

UPNG-ANU Partnership:

H2 2018 Six Monthly Progress Report

Summary table

Name of Organisation	Development Policy Centre, Australian National University
Project title	UPNG-ANU Partnership
Project objectives	Faculty strengthening, collaborative research and outreach, faculty and student exchanges and partnership management
Reporting period	1 July 2018 – 31 December 2018

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Section 1: Overview

Selected achievements from 1 July 2018 – 31 December 2018

- **Improved learning outcomes.** The annual ANU Economics exam was conducted in September 2018. See Annex 1. Results show continued progress: three students scored the highest scores for any student in the history of the exam.
- **SBPP staff survey positive feedback.** This report includes results from the survey of School of Business and Public Policy staff, which indicates very positive views of the project.
- **MEPP scholarships** The Australian aid program agreed to fund sponsorships for up to ten Masters of Economic and Public Policy students, which will help ensure the continuation of that course, which was under threat.
- **Teaching workshop** ANU educational experts conducted a two-day tertiary teaching workshop free of charge at UPNG in August, which provided academic staff from SBPP with student-centred teaching pedagogies and learning approaches.
- **Completion of studies** Our first two scholarship students, Ani Rova and Maho Laveil, completed their studies at ANU and will now return to UPNG to teach.
- **PNG Update book.** For the first time, a publication was produced from the PNG Update.
- **No cost extension.** This was finalized in August to allow the project, which was due to finish in December 2018, to continue to June 2020.

Executive Summary

A survey of UPNG staff indicated strong support for the ANU-UPNG partnership, while the fifth annual economics exam shows continuing gains in learning outcomes as a result of the project.

Faculty strengthening

Seven ANU and ANU-supported staff members convened 10 courses, teaching 80 female and 212 male (292 total) students. Student evaluations continue to showcase the high level of teaching in all courses. The Australian aid program agreed to fund ten new scholarships which will raise enrolment numbers for the Master of Economics and Public Policy course. ANU educational experts conducted a two-day tertiary teaching workshop free of charge at UPNG in August

Collaborative research and outreach

The partnership continued to support significant PNG-related research in the second half of 2018 under a growing research program on a wide range of economic and public policy issues. The UPNG Blog Incentive Scheme, which encourages UPNG staff and students to write submissions for the Devpolicy Blog, was introduced. Four blogs have been published under this scheme so far. For the first time, a [publication](#) was produced from the PNG Update.

Faculty and student exchanges

Plans and student selections have been finalised for the second Summer School to take place in January-February 2019. Two UPNG scholarship holders completed their final semester of their ANU Master's degree, and will now return to teach at UPNG. A third student completed his second semester at ANU. Arrangements have been made for a fourth student, the first female awardee of the scholarship, to commence her first semester at ANU in 2019. A 2020 student has also been selected. UPNG staff participated in the 2019 Pacific Update and State of the Pacific conferences.

Partnership management

The no-cost extension was finalised in August to extend the project to mid-2020. Visas were renewed for staff in Port Moresby. A recruitment exercise was undertaken for Associate Lecturers/Lecturers in Port Moresby. A child protection policy was put into place. The project underwent an audit. Project costs are within budget and have stabilised at about \$2 million.

Examples of innovative approaches / collaborations

- **ANU-UPNG-Unitech-Femili PNG collaboration.** One of the strongest collaborations in our project brings together UPNG, Unitech and ANU researchers, working with a PNG NGO, Femili PNG. This research project involved interviews with women in urban settlements about the subject of gender-based violence. The research was initiated by PNG urban researcher Dr Michelle Rooney of Devpolicy, together with ANU Pacific legal scholar Dr Miranda Forsyth and Dr Dora Kuir Aiyus from

the Social Work Department of UPNG and Mary Aisi from Unitech. The research was made possible by the Development Policy Centre's links with all the organisations involved: UPNG, Unitech and Femili PNG. The research was presented at the PNG Update in H1, and then in Canberra at State of the Pacific in H2, and has so far been published in three blogs. This pathbreaking research will continue into 2019.

- **MEPP scholarships** By working collaboratively between PGF, ANU, UPNG, and AHC, ten scholarships were arranged for the Masters of Economics and Public Policy, thereby making this course more readily available to top PNG public servants, as well as more gender-balanced, while also protecting the future of the course itself.
- **Research work with IRC** Devpolicy was approached by Abt concerning undertaking research with the PNG Internal Revenue Commission (IRC). By drawing on its associates and networks, we have been able to put together a team to take this research forward. The research, being led by Chris Hoy, an ANU PhD student and survey expert, will look at the impact of different ways of approaching tax payers on revenue. The first visit for this work took place in late 2018, and the second visit for this work will take place in February 2019. This is a good example of collaboration between Abt and the project to make progress in areas of mutual interest.

Cross-cutting issues (gender, disability, child protection and equity)

- Extensive research is being undertaken on gender as part of the partnership.
- There have been concerns around the lack of female enrolment in the MEPP. It is hoped that the new MEPP scholarships will assist in addressing this.
- As part of the contract extension, we developed a child protection policy.

Key challenges, gaps and lessons learned

- **Future of the project** The no-cost extension has brought the end date of the project to mid-2020. Despite the delays in granting the extension, we were able to work with staff, and no-one left to take another job.
- **Visas for staff** Until recently, obtaining long-term visas was a managing contractor responsibility. In the last two years, it was given to ANU to manage. This has been a learning curve, but we are making progress.
- **Visas for students** Obtaining passports and then visas for summer school students was incredibly difficult and time-consuming this year round. We need to try to outsource this next year.
- **Staff turnover** Based on experience, we can expect staff to stay for two to three years. This requires annual recruitment rounds, which we have now put in place.

Risk Management

- **SBPP capacity and fiscal constraints** Inadequate UPNG capacity in economics remains the program's most serious risk. Fiscal constraints prevented hiring in the last couple of years. Two of our scholarship students will return to UPNG in 2019. We are confident that they will return to UPNG. One has a position to return to, and we are pressing the case for funding to be found for the second (so far, he only has a temporary position).
- **Reputational risks** Reports of sexual harassment involving UPNG staff have now been made public, and threaten to undermine the reputation of UPNG, in addition to doing serious damage to the students involved. We continue to speak out against such practices, and to urge and support the university to do more.
- **MEPP student numbers** The number of students enrolled in the MEPP program has become a key challenge, with only four students enrolling in the second year. Ten MEPP scholarships have been advertised, with the aim of benefiting public servants whose work is focused on economic management and the formulation of government policy. This should mitigate the risk of too-low student numbers, and also improve the gender balance.
- **Need for university reforms** There is a lack of progress on university-wide reforms (such as investing in PNG land, requiring lecturers to undertake evaluations) .

