing system rising from K99 million in 2005 to K480 million in 2016.

Figure 2 indicates the way the system disburses the pool of national government funds to achieve a more equitable level of funding across provinces. It shows 'equalisation in action' by comparing the situation in 2005, before RIGFAs gradual implementation, to the situation in 2013. Provinces that generated considerable internal revenue such as Western, SHP, Enga, WNB and Morobe in 2005 received proportionally less from the national pool of funds in 2013. Provinces such as EHP, Oro, Central and Simbu received increased funding through grants from the pool of funds to equalise the delivery of basic services across all provinces. The funds were in effect used to 'fill the gaps', with the poorer provinces receiving more.

Figure 1: RIGFA: Appropriations 2005-2016



Figure 2: RIGFA: Filling the Gap (2005 to 2013)



SUSTAINABILITY

Sustainability can be viewed in several ways in the case of RIGFA.

The first dimension relates to the sustainability of the intergovernmental financing system itself, and specifically whether it is affordable and sufficiently institutionalised. RIGFA as a system was designed to be affordable, and it can be observed that the funding pool has adapted to match the fiscal constraints of the day. More broadly, the system itself has been effectively institutionalised and is accepted in practice by both national and sub-national actors.

The second point relates to the capacity of the NEFC to support the system in the future. A level of capacity development has occurred at the NEFC over several years, and various tasks that relate to

the system are now performed effectively by policy staff. There is however, a need to strengthen the secretariat's capacity at the senior policy levels to undertake advanced technical projects.

Perhaps the greatest uncertainty for RIGFA is strategic, with the major evolutions of the country's decentralised architecture. With the advent of District Development Authorities, City Authorities and the introduction of Provincial Health Authorities; questions are now being raised that relate to the very design of the intergovernmental financing system. The Government will require considered advice, from a range of parties, on how the system can best evolve.

LESSONS LEARNED

PLGP's continued investment in supporting the consolidation of the RIGFA reforms [principally through the NEFC] has been strategic and delivered a good return. The case study demonstrates the time and perseverance required to institutionalise major reform.

The case study also reveals that even the best designed and implemented reforms are subject to the evolutions of political will and change. The Government's focus on the district level requires a reassessment of the intergovernmental financing system, to ensure it too evolves appropriately. RIGFA is now at a juncture, and there is a window for considered advice from NEFC and other informed institutions.

The RIGFA experience also demonstrates the value derived from investing in evidence-based monitoring and analytical work that is locally owned. The longevity of NEFC's monitoring activities in annual budget and expenditure monitoring, and in periodic revenue reporting demonstrates the role it can play in socialisation and transformational change.

Case Study Four

Kanga Village – ORO PROVINCE

This case study is a unique example of Australian aid focused on a single, remote village in an environmentally, culturally and politically sensitive part of PNG: the Kokoda Track. The case study describes how village people who 'felt neglected' in the past by government received donor assistance and through their own agency added to the development of the village through fund raising and collective action. The case study starts with the author reflections flying in to the village for the opening of a number of infrastructure projects and ends with the joy and excitement of villagers to the opportunities provided by development.

REFLECTIONS

The trees looked like matchsticks as we soared over ridge after ridge – the helicopter suspended over the mighty Owen Stanley Ranges. Occasionally, we see small patches of bright orange, evidence of the small remote villages in the mountainous wilderness.

We are on our way to Kanga Village in Oro Province to celebrate with the local community the opening of health and education facilities organised through the Australian Government funded Kokoda Initiative Development Program.

As we fly over a final ridge and as the helicopter slowly descends we see the beautiful village of Kanga nestled in a small valley, immaculately presented with freshly cut grass of the communal areas and village buildings decorated in tropical flowers, leaves and welcome signs. The flags of PNG, Australia and Oro Province catch the steady morning mountain breeze.

The welcome is excited and warm. The generosity of spirit, history and friendship between the two nations is palpable. Traditionally dressed community members walk us up to a waiting crowd. Amid the steady beating of the Kundu drum, women and children are calling out the traditional welcome call, 'Oro! Oro!' (Welcome! Welcome!) We respond with much smiling and waving.

