



Australian Government
AusAID



Papua New Guinea – Australia Development Cooperation Strategy 2006–2010

SUMMARY



WORKING TOGETHER TO ACHIEVE DEVELOPMENT GOALS

The Development Cooperation Strategy (the Strategy) will support Papua New Guinea (PNG) to reduce poverty and promote sustainable development through support for the PNG Government's efforts to implement its Medium Term Development Strategy (MTDS) and Medium Term Fiscal Strategy (MTFS), with a specific focus on four core areas:

1. improved governance and nation building
2. sustainable broad-based economic growth and increased productivity
3. improved service delivery and stability
4. a strengthened, coordinated and effective response to the HIV/AIDS epidemic.

GUIDING PRINCIPLES

The new Strategy will reflect a genuine partnership between Papua New Guinea and Australia, which is driven by PNG ownership and leadership and has a strong emphasis on sustainability and capacity building. The Strategy will respond to the key recommendations identified by the 2004 Joint Aid Review, and will be aligned with and informed by the following key policies and the principles of aid effectiveness.

POLICY FRAMEWORKS

Medium Term Development Strategy

The 2005–10 MTDS, as the PNG Government's overarching plan for social and economic development, will be central to the Strategy. The MTDS recognises the central responsibility of government to provide a number of core functions and basic services and, together with the MTFS,

provides a framework to guide the allocation of PNG resources in both the development and recurrent budgets.

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Key Australian policies

The Strategy reflects Australia's whole-of-government engagement in development issues in Papua New Guinea, including policy and operational alignment between the Enhanced Cooperation Program (ECP) and the broader aid program. The Strategy will also reflect other key Australian Government priorities that link aid effectiveness with initiatives to strengthen political governance, tackle corruption, stimulate broad-based growth, and promote stability.

AID EFFECTIVENESS

The impact and effectiveness of aid is inextricably linked to how the PNG Government uses its own resources to support the MTDS. Australian aid should not substitute for Papua New Guinea's own investment in priority areas. The Development Cooperation Strategy will reflect greater PNG responsibility for basic services through the budget allocation process. Strategic positioning of Australian aid resources (around 18 per cent of the total) in support of the most effective use of Papua New Guinea's resources (over 80 per

cent of the total) will improve the impact and effectiveness of the aid program. The Strategy will also build on efforts to deliver the aid program through PNG Government systems to support reform, strengthen capacity and accountability and reduce unnecessary duplication.

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PERFORMANCE REVIEW AND DIALOGUE

A Performance Review and Dialogue (PRD), based on Papua New Guinea's own performance management framework, will support The PNG Government's commitments and progress towards strengthening the environment for greater aid effectiveness and establish a joint planning and review cycle for the aid program. Jointly agreed objectives and outcomes that are linked to PNG's planning and budget timetable will be set and regularly reviewed. Disbursement of a proportion of the aid program (a performance grant) will be linked to performance against jointly agreed indicators of reform, which will monitor improvements in the environment in which aid can be effective.



ABOVE: Students from Tararan Primary School in Morobe Province learn skills that will help them lead the way to economic growth and stability into the future. Essential textbooks and materials are provided to many schools within PNG through the aid program. PHOTO: AusAID

FIGURE 1: THE FOUR CORE PILLARS OF THE PNG – AUSTRALIA DEVELOPMENT COOPERATION STRATEGY

The objective of Australia's assistance is to assist Papua New Guinea to reduce poverty and promote sustainable development.

In working towards this objective, Australia's support will be consistent with the PNG Government's Medium Term Development Strategy and the Medium Term Fiscal Framework and will focus on four core pillars.