Case studies

- **2019 Summer School preparation.** We started the selection process as soon as the results for semester 1, 2018 were made available at UPNG. By end of July last year, we already had a full list of final candidates for the program and had all candidates undergone the required medical examination for an Australian travel visa. However, none of the students had a passport nor any identification documents. And getting passports for the students proved to be extremely difficult, because of the challenges in getting a National Identify Document such as NID card or birth certificate, which is meant to be a prerequisite for getting a passport. In the end, we just met the mid-October deadline by a few days (that is when students go home for the end-of-year break) and only after much time was spent in queues. Next year we will look for an alternative way to get passports for the students, but It is a tribute to our staff's dedication that they were able to get the students their passports and visas; it is also a sign of just how difficult even modest projects can be in the PNG context.
- **UPNG Debates** With support from the partnership, the Economics Student Society held its annual Debate Competition event over three nights from 3 September to 5 September. Undergraduates from each division in SBPP participated, and a total of 280 students, of whom 120 were female, attended the three-day event Several interesting topics such as separation of power in PNG; the effectiveness of foreign aid; PNG in the year of APEC were amongst those covered in the debate. Joint ANU-UPNG academics, officials from the Australian High Commission and PGF were invited as judges for the debate. Two all-female teams competed in the grand final, which was won by Human Resource and Management Division. Kimberly Hoko, a third year female undergraduate student emerged as the best debater of the year.

Section 2: Implementation progress

Implementation Progress: 1 July to 31 December 2018

Strategic output/outcome 1: Faculty Strengthening

Status of activity	On track
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Faculty changes

Once again, Associate Martin Davies joined the project for the May-August period. Dr Lhawang Ugyel departed at the end of 2018, after 2.5 years with the project, and was replaced by Dr Nemat Bizhan, who joined the project in January 2019.

Teaching

Five ANU lecturers and two ANU-supported lecturers taught 10 courses with 80 female and 212 male (292 total) students. A list of all courses taught is attached is provided below.

	Course	Lecturer	Year Level	Semester/Triester	Students				Course evaluations		
					F	M	Disabled	Total	Response rate (%)	Ave. course score (/5)	Ave. lecturer score (/5)
1	Development Policy and Thinking	Watson	PG1	T2	0	3	0	3	100%	4.6	4.7
2	Macroeconomic Analysis and Policy	Davies	PG1	T2	0	4	0	4	75%	4.5	4.6
3	Economic Policy	Pandey	UG4	S2	12	17	0	29	59%	4.6	4.8
4	Applied Economics and Business Statistics	Pandey	UG3	S2	9	24	1	33	61%	4.4	4.6
5	Quantitative Economics II	Nguyen	UG3	S2	8	27	0	35	71%	4.6	4.7
6	Intermediate Macroeconomics	Nguyen	UG3	S2	7	25	0	32	78%	4.7	4.8
7	Principles of Macroeconomics	Sum	UG2	S2	34	51	0	82	79%	4.6	4.8
8	Policy Monitoring and Evaluation	Ugyel	UG4	S2	10	52	0	62	71%	4.6	4.8
9	Applied Cost and Benefit Analysis	Odhuno	PG	T3	0	4	0	4	100%	4.5	4.7
10	Qualitative Research Methods	Watson	PG	T3	0	5	0	5	180%*	4.7	4.7
	TOTAL/AVERAGE				80	212	1	292		4.58	4.7

Note: MEPP T2 courses were also reported on in the last report, since they straddle the two half-years.

* More students submitted evaluations than enrolled, as some students were auditing the course.

The average course evaluation score was 4.58. By comparison, ANU college averages for learning experience at ANU range from 3.6 to 4.2. Every course returned a score of 4.6 or more for quality of

teaching, which is an excellent performance. The average evaluation response rate was 83%, which is very high.

Initiatives to improve teaching

- **Curriculum development** Two new courses, Monetary Economics and Public Economics, are being drafted and designed for delivery in 2019.
- **Textbooks and SBPP librarian** The project funded SBPP to hire a librarian in 2018 to establish a dedicated library. Good progress was made, and with further funding in 2019, the library is expected to open in the SBPP new building.
- **CHELT workshop** A tertiary teaching workshop, aiming to provide academic staff from SBPP with student-centred teaching pedagogies and learning approaches, was held on 7 and 8 August 2018. The event was held at the Pacific Institute of Leadership and Governance, and officiated by Professor Stephen Howes and Mr Vincent Malaibe (UPNG Vice Chancellor), accompanied by Professor Pillai. The workshop was delivered by Mr Glen O'Grady, the Director of ANU Centre for Higher Education, Learning and Teaching (CHELT) and Ms Kristie Broadhead from ANU Educational Fellowship Scheme (EFS).

Engaging students and building links

- **Film discussion nights** Dr Amanda Watson continued to host the 'UPNG Inspired' film nights during Semester Two at UPNG. Eight 'UPNG Inspired' nights were run, six with accompanying speakers. There continues to be interest in the film nights, with the [Facebook page](#) maintained by Rohan Fox, and student volunteers and UPNG staff placing posters up around campus each week. The ANU and Femili PNG jointly hosted a screening of the film 'Power Meri' in Canberra, which was well attended.
- **Student associations** The partnership has allocated a budget of up to 5,000 Kina per semester for the Economics Student Society (ESS) and the Public Policy Association (PPA). As the PPA is dormant, funding is focused only on ESS. Funding is subject to the submission of a formal budget and the approval by the Dean SBPP. The ESS held its annual Debate Competition event from 3 September to 5 September. Undergraduates from each division in SBPP participated, and a total of 280 students, of whom 120 were female, attended the three-day event.
- **Guest lectures** Partnership staff gave or arranged 7 guest lecture.

Graduate outlook, outcomes and links

Rohan Fox completed his findings on the workplace results of UPNG graduates. The findings were published in a [blog](#), and have been picked up by multiple media sources.

As of December 2018 the partnership's economics alumni Facebook page for recent graduates had 70 members, up from 53 in July 2018.

The annual ANU Economics exam was conducted in September 2018. See Annex 1. Results show continued progress: three students scored the highest scores for any student in the history of the exam.

Strategic output/outcome 2: Collaborative Research and Outreach

Status of activity	On track
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The PNG Project

The PNG Project is a program of research on PNG. In the second half of 2018, academics continued working across 23 projects under the heading of: economics; governance and elections; service delivery, and gender. A summary of the research projects and progress made in the last six months is provided in [Annex 2](#).

Funding for PNG Project research comes from a variety of sources. In addition to the Moresby-based faculty, in H2 2018 the Partnership funded 100% of the costs of Research Fellow Michelle Rooney; 50% of the costs of Research Fellow Dr Terence Wood; and 100% of a Research Officer Rohan Fox. Dr Grant Walton who had been 50% funded by the partnership went off the project for the second half of 2018 to complete other work. He will return to the project in 2019.

PNG Project databases

- **PNG Elections Database website:** Updating of the Elections Database was delayed due to difficulties in obtaining data from the PNG Electoral Commission, but, with assistance from one of our UPNG masters students, has almost been completed. The new edition with 2017 results will be published in the new year.
- **PNG Budget Database website:** The [PNG Budget Database](#) was updated for a third time in the first half of 2018, and for a fourth time in the second half of 2018.

Publications

Two publications were supported by the partnership in the period.

Research, policy and training workshops

The Development Policy Centre organised or supported 6 PNG-related research, policy and training conferences and workshops, 5 at UPNG and 1 at ANU.

Conference and seminar presentations

Project staff made 16 seminar and conference presentations.

PNG Update Book

For the first time, we produced a [book](#) based on the PNG Update.