Despite their very humble and frugal lifestyle the community is generous with what they have - we receive deliciously perfumed frangipani leis as we meet the village elders and arrive at the specially erected and decorated stage in the centre of the village. We meet the local Pastor who commences the official proceedings, and welcomes the special guests, including: Mr. Rod Hilton, Minister Counselor at the Australian High Commission, representatives from the Kokoda Track Authority, Conservation and Environment Protection agency, the Oro Provincial Government, and the Kokoda Local level Government.

The highlight of the ceremony is the school children singing in harmony with gentle yet passionate voices the national anthems of PNG and Australia. Impressively, both verses of the Australian anthem were sung in English – a very moving experience in such a simple setting surrounded by lushly vegetated cloud-capped mountain peaks.

Kanga Village, Oro Province, Papua New Guinea

The village of Kanga is situated approximately four hours travel time from Popondetta town. It is in Oro Province and part of the Kokoda Local level Government (LLG). The population of Kanga and surrounding villages is around 1,000 people.

The community is very remote and cut off by rivers with no vehicular access. The trip to Kanga involves a two hour drive from Popondetta town to Kokoda station, another 30 minute drive to Ebei, followed by a one and a half hour trek to Kanga village.

The trek passes through Ebei and Misano rivers. Locals must make three wet-crossings walking from Ebei to Kanga – these rivers flood during the wet season so passing becomes difficult for locals to purchase basic store goods and travel to access services at Kokoda.

The community had received very little infrastructure due to its 'low visibility' and remote location away from the main Kokoda track in the past. The school, less than two years ago,

consisted of three bush material staff houses, a semi-permanent double classroom for the primary school and a small bush material shelter for elementary children. The community did not have a health facility and people had a three hour return trip by foot to receive medical assistance at Kokoda.

The community put land aside for development and had a 'masterplan' outlining the nature and location of various health and education related services that they needed for their community.

Infrastructure development in villages along the Kokoda Track was included in provincial and LLG five year infrastructure plans. KIDP liaised with provincial and LLG stakeholders and it was agreed that assistance would be provided to Kanga by KIDP in 2015.

Kanga was the single largest recipient within the KIDP infrastructure program and in the period June – September 2015 received over 50,000 kilograms of building and WASH materials delivered via helicopter or walked in by community members and school children.

The infrastructure provided by KIDP included a double classroom (kit materials), new staff accommodation (kit materials), new aid post (kit materials), upgraded main supply dam, new main water supply line, two 3000 litre storage tanks, nine new water taps, ten VIP toilets, and one incinerator installed. The total expenditure by KIDP on infrastructure in Kanga village was AUD 350,000.

Over 60 community workers were either paid or engaged in a volunteer capacity to support the completion of these projects. These included site supervisors, casual labourers, carpenters, electricians, plumbers, youth groups and women's cooking groups.

Diagram 1: Location of Infrastructure Developments in Kanga



Education Facilities

Kanga had a strong community and leadership with a unified voice about development. The head teacher at the primary school provided the drive to up-grade education facilities. The head teacher was supported by local community leaders and the school board of management. Funds were raised locally and a permanent double classroom and two staff houses were built by the community to match the infrastructure investment from KIDP.

The delivery of education had been on a positive trajectory with steady increases in participation over the past two to three years – primarily due to the vision and commitment of the head teacher and her husband.

The school through their own initiative began fundraising from April – funds raised through school subsidy funds, communities of lower Ward 1 area, valuing K39,100. This included a contribution of K3,300 from Governor Juffa for hardware materials for the second community-built staff house. Costs were minimised wherever possible through the use of locally sawn timber and hardware materials were walked in to Kanga by community and students.

The community was well organised. The head teacher at Kanga Primary School played a strong leadership role able to drive community buy-in, raise the profile of the school and take ownership – Kanga is the main primary school in the Ward 1 area after Kokoda Primary.

There are currently three registered teachers in Kanga. Supported by the Oro Provincial Administration, this is expected to increase by two (to number five) in 2016.

There were 90 students attending Kanga primary school in 2015. It is anticipated that enrolments will increase to 120 as a result of the construction of new school and WASH facilities in 2016.

Health facilities

KIDP constructed a new aid post building and a staff house for the local health worker. The Oro Provincial Administration deployed a health worker to the village in November 2015, servicing the health needs of the wider Kanga population.