1. IMPROVED GOVERNANCE AND NATION BUILDING	2. SUSTAINABLE BROAD-BASED ECONOMIC GROWTH AND INCREASED PRODUCTIVITY	3. IMPROVED SERVICE DELIVERY AND STABILITY	4. STRENGTHENED, COORDINATED, AND EFFECTIVE RESPONSE TO THE HIV/AIDS EPIDEMIC
<ul style="list-style-type: none"> > Improving budget, financial and audit management, implementing public sector reform, strengthening law and order and improving border and transport security through the Enhanced Cooperation Program and other assistance > Strengthening the skills base and institutional capacity of GoPNG public sector agencies > Strengthening anti-corruption systems and processes > Strengthening administration in provincial and district governments > Promoting the rule of law through integrated support to PNG's law and justice sector > Supporting civil society to educate voters and build the capacity of the PNG Electoral Commission to improve electoral processes > Improving the capacity, outreach and content of PNG media and civil society organisations to deliver information and facilitate debate on public policy issues > Supporting social cohesion and community development through support to civil society organisations, community groups, and sporting organisations > Support for National Parliament administrative reform; increasing parliamentarians' awareness of their role and responsibilities 	<ul style="list-style-type: none"> > Supporting improved macro-economic management, including the budget process, through ECP and other support > Maintaining key economic transport infrastructure, including roads, bridges, airports and wharves > Building local research capacity for technical innovation in agricultural productivity, socio-economic issues, marketing and land. > Supporting smallholder agricultural producers through funding for research and dissemination of innovative technologies > Supporting small and medium enterprise development and the informal sector through basic skills training, legal and regulatory reform, capacity building for private and public service providers and access to affordable finance > Improving access to microfinance through support for service delivery, regulatory reform and training > Investing in a more productive workforce > Supporting the development of standards and certification for technical and vocational training 	<ul style="list-style-type: none"> > Strengthening decentralised service delivery through support to PNG's Provincial Performance Improvement Program and District Services Improvement Program > Assisting health systems reform through support for the Strategic Plan for the Papua New Guinea Health Sector 2006–2008 > Improving the management and delivery of basic health services through capacity building national, provincial, and non-government agencies > Working with national agencies and other stakeholders to improve educational outcomes for students through implementation of the National Education Plan > Increasing access to justice by strengthening the police, courts, corrections and community crime prevention initiatives > Strengthening the role of churches as partners in service delivery and development, including in education, health, HIV and micro-enterprise development > Strengthening disaster mitigation and management capacity of government and communities through support for the National Disaster Centre, provincial governments and non-government organisations > Promoting sustainable peace on Bougainville through support for improved public administration and essential service delivery > Supporting other special case provinces (e.g. Southern Highlands Province) 	<ul style="list-style-type: none"> > Supporting the implementation of the National Strategic Plan 2006–2010 for addressing HIV/AIDS through the following priority areas: <ul style="list-style-type: none"> - strengthening leadership and coordination within national, provincial and local level governments, and within the non-government sector - mobilising communities on HIV prevention - promoting gender equality and reducing sexual violence to address the greater risk posed to women and girls, and supporting equitable access to prevention and treatment services - expanding the health sector response; including addressing STI rates through construction of specialist STI clinics - mainstreaming HIV in development initiatives - building the evidence base for action, to ensure interventions are effective, culturally appropriate and well targeted.



ABOVE: A Mother and child in Aipokon, Sandaun Province, enjoy clean, safe water from a well installed with funding from Australia. The Australian Government has long recognised the importance of clean water as a cornerstone for development. PHOTO: Peter Davis

MORE INFORMATION ABOUT AUSTRALIAN AID

More information about the Australian Government's overseas aid program is available online at www.ausaid.gov.au

Locked Bag 129
Waigani NCD
Papua New Guinea
Telephone + (675) 325 9333

GPO Box 887
Canberra ACT 2601
Australia
Telephone +61 (0)2 6206 4000

COVER PHOTOS FROM LEFT TO RIGHT

1. *The Australian Government is working to improve governance and nation building in PNG through promoting the rule of law through integrated support to PNG's Law and Justice Sector. Here, PNG's Chief Justice, Sir Mari Kapi, and the judges of the National Court march to celebrate the opening of the legal year.*

PHOTO: Joe Kanekane

2. *A road maintenance project along the Kokopo-Rabaul road will see key economic transport infrastructure improved. Increased road access will also help improve business and trade in the area which is essential to economic growth.*

PHOTO: AusAID

3. *AusAID is working with national agencies and other stakeholders to improve education for students through the implementation of the National Education Plan. Essential textbooks and materials are provided by AusAID to thousands of schools in PNG including Tararan Primary School in Morobe Province. PHOTO: AusAID (also reproduced inside)*

4. *The Anglicare STOPAIDS theatre group is just one of many NGOs across PNG staging plays at local markets, schools, and other community meeting places to help inform and educate people about HIV/AIDS. A performance at Morata settlement in Port Moresby attracted a good audience. PHOTO: Rocky Roe*

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