Outreach

- **The Devpolicy Blog** Devpolicy.org is the online public outreach portal for the Development Policy Centre at the ANU. This website is used for communicating and discussing much of the development, economic and public policy research relating to PNG undertaken by ANU. The partnership grant supports editorial work on blog posts about PNG. In the second half of 2018, Devpolicy.org published 75 blog posts related to PNG, with 31 directly on PNG and 43 covering broader Pacific issues. Twenty-three of these blogs were authored or co-authored by Papua New Guineans, and 44 by women. These blog posts are widely read in PNG, and often picked up by the PNG media.
- The **UPNG Blog Incentive Scheme** was launched to encourage blog submissions from UPNG staff and students. The scheme offers 200 Kina for blogs written by UPNG staff and students that are published on the Devpolicy blog. On July 16, the first blog accepted under this scheme was [published online](#). Since then, four blogs by UPNG staff and students have been accepted and published on the blog.
- **Engagement with media and other public outreach.**
- **Other engagement** Project staff participated in a variety of other workshops and meetings with the government, donors, private sector.
- **The Devpolicy PNG Newsletter** provided regular PNG partnership related news every four weeks. Mr Rohan Fox coordinates this newsletter, which covers partnership related research and blogs, and provides general partnership related updates. The newsletter is now also [available online](#).

Strategic output/outcome 3: Faculty and Student Exchanges

Status of activity	On track
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Masters students

Two long-term ANU scholarship recipients completed their final semester of study at ANU in Semester 2 2018, and a third completed their second semester. The two students who have finished their study will now return to UPNG to take up teaching positions. Preparations were made for a fourth student to commence her scholarship at ANU in 2019, and a fifth student was selected for 2020.

Summer school

Preparations were made for the 6 female and 4 male 2019 Summer School students to travel to Canberra for six weeks in January and February 2019. Difficulties obtaining passports were overcome by hard work and determination.

Staff exchanges

A number of ANU staff and other Australian researchers visited UPNG for research. And several UPNG staff participated in the State of the Pacific (ANU) and Pacific Update (USP, Fiji) conferences.

Strategic output/outcome 4: Partnership management

Status of activity	On track
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Partnership management arrangements

Ms Cleo Fleming and Ms Husnia Hushang, who had been job sharing in the Program Officer position while a recruitment exercise was underway, finished up with the program in July and August respectively. Ms Madeleine Flint was appointed to the Program Officer position and commenced in August.

Contract extension

The contract extension was granted, and it is now estimated that the UPNG staff will be funded to end-2019, with the rest of the project funded to mid- 2020 or longer as required for reporting. An early decision will be needed on a second phase.

Management priorities

The project successfully underwent an audit. A Child Protection policy was implemented. A recruitment process was undertaken, seeking Associate Lecturer/Lecturers in public policy and economics, based at SBPP. Visas were renewed for staff whose visas expired end December 2018. Work commenced on the second phase of the project.

Section 3: Performance

1. Logframe / Theory of Change

- **The project takes a long-term approach.** Aid funding for this partnership may wax and wane (and we hope it waxes) but the project has been set up to be here for the long term, at least a decade. Of course, there is no guarantee it will last for a decade, but that is the intent: there is little point to setting up a shorter-term project.
- **The concept of partnership is critical.** Both parties have skin in the game. Both have made a long- term commitment to the partnership. Both are prepared to discuss and resolve issues in a transparent manner.
- **The benefits of the project are both direct and indirect.** Perhaps the most important, certainly the most tangible, benefits of the project are for the students who otherwise might receive no teaching, and certainly a lower quality of teaching. These are the future leaders of PNG after all. But there are also important indirect benefits – the systemic changes, the research and outreach. This dual approach serves as both a risk mitigation approach and as a way to maximize project value.
- **The project has and requires strong support from the highest levels.** Australia's Minister for Foreign Affairs initiated the expansion of the project during a meeting in mid-2014 with the then ANU Vice Chancellor. It is strongly supported by ANU and UPNG at the highest levels. Given the difficulty of the project, this is critical for success.

- **The project has strong UPNG ownership.** The project is as much a UPNG initiative as an ANU one. It was the UPNG VC's initiative to seek a new MOU with ANU, and it was his drive that brought that into fruition. The SBPP Dean plays a critical role in providing day-to-day support to the partnership and its various initiatives. Without this, the project would undoubtedly falter.
- **The project takes an adaptive, learning-by-doing, and adjusting-as-we-go approach.** This is the only approach that makes sense. We learn as we go, documenting what we learn along the way: for example, completing a "baseline report" in 2015 of the SBPP-Economics Division.
- **The project values continuity.** To develop good relationships, and to learn to be effective, staff need to be in place for as long as possible. Long-standing relationships between ANU and UPNG faculty are key to the success of the partnership. If project staff do well, we want them to stay for as long as possible.
- **The project is based on realistic expectations and seeks incremental gains.** It would be foolhardy to wish away the systemic challenges that UPNG faces in a range of areas. No external intervention can turn UPNG around, or even a part of the university. However, an external intervention can make a difference, and be judged a success, provided realistic expectations are maintained.

2. Reporting against Partnership Objectives

The partnership undertakes a number of M&E exercises. Evaluations are undertaken for every course (see summary table [here](#)) and show positive results. An economics exam is set annually to monitor student learning. The results of the SBPP staff survey were positive. Abt assisted us with a follow-up evaluation of the 2018 summer school students; results of this are expected in the first half of 2019.

Annex 1 ANU-UPNG economics exam report

Introduction

This note reports on results from the latest ANU-UPNG economics exam held in September 2018.

The ANU has run an annual exam in economics at UPNG since 2013. Student participation in this exam is voluntary.

Students who sit the exam are almost exclusively third or fourth year economics majors.

The purpose of the annual economics exam is threefold:

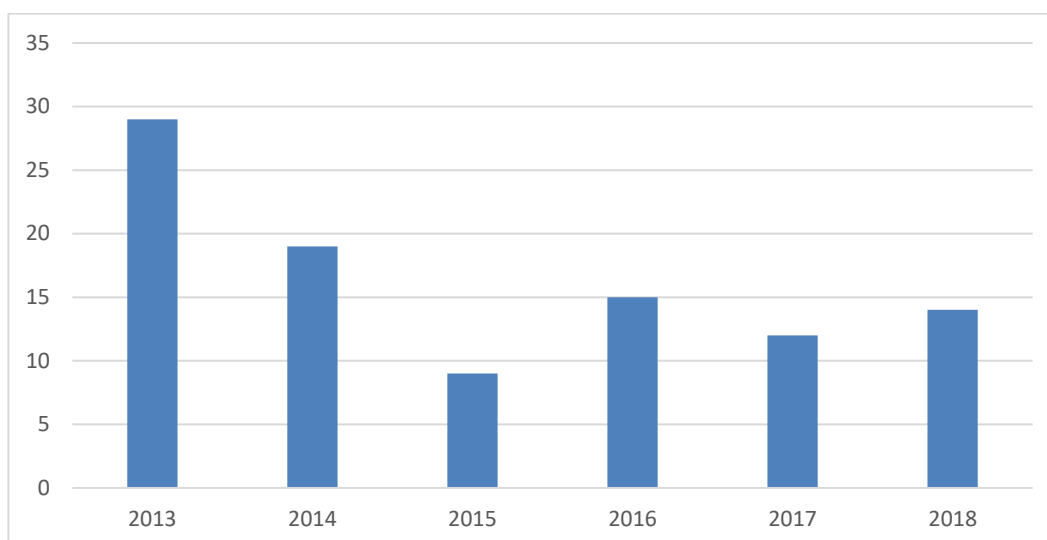
1. assist with the ranking and selection of candidates for the annual ANU-UPNG Scholarship in Economics under the partnership program;
2. provide an objective measure of the ability of a student cohort in a given year; and
3. provide a measure of the effect of ANU's partnership with UPNG on student performance over time: since 2015, ANU lecturers have been teaching economics at UPNG.