The health worker conducts family planning, outpatient, antenatal, immunisation and births. More than 500 outpatient visits were recorded since the opening of the aid post in October 2015 with an average of 80 per month. There has been an average of 30 family planning consultations per month, over 100 immunisations since opening although there has been a shortage of vaccines nationwide. Ten births were recorded and three deliveries at the facility. The health worker took part in three KIDP funded patrols with the Kokoda hospital staff in 2015.

IMPACT

The expected outcomes of the infrastructure projects are significant with over 1,000 men, women and children from Kanga and surrounding communities of Ebei, Mamba, Assimba and Karukaru with access to better health and education facilities.

The support provided to Kanga was less than twelve months ago at the time of writing this case study. A full understanding of the impact of the infrastructure will take some time to emerge. On the other hand the reactions of people from Kanga as construction took place and buildings took shape clearly show their understanding of the benefits of development that had been denied them in the past:

“When I first arrived at Kanga I found out that the teachers would come at the beginning of the school year but then would only stay until March or April then they would be gone. There were no facilities for them. The poor students would have nothing to do so they would go back home. The dream – the vision I had for Kanga school was to be of the same standard as the schools in town. So with the help of the Australian Government through KIDP – I think this vision is going to be fulfilled.” Jessie Sangai (Head Teacher – Kanga Primary School).

“When all the building materials arrived in Kanga – what a joy it was to our people. Many men cried, teachers cried, people in our community, men and women cried – after many years of struggle.” (Michael Okuto, Village leader).

“Now that we are going to have a double classroom, our children will be able to do Grade 6, 7 and 8 next year. Before we only had one classroom with two grades in one classroom.” (Mutua Mavasa, Parent, Kanga).

“I know that once the school changes, teachers will like to come to Kanga. Before when they came, they left because of the situation here. But now I know they will be happy to come and stay and teach.” (Max, Grade 8 student).

SUSTAINABILITY

Most of the construction materials were funded through KIDP, community, and school but with minimal contribution from public funds except for a donation from the Governor's office. There needs to be an increase in financial, support from LLG and the District Development Authority to purchase furniture and complete the basic school fit-out items for staff houses.

REFLECTIONS

The opening event has been eagerly anticipated by the Kanga Community. They are extremely and genuinely appreciative of the support the KIDP has given. The opening ceremony and welcoming officials and visitors to the village to witness the significant achievements at Kanga is an important part of the whole process.

Back at the celebration after the official part of the ceremony it is time for a tour of the new facilities and to witness the ribbon cuttings. Firstly, we are proudly shown the new double classroom the community has built which sits alongside the new KIDP built classroom. Both buildings are well built structures and now house new desks and chairs for the students. Large blackboards stand at one end of the classroom with new WASH facilities attached.

The other new infrastructure is just as impressive - the Aid post is officially opened and we meet the teachers and health workers who would be living in the new staff houses and also have the chance to use the new WASH facilities.

We have a light lunch of sandwiches and cold drinks, presenting a good opportunity to chat with the community leaders and discuss the effect the new infrastructure will have on their daily lives and the lasting benefit for future generations.

The several large pigs tethered to the buildings are offered as gifts to the special guests but as the helicopter was full they were re-gifted back to the community to contribute to the continuing evening celebrations.

Eventually it was time to leave and we wave our final goodbyes to the friendly locals, happy in the knowledge that the KIDP has had a positive impact of this remote community of PNG.

Case Study Five

Mul Baiyer-Lumusa District

This case study describes and analyses one of the six governance program priority districts that PLGP has supported with technical and financial assistance since 2012. It draws out the strengths and weaknesses of working at the sub-national level in Papua New Guinea and argues for 'local solutions and responses' rather than 'central agencies making decisions' as the most likely long term strategy to achieve effective and efficient district service delivery.

RELEVANCE

The sub-national governance work that PLGP/EPSP is engaged in is a result of the existing and on-going bilateral agreement between the GoA and GoPNG. This sub-national level governance work is delivered within the decentralisation framework underpinned by the Organic Law on Provincial Governments and Local level Government of 1995 (OLPGLLG, 1995).