The exams test basic math, microeconomics, and macroeconomics. As of 2014, the exams have been designed to be comparable over time by retaining this structure of 'math, micro, macro' questions. The standard is roughly comparable to what would be expected of second year students at the ANU.

Comparisons to previous years

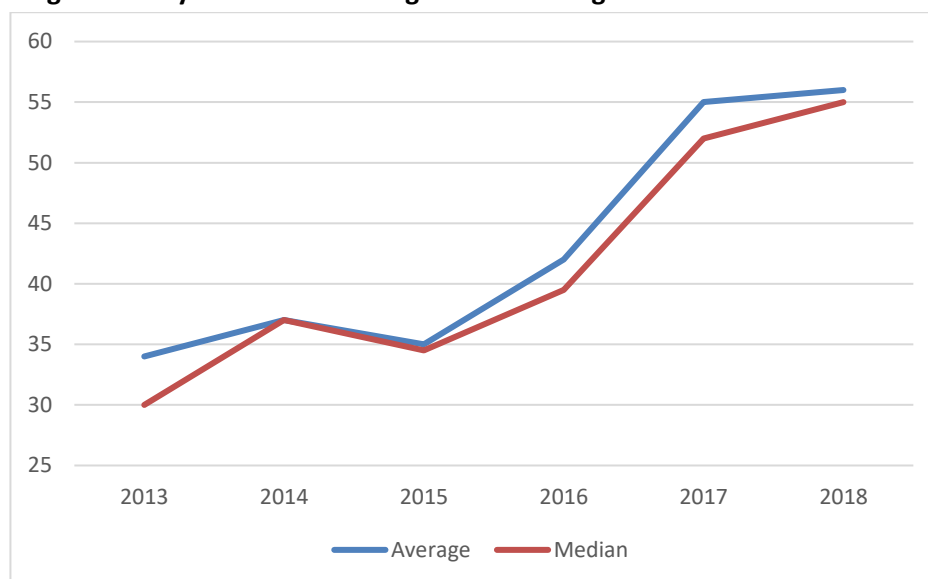
The graph below shows the total number of fourth-year exam participants since 2013.

Figure 1: 4th year exam participant numbers 2013-2018



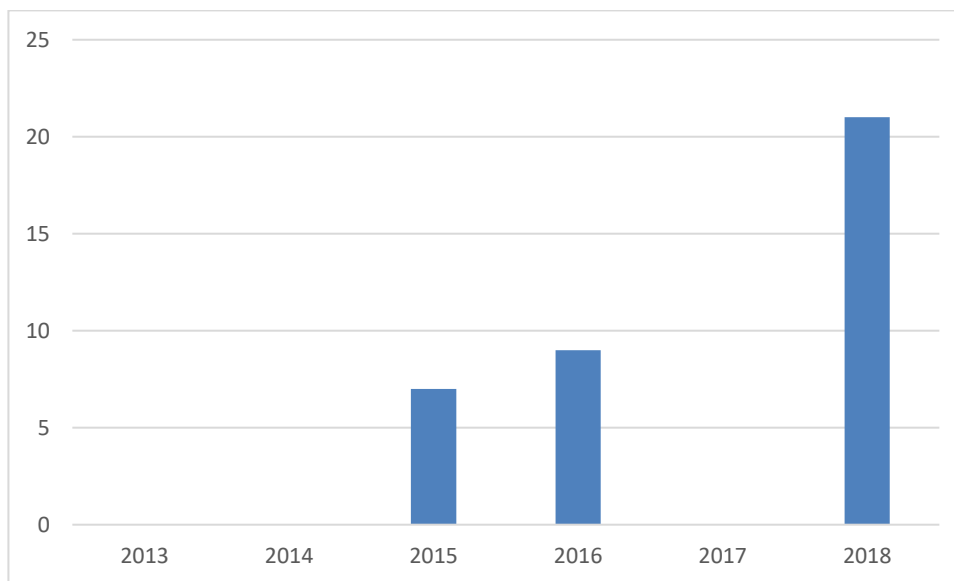
The average score for fourth year students was 56 out of 100, which is a marginal improvement on the average score in 2017. While there is still room for improvement, it is worth noting that this is the highest average score since starting exams.

Figure 2: 4th year student average and median grade out of 100 2013-2018



The number of 3rd year students who took the exam was markedly larger, with 21 3rd year students taking the exam in 2018.

Figure 3: 3rd year exam participant numbers 2013-2018



3rd year students were first encouraged to take the exam in 2015, and did not take the exam in 2017 because they took the Summer School exam instead. While we cannot be sure why there was such a large increase in participation in the 2018 exam compared to 2016, it does seem to suggest increased interest and knowledge about the exam at the mid-degree level.

The 3rd year students who took the exam on average did better than in 2015, but not quite as well as in 2016. This may be partly to do with the large increase in participation rates, which can have the effect of bringing the average down.

Figure 4: 3rd & 4th year exam average scores 2013-2018



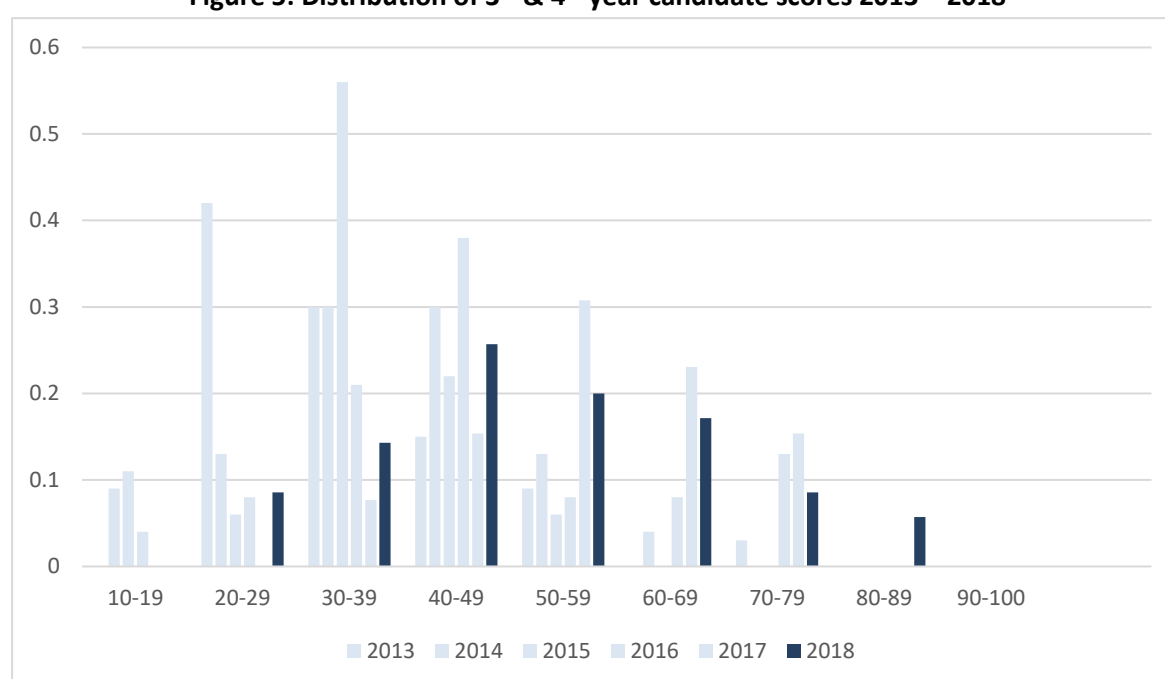
Table 1: Average and median by year group 2018

	Average	Median
3rd year students	47%	48%
4th year students	56%	55%

Moving from averages to looking at the overall distribution of scores, we see that—and for the first time—two students got high distinction grades. Overall, this exam has the three highest grades of any students since 2013.

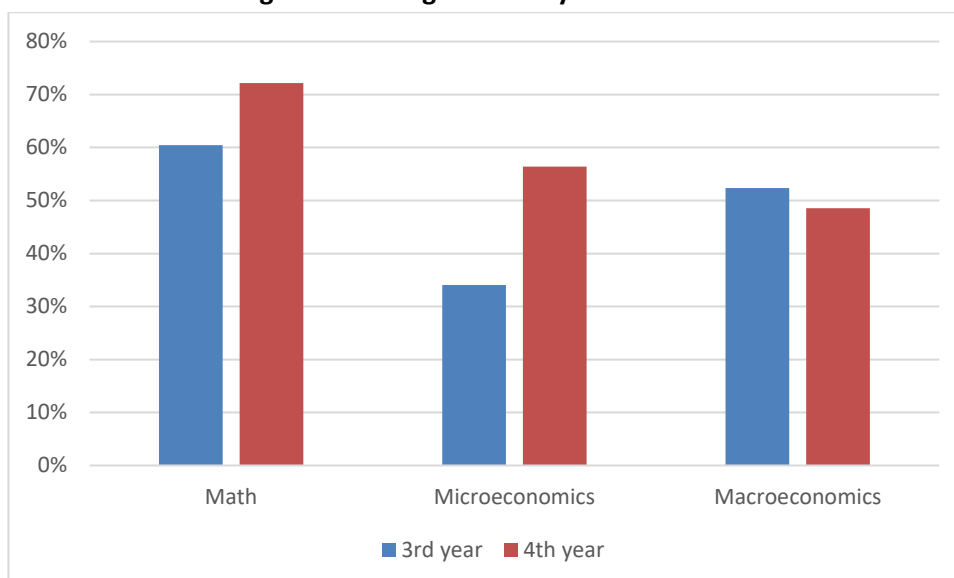
The three students in question were all participants in the ANU Summer School in January 2018. As we would have expected and hoped, the cohort of Summer School students achieved much higher scores in general than average. The average score for these students was 66 out of 100. As these students were chosen due to their high level of competence, we would expect that they would score higher whether or not they attended the Summer School – however the fact that three of them scored higher than any other student in the history of the exam is compelling evidence for the positive academic impact of the program.

Figure 5: Distribution of 3rd & 4th year candidate scores 2013 – 2018



Each year there are three broad sections to the exam, maths, microeconomics and macroeconomics. Typically, macroeconomics has been the weakest section, perhaps because macroeconomic questions are tougher to answer well, and because the macro questions are at the end of the exam. This year 3rd years performed better in macroeconomics than 4th years, but underperformed in microeconomics.

Figure 6: Average scores by exam section



Conclusion

The fact that this exam is voluntary limits the representativeness and comparability of results. However, this year, three students performed better than any other student in any year since the start of the exams since 2013. This is a remarkable performance for a single year. In addition, the average mark across all students was also the highest ever, even if only a marginal improvement on the average score from last year. As such, the 2018 exam provides clear evidence of continued improvement in learning outcomes in economics at UPNG.

It is not feasible to make this exam compulsory – nor is there any guarantee that students forced to take the exam would put in significant effort. Despite its limitations, we think that the exam is a valuable evaluation tool, and plan to continue with it on an annual basis.

Annex 2 Research summary

PNG Project: Summary of research projects as of 2018, and progress made in the first half of 2018.

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Notes: In the descriptions below, a * indicates that the researcher concerned is a staff member under the ANU-UPNG partnership. All staff members are full time except for Terence Wood (50%). (Note Grant Walton was not on the project in H2 2018 due to other commitments.) The “start of year statement” is taken from the 2018 plan; the “half-year progress report” from the 2018 H1 report; and the “end-of-year progress report” is new. Two projects did not proceed at all: one on palliative care and one on PNG drought, in both cases due to lack of willing collaborators.

A. Economics (9)

Annual economic survey 2017-18

Rohan Fox*, Nelson Nema, Bao Nguyen*, Stephen Howes

Start of year statement: *The annual economic survey provides an update on the PNG economy. As in previous years, business and government leaders will be interviewed to discuss the economic and business climate, with the results informing a presentation at the PNG Update, and Development Policy Centre Working Paper to be published later in the year. UPNG collaboration involves coauthor.*

Half-year progress report: *ANU and UPNG staff met with members of government, NGO-sector and business community in Port Moresby and Lae and produced a [draft survey](#), which was presented at the PNG Update in June 2018. The draft has been reported on and cited in the local and international media, including [Loop PNG](#) and [The Sydney Morning Herald](#).*

End-of-year report: *Final version of the 2018 survey was published in [this](#) publication. Arrangements have been made for the 2019 survey to be published in a journal.*

Budget database updating

Rohan Fox*

Start of year statement: *The [PNG Budget Database](#) is a unique data source that provides a time series of budgetary data for PNG. It will be updated twice in 2018 (first in May to include numbers from the 2017 Final Budget Outcome, then in November to reflect the 2019 budget), and used as a basis for commentary. UPNG collaboration involves usage at UPNG.*

Half-year progress report: *The [PNG Budget Database](#) has now been updated to reflect the 2017 Final Budget Outcome, released in March 2018. The next Update will occur after the 2019 budget is released.*

End-of-year report: *The [PNG Budget Database](#) has now been updated to reflect the 2019 budget. The next update will occur after the 2018 Final Budget Outcome, released in March 2019.*

Economic shocks and the PNG economy

Bao Nguyen* and Dek Sum*

Start of year statement: *This research project investigates the dynamic effects of various shocks including world commodity price shocks and exchange rate shocks on the PNG economy. UPNG collaboration involves presentation at PNG Update*