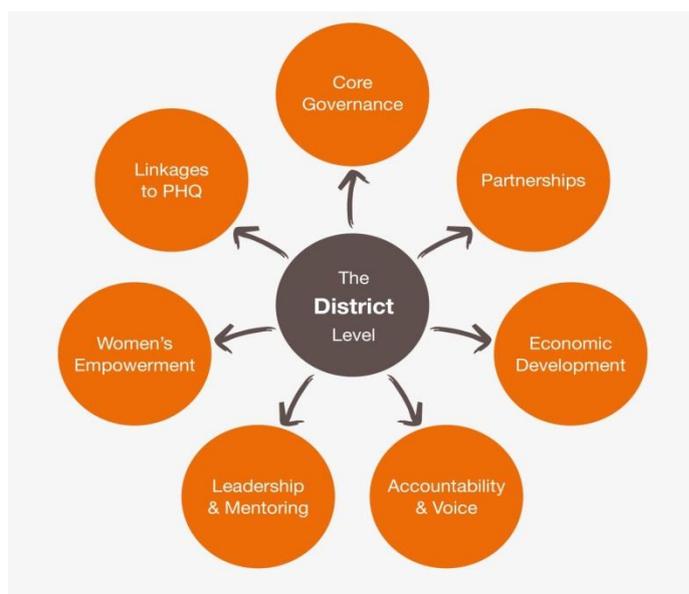
Changes in policy direction by GoPNG and the creation of District Development Authorities (DDA) in 2014 and interest of GoA to support district functions required PLGP/EPSP to review its approach and focus on enhancing governance in selected districts.

EFFECTIVENESS

Decentralisation arrangements depend on relevant Acts of Parliament and guiding regulations, certain functions, powers, roles and responsibilities are centralised, and operate through sub-national levels as extended functions, while others are decentralised, and operate at the sub-national levels.

Delivering services through complex arrangements is difficult. Removing bottlenecks and facilitating support within these arrangements can be confusing and disconcerting for inexperienced and trained bureaucrats. Working in the development space at the sub-national level in the districts is different to working at the provincial administration level or in Waigani. The PLGP/EPSP governance program focuses on the district and developed the PLGP Decentralisation Support Strategy.

Diagram 1: PLGP Decentralisation Support Strategy



The strategy includes seven components; core governance, partnership, economic development, accountability and voice, leadership and mentoring, women's empowerment, and linkages to provincial headquarters. Work around this framework commenced in 2015, and much progress has been made in Mul Baiyer-Lumusa since that time.

EFFICIENCY

Implementing the decentralisation strategy requires working differently from any previous governance program designs in Papua New Guinea. It requires a different level of thinking, working politically, seeking local solutions, having new sets of assumptions, skills sets, and wider stakeholder engagement underpinned by a facilitative approach as opposed to technical advising.

This is the Mul Baiyer Lumusa story, a peculiar case, because it had a history of neglect and deterioration of government services and infrastructure since early independence. Prevailing tribal fights were a major destabilising factor. The district has a population of some 86,000 and a landmass which borders with three provinces, Enga, Madang and Jiwaka. Accessing government services is difficult, due to remoteness of many areas and constant tribal disputes.

Successive political leadership attempted to progress a number of change initiatives, but have been slow due to funding and other limitations. In the last five years, unyielding political leadership has resulted in rebuilding, rehabilitating and restoring roads, bridges, government offices, and other facilities in health and education. Most of this work continues today such as been the lack of development in the past.

IMPACT

The governance program (PLGP/EPSP) has facilitated a number of initiatives since August 2015 based on the decentralisation support strategy.

Core Governance: A three day, integrated planning and budgeting workshop was completed in September 2015 for both PMT and DMT members, attended by some 40 senior staff. Following that were series of discussions coordinated and supported by the provincial planning team. Divisions receiving functional grants ably linked their plans to the funding allocated, and had their plans and budgets signed off, complementing the 2016 provincial budget submission, a first for the province.

District development authorities (DDA), were not allocated any functional grants, a situation, worsened by the competing interests of DSIP, PSIP and grants, as was evident in the series of meetings held. The DDA CEO had to submit their plans and possible budgets regardless, an apparent futile exercise. It was obvious that some sort of planning and budgeting work needs to be done on the DSIP allocations at the district levels, so to provide transparency and accountability on the use of funds. An attempt was made on this work for MBL DDA, however, it proved difficult and challenging as the district environment spending motivation is driven differently with much complexities, when in comparison to the provincial headquarters' functional grants incentives as directed by NEFC. This case may not be isolated to MBL, but maybe obvious for other districts in the country. Whilst the DSIP appears the main source of DDA revenue, opportunity for revenue growth remains, and needs progressing.

The MBL DDA, similar to others, is a recent introduction, and a lot more work needs to be done to properly establish this entity. Initial work has commenced, with the completion of recent recruitment, and engagement of staff. The appointment of a new CEO with private sector experience has progressed some activities. The swearing-in of the MBL DDA board in October 2015 was a milestone, making it the second in the province. Still, other governance support has been tracking at a much slower pace than anticipated, such as the DDA administration functions, structures, secretariat, roles and responsibilities: a task awaiting DDA regulation, functional determination and other work by DPLGA and DPM.

Slow also, was the support to address district cash flows, acquittals, planning, budget framing, coding and itemising, a role the district treasury needs to be fully engaged with the support of PCaB, DoF, DIRD, DNPM and DPLGA. District procurement, currently done at the provincial supplies and tenders board, needs to be brought to the district at some stage, but also needs proper support from DoF and DPLGA. Structuring the DDA governance boards and various committees' needs pursuing, however and again, also depends very much on the legal and administrative requirement support from DPLGA and DPM.

Although these governance mechanisms need establishing, experiences indicated that the district environment is different and challenging, and needs a different way of working from any

previous development approaches. It needs a locally grown and led approach, not the current approach, which is driven top down.

Partnership: Opportunities exists for DDA to establish partnerships, as a means to deliver services. Church partnership is essential, as is the case for Baptist Union of PNG (BuPNG), and the MBL DDA resulting in support provided by DDA to various health and education facilities managed by the church. Catholic and the Seventh Day Adventist Church also manage high schools in the district. AHC sector programs have strong partnership support in health through the Provincial Health Authorities (PHA) in which the DDA has a keen interest, and has been following up on various health facilities under construction in the district such as the Tinsely rural hospital upgrade and the Lumusa community health post facility construction.

Other partnership arrangements in progress included the sorghum factory construction, a public private partnership arrangement with the provincial government and a foreign company with the support of MBL DDA. The World Bank WaSH program in partnership with BuPNG and supported by MBL DDA recently delivered a rural water supply project to the Tinsely rural hospital, a project supported by local landowner groups providing access to their resources, and manpower. Still, other partnership arrangements in progress include the Fresh Produce Development Agency (FPDA) in horticulture, and possible Incentive Fund projects soon to be submitted for funding.

The MBL DDA has forged a string of partnership arrangements with a number of service delivery stakeholders, and is open to extend to other service providers in health, education, works and infrastructure, agriculture, commerce and others. Partnership arrangements need to be properly forged so that all parties are held to account for various inputs in the partnership. The case for the incomplete Lumusa community health post facility, a project partnered by AHC, PHA and a PNG company is an example of the MBL DDA not knowing, and cannot explain the slow work, to the community.

Economic Development: Economic development in the district is best underpinned by agriculture, and agri-business ventures. Whilst business and economic activities are slowly making inroads, and yet to be a high district planning priority, work has commenced that the DDA can build on, such as the sorghum factory, ACIAR business acumen training, various small scale horticulture, and small holder coffee plantations, Baiyer bird sanctuary and other tourist developments have high potential. The current focus of the district’s business arm is on rehabilitation and construction of district roads, and this may be diversified to other business opportunities for the DDA to raise revenue. Economic activities will grow given that the district is now peaceful after many years of tribal conflicts.

Nonetheless, supporting big business ventures alone may also be lopsided, favouring those who have capital and resources, and increasing the poverty gap. It is therefore, meaningful to spread opportunities benefiting the rural masses currently living in poverty, and poverty prone areas. Women’s economic empowerment by ACIAR and partners is an indication of an inclusive economic activity which has the potential to reduce poverty, and this should be encouraged. Other big business ventures should also be encouraged, together with other, mini, small and medium enterprises, appropriately supporting the GoPNG SME policy.