Half-year progress report: *This project now focuses on the PNG trade balance. It investigates the sensitivity of the trade balance to various macroeconomic shocks stemming from mining and non- mining sector, among other key macro variables. Data has been collected and a consistent database constructed. Benchmark model developed and sensitivity exercises undertaken. Preliminary results presented at the PNG Update 2018 conference (14 June 2018). Follow-up seminars planned at Arndt-Corden Department Economics – ANU (31 July 2018) and the Bank of Indonesia (30-31 August 2018). Plans to present our findings to macro policy institutions based in Port Moresby, such as IMF, World Bank, ADB and BPNG. The working paper is expected to be available by August 2018.*

End-of-year report: *The working paper is still in progress and expected to be available by early March 2019.*

Industrial policy

Grant Walton, Imelda Deinla, Rohan Fox*, Maholopa Laveil

Start of year statement: *This research project looks at various aspects of recent efforts by PNG to promote domestic industries. With PNG and the Philippines recently agreeing to develop PNG's rice industry, it will examine the way economic and political actors have shaped rice policy and what this means for food security in both countries. This will involve fieldwork, starting in July 2018, with key stakeholders in both PNG and the Philippines. Another case study will be milk production and incentives to that industry, which will be studied from a historical perspective looking at the outcomes of similar support provided to other industries. UPNG collaboration involves authorship.*

Half-year progress report: *In June, Grant Walton and Imelda Deinla travelled to Manila and interviewed policy makers, NGO representatives, and those from the private sector about the growing relationship between PNG and Philippines rice industries. Interviewees provided fascinating insights into the reasons behind the Philippines promising to help make PNG self-sufficient in rice. Walton and Deinla have employed a research assistant to conduct follow-up interviews in July, 2018. During fieldwork Walton and Deinla met with DFAT Philippines to discuss initial findings. Rohan Fox and Maho Laveil presented on their findings on PNG's historical experience with infant industry protection to the PNG Update, and Laveil also presented it at the ANU Research Students Conference.*

End-of-year report: *In August and September Walton and Deinla employed a research assistant to transcribe data collected. Walton and Deinla will analyse these results in 2019. Research intern, Elena Ryan, completed an assignment on the PNG rice industry. These efforts have resulted in a co-authored blog – first drafted in December 2018 – that will appear on devpolicy.org in February, 2019. Using the findings from the earlier research, Maho Laveil and Rohan Fox have put together a draft discussion paper, which will go out for peer-review with the purpose of publication as a Development Policy Centre working paper.*

A new policy paradigm for resource-rich developing countries

Martin Davies and Marcel Schroder

Start of year statement: *Resource rich developing countries are identified by the high share of resource exports in GDP or total exports, and low levels of income per capita. This project suggests two further identifying features: that resource sectors are enclaves, and that foreign ownership of the resources sector is high (net factor income is large and negative). It incorporates these new features into a simple model of internal and external balance, and using this framework develops a new paradigm for policy-setting in resource-rich developing countries. The project then estimates, using this new approach, the relationship between foreign ownership and the equilibrium real exchange rate for a panel of 43 resource-rich developing countries. This work was inspired by Papua New Guinea, and the policy predictions have direct applicability to PNG. UPNG collaboration involves presentation at PNG Update.*

Half-year progress report: *The theoretical modelling is now complete (at this stage anyway) and work is underway on the empirics. We have applied to the Bureau of Economic Analysis (a US Government Department) for access to confidential data on US firm ownership in RRDCs, which we can use to construct our measure of foreign ownership in RRDCs. This is a key variable in our theoretical and empirical analysis. The process is quite involved as I need to get security clearance to look at it. We expect it to take about 3 months to find out whether/when we can access the information. The paper was presented at the PNG Update*

in June 2018, and also at the Arndt- Corden Department of Economics, also in June 2018. We have been offered a place to present the paper at the Fiscal Affairs Department at the International Monetary Fund in November.

End of year progress report Martin Davies presented the paper at Washington and Lee University in October 2018. Progress on this paper was held up in 2018 as the authors awaited approval from the U.S. Bureau of Economic Analysis (BEA) to access their confidential data on firm ownership.

Savings behaviour in PNG

Martin Davies and Hugo Blunch

Start of year statement: The objective of this study is to examine savings behaviour of individual workers around the economic expansion and following contraction caused by the investment boom during the construction phase of the LNG project in Papua New Guinea. The economic expansion associated with the construction phase of the LNG project took place over the period 2010-2012. During this expansion there was an accumulation of savings and following it there has been a corresponding decumulation. The primary goal of this research is to explain from individual level data the aggregate savings responses to changes in income across location, job occupation and experience, and education level. The proposed research would have implications in particular for policies to encourage and safeguard retirement savings in PNG. One of the objectives of the study will be to make policy recommendations to improve savings outcomes in PNG. UPNG collaboration planned.

Half-year progress report: Still waiting for data. Target now August.

End of year progress report: Progress for this research was held up by delays in gaining access to the dataset that will form the basis for this analysis. The authors obtained the dataset for this research in late August 2018. We have begun the painstaking process of cleaning the data, and once complete we will begin our empirical analysis.

Financial Inclusion in Papua New Guinea

Martin Davies and Laura Nettuno

Start of year statement: An examination of the determinants of financial inclusion can lead to a clearer understanding of the restrictions and bottlenecks that prevent access to financial services by poorer households. Using a World Bank dataset (based on a survey of 600 households in Morobe and Madang Provinces undertaken by the Institute of National Affairs), this research project studies the effects of individual and household characteristics on financial inclusion in Papua New Guinea using a probit model. More specifically, it examines the determinants of the use of formal and informal credit and savings services. For both credit and savings, education is the strongest predictor of all measures of financial inclusion, with a primary school education increasing the probability of inclusion by 15 per cent. Age is a significant predictor of savings, and income also influences whether an individual makes use of credit services. Surprisingly, in our current analysis, distance from a financial institution (bank or micro-bank) is not a significant predictor of financial inclusion. Further investigations are underway to explain this. UPNG collaboration involves presentation at PNG update.

Half-year progress report: This work was presented at the Institute of National Affairs in Port Moresby in June 2018, and also at the PNG Update, also in June 2018. Also discussed it with a number of different organization in Port Moresby (World Bank and US Embassy). Write up now to commence.

End of year progress report: The authors presented this paper twice in 2018, firstly at the Institute of National Affairs in June 2018, and at the PNG Update, also in June 2018. Further, Associate Professor Martin Davies discussed this paper on NBC National Radio (Dabai Morning Show with Stephen Mase) in early June 2018. We are in the final stages of the empirical analysis, and have begun to write up the paper. We hope to submit this work to a journal sometime in the next 2-3 months, and prior to this we will publish the paper as a discussion paper at the Development Policy Centre.

Demographic changes and PNG's labour market

Manoj Pandey*

Start of year statement: With little less than 5% ageing population (60 years and above), Papua New Guinea (PNG) is one of the youngest countries in the Pacific Islands. Recent estimates indicate that PNG's total labour force constitutes of over two-thirds of the country's nearly 58% working age population (15-64 years). Despite relatively lower unemployment rates, labour market in PNG has been facing numerous challenges. This paper aims to investigate key challenges and prospects of PNG's labour market considering changes in age structure of the labour, their productivity and wage structure. Our analysis provides some important policy insights and recommendations. UPNG collaboration planned.

Half-year progress report: Two papers are being drafted. The first is on demographic development and challenges in PNG and the other on the labour market in PNG. The draft of the first paper will be ready by end of this month for review and the second paper writeup is expected to be completed by September.