Accountability and Voice: Gaining people’s views and feedback on development and service delivery is holding government to account in any democratic society.

Figure 1: Village Courts Improving

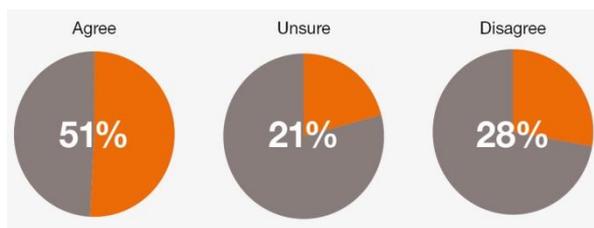
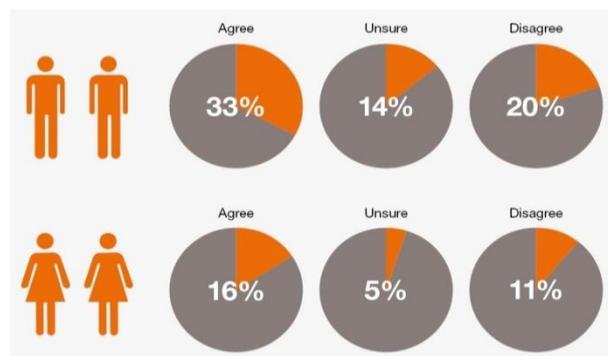


Figure 2: Health Services Improving



MBL DDA benefitted in this process when the public opinion survey and district accountability initiatives were rolled out in November of 2015 supported by PLGP and EPSP. A total of 1,404 citizens responded to a survey administered using SMS and mobile phone technology. Results were presented to MBL DDA and other participants. The feedback and deliberations confirmed a lot of information and it was an opportunity to dialogue with the bureaucracy about service delivery.

It is also important to note that this work has potential to link locals, and interests groups in conversation about service delivery. It does support local accountability, and the element of 'working differently', working politically, wider engagement and supports local grown solutions.

Leadership and Mentoring: Leadership is critical in making things happen within the district. Progress within MBL district was due to leadership at both the political and administrative levels. Funds are firmly controlled, and service delivery issues addressed and supported. MBL DDA had to retain the former district administrator who had reached retirement age to mentor the current administrative leadership team: an arrangement welcomed by all parties. However, building good leadership skills at all levels within the bureaucracy and the community is not easy and more needs to be done in the new Papua New Guinea Governance Facility (PGF).

Women's Economic Empowerment: Economically empowering rural women in agriculture is raising basic living standards and alleviating poverty, a notion supported by ACIAR, and BuPNG in parts of rural Lumusa and Baiyer with hundreds of beneficiaries attending the business acumen training. A recent partnership with MBL DDA and BuPNG and the governance program provided business acumen training 12 participants who became trainers and worked with a further 60 families who benefited from the program. MiBank, and PNG Mirco Finance were involved to provide information about accessing finance and financial literacy programs.

A total of 50 female senior staff benefited from empowerment work in March 2016 with the GESI roll out workshop conducted by DPM and supported by PLGP/EPSP with training conducted for WHPA PMT, and MBL DMT. There needs to be further support by DPM and participants to extend the Male Advocacy Network (MAN) in the province and districts, likewise, pursuing the interests shown by the WHP PHA in rolling out GESI and establishing its MAN. Other opportunities may mean expanding this work to establish career paths, recruitment and selections, and leadership development of women. It may even extend to link with other stakeholders working in gender based violence (GBV) programs, and family sexual violence programs (FSV) such as those in the law and justice sector.

Linkages to Provincial Head Quarter: Whilst the PLGP/EPSP work focuses on MBL district, the linkages with the WHPA are critical for good reasons. MBL DDA and WHP PHA are recent entities and need more support from PHQ. Whilst the entity appears independent in law, it is not clear as to the differing functions, powers, roles and responsibilities of MBL DDA and the WHPA PHQ. This clarity awaits the DDA regulations and function determination from DPLGA and others such as DPM, DoF, and NEFC.

Dependency on national agencies mirrors the complex decentralisation mechanism in PNG and can frustrate district progress. MBL DDA with close support and working relationship with the WHP PHQ continues to use most of the current systems in place, such as the audit process, the provincial supplies and tenders process, recruitment and selection processes, provincial budget processes, and allocations of PSIP. Even for PLGP/EPSP support that came into the district, had to follow the same path from the PHQ to the district, such as the IPBS workshop, the GESI workshop, and swearing-in of the DDA board in 2015.

Essentially, linkages from Waigani to the provincial administration and districts involve many players and are complex. Such complex bureaucratic processes are costly and stifle service delivery. It is challenging to do development in such an environment; therefore, it requires a different level of thinking and support to trial and test and evaluate the decentralisation support strategy.

SUSTAINABILITY

Sustaining the work done around the components of the decentralisation strategy in governance, partnership, linkages, women's empowerment, economic development, accountability and voice, leadership and mentoring is challenging. A number of components and activities will need to be further worked on under PGF, while others are uncertain. A lot of the initiatives need time to get traction, let alone sustained. However, they have commenced and it is advisable they continue. For instance, getting the DDA governance and administration structures in place is critical, so is establishing the financial management, human resources management, and engaging various stakeholders. In essence, a lot more needs to be done for continuity, including other additions to working differently and supporting the district service delivery environment.

LESSONS LEARNED

MBL is a story of rebuilding, rehabilitating and restoring six PLGP districts. The approach used to support MBL requires thinking differently making it one of the first in the country to trial 'working politically', seeking local solutions, having new sets of assumptions, skills sets, and wider stakeholder engagement underpinned by a facilitative approach as opposed to technical advising. It did not require much spending, apart from conducting workshops on IPBS, GESI training, and ACIAR women empowerment training.

While the success of some of those initiatives is starting to show, it will take time to assess the impact and sustainability issues of activities such as the ACIAR women empowerment support, GESI and economic empowerment work. Partnership forging is critical and will make things happen, however, contributions from each partner are critical, so is managing the partnership relationship. Leadership and mentoring a key component, needs support, together with, accountability initiatives, an essential democratic tool that engages the community, and can be effective with proper on-going support. The IPBS process requires a complete rethink, inclusive of district planning, budgeting and acquittals because the current top-down approach appears problematic.

If anything, the IPBS process mirrors so many other decentralisation process problems from the top-down Waigani approach. The complexity is such that it will require a local approach seeking local solutions encasing what is currently done with proper governance and accountability mechanisms. Similar rethinking and approaches need to happen for all other service delivery systems and processes that are designed and directed from Waigani.

In hindsight, working differently, politically, across different stakeholders, has produced results, but has glitches, just like any model. It would be advisable not to change anything, at this stage, except that this process needs to be supported and resourced well with funds, backing the key components of the decentralisation strategy. Of course, a number of those components maybe linked to the district priority areas, and will be supported by DSIP funds and others, but still others may not, and will compete from the limited pool of funds, a place the governance program needs to avoid. It is necessary all key components of the decentralisation strategy have separate resource packages for support.

On top of that, individuals with the appropriate skills sets are highly necessary to make this work. Individuals who are able to think, and do development differently, working locally, and seeking local solutions, and understand and appreciates the context, locally and the decentralisation standpoint. These individuals will have skills to facilitate collaboration with the district, provincial administration, and linking relevant departments in Waigani, but importantly, advocate for locally led and seeking local solutions. Working with politicians, such as, councillors, local member, and governor of the province is a critical point of influence, so is working with churches, community groups, NGO's, and business houses to influence changes and impact service delivery. Individuals who have a silo view of governance and decentralisation are a danger to such work, however, those who have a wider skills and experience base, know the district environment and the context, who are able to critically assess situations, and recommend solutions involving local people has the traits required for such work.

Finally, working at the district level is about working closely with the vast majority of people in this country. MBL district and its 86,000 people are not only users of service delivery. The decentralisation mechanism in Papua New Guinea will achieve far greater results if people are engaged at the local level, seeking local solutions for local problems. PLGP/EPSP have endeavoured to provide such insights within the decentralisation strategy in the six priority districts of Papua New Guinea.