End of year progress report: The two papers were presented at the Pacific Update conference as well as the PNG Update conference. The preliminary version of draft of the first paper is almost ready for revision and the second paper draft write up is in the progress.

PNG data and development: key issues and challenges

Manoj Pandey*

Start of year statement: The work provides an overview of existing data on Papua New Guinea and to highlight common issues and challenges associated with PNG data. Over 25 surveys, administrative and other databases are reviewed. Evaluation of data is provided based on scope and coverage, frequency of collection, comparability with previous waves, quality of the data and contribution to SDG monitoring. Specifically, an attempt will also be made to evaluate progress and challenges in measuring and monitoring sustainable development goals in Papua New Guinea using several surveys, administrative and other existing databases. Data issues such as lack of availability, public access and openness, timely dissemination, data information sharing platforms, and utilisation are emphasised. UPNG collaboration involves participation in data workshop.

Half-year progress report: Findings presented at the Pacific Update Conference 2018. The draft of the paper will be ready by early 2019.

End of year progress report: The draft is now targeted by July 2019.

B. Governance and elections (5)

Perceptions of corruption – public servants

Grant Walton

Start of year statement: This project will involve interviews with public officials across four

provinces, as well as with those working for the national government of PNG. Research will highlight the ways in which PNG public servants perceive governance and how that relates to broader perceptions of corruption and public administration across the country. UPNG collaboration planned.

Half-year progress report: Fieldwork in four provinces is now complete (conducted May – June). Over 140 PNG public servants were interviewed. Qualitative data has been transcribed and quantitative data entered for three provinces. Analysis will take place from August, 2018.

End-of-year report: In the second half of 2018, Walton analysed data from this research and produced a working paper, which he sent to DFAT for comment. After feedback from DFAT, the report will be published.

Anti-corruption spending

Grant Walton and Husnia Hushang

Start of year statement: This analysis of anti-corruption spending has already been written up ([here](#) and [here](#)) and will be presented to the 2019 PNG Update. The authors will conduct further analysis on anti-corruption spending in November 2018 as the 2019 budget becomes available. UPNG collaboration involves presentation at PNG Update.

Half-year progress report: Findings were presented at the PNG Update, June 2018.

End-of-year report: In December, 2018, Walton and Hushang published a [blog](#) (underlying data also available, see blog) on their analysis of anti-corruption spending in the 2019 PNG budget

Governance reform, leadership and support in PNG: evidence from experiments

Anthony Swan and Fiona Yap

Start of year statement: The research project aims to evaluate conditions under which citizens in PNG are willing to provide support for governance reform, or undertake the role of leadership in generating broad support for governance reform. Specifically, the purpose of the research is to better understand how educated Papua New Guineans, and potential future leaders of the country, can peacefully and meaningfully engage in policy debate around governance issues in PNG. The research, which is based on experimental methods engaging UPNG students, will inform policy makers, academics and students about how social norms can reinforce weak governance systems, and how peaceful and constructive collective action can lead to improved governance in PNG. The results will provide stakeholders with a better understanding of how different forms of leadership can help facilitate broad support for peaceful and constructive engagement on governance reform issues. UPNG collaboration involves presentation at PNG Update, and engagement with PNG students.

Half-year progress report: Presented project findings at the PNG 2018 Update conference at UPNG, June 14-15, 2018. Write-up of paper underway.

End-of-year report: The project findings are being developed into a manuscript for publication in a development journal in 2019.

Election database updating

Terence Wood*

Start of year statement: The PNG [election results database](#) is the only comprehensive record of Papua New Guinea's post-independence elections. It can be used to access individual election results. It [also illustrates](#) how much elections have varied over time and how much they vary across PNG. This year, if data are released, Terence Wood will update it with full

2017 election results. If full results are not released it will be updated with available information. UPNG collaboration involves launch.

Half-year progress report: Obtaining full election results has not been easy. Results have not yet been formally, publicly released by the PNG Electoral Commission. However, through a process of ongoing interaction with the Electoral Commission, Terence has obtained full paper copies of the election results, as well as mostly-complete electronic copies of the results. He is now in the process of checking for discrepancies between the paper and electronic versions of the results.

End-of-year report: Issues with electronic data have been resolved, and we now possess a complete electronic dataset. The updated electoral database will shortly be launched. Analysis of these data has commenced, and Terence has updated existing charts of trends. Terence has also conducted initial analysis of party outcomes, the impact of LPV on parties and the impact of LPV on women candidates.

Electoral quality, drivers of election outcomes and clientelism

Terence Wood*

Start of year statement: This work involves assessing electoral quality, and identifying the reasons why electoral quality varies both between different parts of PNG, and between different parts of the electoral process. The research also studies the linkages between voter choices, election outcomes, and political governance in PNG. One key focus of this work is clientelism (politics in which voters and politicians are linked by the direct provision of resources, rather than policy outcomes) and the impact of clientelism on governance and aid outcomes. UPNG collaboration planned.

Half-year progress report: Terence has undertaken preliminary research in this area. On 13 June he met with staff from the Australian High Commission in Port Moresby to discuss electoral issues, basing his comments on the research conducted to-date.

End-of-year report: Progress in this area has largely been in the form of completing the election dataset noted above (these data are needed for further analysis of electoral quality).

C. Service delivery (7)

Urbanisation research

Michelle Rooney*

Start of year statement: This ongoing research project, which incorporates Dr Rooney's PhD thesis, examines urban land and housing, urban services, incomes and employment, violence and crime, and migration. As a next step, an urbanization workshop is planned at UPNG in June 2018 to bring together researchers and policy actors working in the urban space to share research, discuss international and regional trends in urbanisation and identify research needs to enhance policy making as well as teaching at UPNG. UPNG collaboration involves presentations at UPNG.

Half-year progress report: Presented on urban land issues at the Asia Pacific Week conference in Canberra. Book proposal on women and urban land and housing has been accepted by ANU Press. Commenced preparation for ethics clearance for new research fieldwork.

End-of-year report: Michelle shared her research in a guest lecture to an ANU College of Law Pacific Law Course convened by Dr. Rebecca Monson. The lecture was titled: "In between: Social Safety Nets, Land laws, and development policies in Urban Papua New Guinea.". Aspects of this doctoral research relating to urban land were [published](#) in Crawford School Development Policy Bulletin 80. Another journal article exploring women's engagement in informal urban markets is forthcoming in July 2019. This urban land research and implications for development policy was presented to UPNG MEPP students in a guest lecture on July 18th. Methodological approaches entailed in this research and challenges of sharing research with communities were presented to UPNG MEPP students on October 19th. These issues were also shared in a [blog](#) article on July 11th 2018. Continued to work on research papers and draft book manuscript. UPNG collaboration involves two guest lectures to UPNG MEPP students.

Education case study research

Grant Walton, Tara Davda and Peter Kanaparo

Start of year statement: This research on implementation of PNG's Tuition Fee Free (TFF) policy examines two provinces in detail (East New Britain and Gulf). It has already been [written up](#) and [published](#). Follow-up work will analyse PNG grade eight data. UPNG collaboration involves co- authorship.

Half-year progress report: [Published](#). This document was provided to DFAT and circulated to interested staff. A second paper examining the role of community engagement in PNG's Tuition Fee Free policy has been written up and sent to the Journal of Pacific Affairs for review.

End-of-year report: The Journal of Pacific Affairs accepted the paper; the journal will publish it in 2019.

Health case study research

Colin Wiltshire, Amanda H A Watson*, Denise Lokinap and Tatia Currie

Start of year statement: PNG's health policy and financing context presents major challenges. This case-study research aims to find out why performance differs so significantly between provinces, reporting on visits to government and church-run health clinics in East New Britain and Gulf Provinces. UPNG collaboration involves co-authorship.

Half-year progress report: This research was presented at PNG Update 2018 and a detailed

report is currently being prepared.

End-of-year report: The authors continued to work on analysing the data and preparing a final report during H2 2018. This research will be finalised and available during 2019.

Digital applications for development¹

Amanda H A Watson and various co-researchers

Start of year statement: Dr Watson and her collaborators evaluate various digital-for-development applications. UPNG collaboration involves co-authorship.

Half-year progress report: Research on public-service health phone services in PNG (joint with Ralph Kaule of UPNG) was presented at the Australasian Aid Conference 2018 and at PNG Update 2018. A small number of additional interviews are planned, before write-up into a paper. Research on a digital market fee payment system at two fresh food markets in Port Moresby is also underway in collaboration with Nisa Fachry and Christina Cheong. Preliminary findings were presented at PNG Update 2018, and further analysis is now underway. Research on a Bougainville Peace Agreement phone information hotline is commencing with Jeremy Miller and Adriana Schmidt. The research proposal is currently with the human research ethics committee of Australian National University.

End-of-year report: Joint research with Ralph Kaule of UPNG did not progress due to Mr Kaule being on sick leave throughout H2 2018. Research on a digital market fee payment system with two co-authors did not progress during H2 2018 for various reasons. ANU human research ethics approval was secured during H2 2018 for research on a Bougainville Peace Agreement phone information hotline. Dr Watson continued to monitor the mobile phone SIM card registration process in PNG and published another Devpolicy blog post on that topic during H2 2018.

The drivers of district-level development

Terence Wood*, Colin Filer and Jon Fraenkel

Start of year statement: This quantitative project seeks to explain why levels of development are much higher in some parts of rural PNG than parts. The project seeks to identify the different roles of geography, culture, and natural resources. UPNG collaboration involves presentation at PNG update.

Half-year progress report: Terence has now compiled a full initial dataset and conducted preliminary statistical analysis of the data. He presented preliminary findings from this analysis at the PNG Update on 15 June. Terence is now working on adding additional variables to the dataset and on improving data quality.

End-of-year report: Additional analysis completed/underway (detailed language and malaria ecology data added; robustness of initial findings tested; testing of relationship between electoral variables and development variables.)

Public service delivery: the interface between formal and informal institutions

Lhawang Ugyel*

Start of year statement: This research examines the interface between formal and informal institutions using the experience of the Bougainville Healthy Communities Program (BHCP) in the delivery of public health services in the Autonomous Region of Bougainville, Papua New Guinea. The research describes the process of implementing the BHCP activities. It highlights

¹ This project has been broadened in scope since the start-of-year statement was written, and the write up has been revised accordingly. 25

the roles of various institutions and actors who operate within both the formal and informal spaces of the BHCP. Using a 2x2 matrix to illustrate the relationship between formal and informal institutions on one hand, and on the other hand, governmental and non-governmental systems, the experience of the BHCP shows that these activities do not operate in rigid quadrants. The fluid relationships demonstrate the type of integration that has led to the successful implementation of the BHCP. UPNG collaboration involves presentation at PNG Update.

Half-year progress report: Presented the findings of the study at the PNG Update 2018, and Pacific Update 2018. The paper has been published as a [Development Policy Centre Discussion Paper](#), and a [blog](#) that summarises the paper has also been published.

Full-year progress report: Paper being reworked for publication.

Public service delivery: District Development Authorities

Emmanuel Groea, Lawrence Sause and Lhawang Ugyel*

Start of year statement: To its framers, the DDA concept holds the real promise of strengthening service delivery at the district and the ward levels. Like any institutional reform, there is an implicit and optimistic assumption that the concept will work and deliver. This optimism becomes more important in the light of the DSIP and PSIP funding arrangement. To the politicians, the DDA concept must work. Two and half years after inception, our understanding of the DDA performance is sparse: how are they faring? What are the consequences or likely consequences emanating from the DDA institutional design, and what are the implications on the overall performance and governance of the DDA? This research seeks to answer some of these questions, based on field visits and discussion with staff of two DDAs and the provincial administration in East New Britain. The research analyses how the DDA is working by focusing specifically on the dynamics of power relations among the different actors in the DDA setup brought about by the DDAs' institutional design through the DDA Act 2014. It uses the theoretical lens of decentralization and agencification literatures to examine the DDA and the factors that affect their effectiveness. It analyses the inherent tensions (and constraints) arising from the relations among actors and show how they are affecting or are likely to affect the performance and governance of the DDAs. UPNG collaboration involves co-authorship.

Half-year progress report: Presented the findings of the study at the PNG Update 2018. The paper will also be submitted for presentation at the State of the Pacific conference scheduled for September 2018.

End of year progress report: Presented the findings of the study at the PNG Update 2018, and State of the Pacific Conference 2018

D. Gender (2)

FSV and school attendance

Michelle Rooney*, Miranda Forsyth, Dora Kuir-Ayius, Mary Aisi

Start of year statement: *This research looks at community perspectives on services related to family and sexual violence in the urban context with a focus on Lae. It examines women's perspectives, experiences and strategies in addressing family and sexual violence and the impact this has on maintaining children's school attendance. Fieldwork, including interviews, has been completed and data analysis has commenced. UPNG collaboration involves co-authorship.*

Half-year progress report: *Presented emerging findings at PNG Update conference. Published blog article on emerging findings. Participated in one day workshop with other ANU experts with DFAT, AFP, and ONA to shape the upcoming policy proposal to the Government of Australia and inform the upcoming programme design process for Australian Government support to the Royal PNG Constabulary.*

End-of-year report: *Presented emerging findings at UNITECH. Methodological and ethics issues related to undertaking this kind of research was presented to UPNG social work students in a guest lecture in July 2018. The PNG members of the research team visited ANU, Canberra in September 2018. They presented the research at the State of the Pacific Conference at ANU, Canberra on 10th September. On December 6th, 10th, and 12th the research was shared in three co-authored blogs ([here](#), [here](#), and [here](#)).*

Gender and financial inclusion

Rohan Fox*, Chris Hoy

Start of year statement: *This quantitative research examines the factors that affect female responsibility and participation in household financial decision making in PNG using data from to surveys conducted separately of 3000 households in remote and urban East Sepik and 680 households in Morobe Province. UPNG collaboration involves presentation at PNG Update.*

Half-year progress report: *Initial results of this research were presented at the Pacific Women Annual Learning Workshop in April 2018 and at the PNG Update in June 2018. A draft will go out for comment shortly, which will lead to the publication of a discussion paper.*

End-of-year report: *This paper has been peer-reviewed and will be published shortly.*