

## Development Policy Centre Progress Report

July-December 2014

### HIGHLIGHTS

- *Gates funding for aid analysis.* In October, we received a grant of about US \$750,000 over three years from the Bill and Melinda Gates Foundation. This grant will support the Centre to scale up its research, commentary and analysis on Australian aid and to more closely track Australian aid's performance against key bilateral and multilateral commitments.
- *New project combatting domestic violence in PNG showing positive local results and national impact.* The Lae Family and Sexual Violence Case Management Centre began operations in July. Already it has achieved positive outcomes for women and children looking to find lasting solutions to situations of violence and obtain access to justice and services. It has also made significant steps in engaging with and supporting other local stakeholders working on this issue.
- *Analysis of aid cuts.* In the Mid-Year Economic and Fiscal Outlook in December, the government made a dramatic cut to Australian aid. Stephen Howes was the first analyst to talk to the media (Radio National Breakfast) on the issue, and we provided detailed same-day analysis on the blog on the implications of the cuts. Our commentary was widely circulated through social media and drawn upon by others in the aid and development sector to inform their advocacy.
- *G20 analysis.* Following the G20 in Brisbane, we ran a series of blogs by Robin Davies and other contributors looking at what the meeting had meant for the G20 development agenda, and looking ahead to the future.
- *New partnership with PNG think tank.* Our collaboration with the National Research Institute entered into a new phase with the placement of a researcher at the Institute, and the commencement of a new work plan.
- *Events.* We have a calendar of 15 events for the second half of the year, including a major gender forum. The next Harold Mitchell Development Policy lecture is scheduled for March 2015.
- *Blog.* The number subscribing to our daily blog and fortnightly newsletters increased significantly over the last six months, as did our Twitter followers and Facebook likes.
- *New staff.* Two new staff joined the Centre. Fellow Carmen Voigt-Graf is based in Port Moresby and will head up the NRI-ANU Research Partnership, while Research Fellow Terence Wood joined us to lead our research on Australian aid under the Gates Foundation grant. Research Fellow Grant Walton was appointed Deputy Director of the Transnational Research Institute on Corruption at ANU in September. Associate Director Robin Davies was appointed a [Honorary Professorial Fellow](#) by ANU in August.
- *New book on the future of the World Bank.* [Too Global to Fail: The World Bank at the Intersection of National and Global Public Policy in 2025](#) Co-edited by Robin Davies. Just published. To be launched shortly.

## DETAILS

### Media

Stephen Howes on November aid cuts

- [RN Breakfast](#)
- [The Age/Fairfax](#)
- [Radio NZ](#)

Stephen Howes on carbon trading schemes/ Abbott carbon policy

- [ABC PM](#)
- [ABC fact check](#)

Stephen Howes on Pacific migration

- [The World](#) (ABC News 24)

Matthew Dornan and Tess Newton Cain (Associate) on Pacific pooling

- [Islands Business](#)

Stephen Howes on Radio Australia cuts

- [Radio Australia](#)

Colin Wiltshire on PNG free health policy

- [Radio Australia](#)

Margaret Callan on AusAID-DFAT merger

- [The Mandarin](#)

Stephen Howes on PNG academic pay

- [ABC](#)
- [Radio Australia](#)
- [PNG Post Courier](#)
- [The Australian](#)

Matthew Dornan on Chinese aid to the Pacific

- [Radio Australia](#)

Stephen Howes and Robin Davies on Indonesia's economy

- [East Asia Forum 1](#)
- [East Asia Forum 2](#)
- [East Asia Forum 3](#)
- [New Mandala 1](#)

- [New Mandala 2](#)
- [New Mandala 3](#)
- [Establishment Post](#)

Robin Davies' blog on think tanks cited

- [Washington Post](#)

Pacific Conversations blogs syndicated

- Vanuatu Independent
- [Solomon Star](#)

Julia Newton-Howes Devpolicy Blog post cited

- [Devex](#)

Grant Walton on PNG corruption

- [Radio Australia](#)

Stephen Howes on labour mobility for Melanesians

- [Radio Australia](#)

Jonathan Pryke on Pacific labour mobility and the Australian census

- [Radio Australia](#)

Matthew Dornan on renewable energy investments, coal, and energy poverty in context of G20

- [The Guardian](#)

David Osborne on PNG's Sovereign Wealth Fund

- Pacific Business

Paul Flanagan (Visiting Fellow) on PNG's exchange rate

- [Business Advantage PNG](#)
- [Radio Australia](#)
- [East Asia Forum](#)

Paul Flanagan on PNG budget and LNG prices

- [Radio Australia](#) [1]
- [Business Advantage PNG](#)
- [PNG Post Courier](#)
- [ABC News](#)
- [Australian Financial Review](#)
- [Radio Australia](#) [2]

- [The Australian](#) [1]
- [Radio NZ](#) [1]
- [ABC News](#)
- [Radio NZ](#) [2]
- [The Australian](#) [2]
- [PNG Loop](#) [1]
- [PNG Loop](#) [2]
- [PNG Loop](#) [3]

Stephen Howes on Nauru economy

- [ABC PM](#)

Paul Flanagan on PNG economy/monetary policy

- [Radio Australia](#)
- [Radio NZ Dateline](#)
- [Radio NZ news](#)
- [PNG Post Courier](#)
- [PNG Loop](#)
- [Business Advantage PNG](#)

Coverage of PEPE report findings and launch

- [Radio Australia 1](#)
- [Radio NZ 1](#)
- [Radio NZ 2](#)
- [PNG Loop 1](#)
- [PNG Loop 2](#)
- [PNG Loop 3](#)
- [Radio Australia 2](#)
- [ABC News](#)
- [EMTV](#)

Matthew Dornan on changes to Pacific regional organisation

- [Radio Australia](#)

Matthew Dornan's analysis of the Fiji budget

- [Radio Australia](#)

Stephen Howes on US-China climate deal

- [ABC News](#)

Stephen Howes on PNG budget

- [The World](#) (ABC)

- [Radio Australia](#)

Jonathan Pickering (Visiting Fellow) on climate finance and G20

- [The World Today](#)
- [The Conversation](#)

Stephen Howes on emission reduction target

- [The World Today](#)

Gates Foundation grant coverage

- [Crawford School](#)
- [ANU College of Asia and the Pacific](#)

Terence Wood on Solomon Islands elections

- [Radio Australia](#)

Harold Mitchell Foundation web stories

- [Building support for foreign aid](#)
- [Health and education in PNG](#)

### **Devpolicy Blog and social media**

The blog averaged 26,000 visits a month and 19,000 users per month over July-November, roughly the same as the first half of the year. Other indicators suggest that our material is being shared more broadly. From the start of July to end of November, Twitter followers increased to 4,950 (up by 460), Facebook page likes increased to 1,728 (up by 361). Subscribers to the daily newsletter increased to 1,920 (up by 200) and subscribers to the fortnightly newsletter grew to 4,850 (up by 310).

### **Top blogs**

[Biggest aid cuts ever produce our least generous aid budget ever](#) by Stephen Howes and Jonathan Pryke

[A year in the life: Australia's integrated aid administration](#) by Robin Davies

[Some clarification from the courts in PNG PM's 'fight to the very last breath'](#) by Bal Kama

[Innovation in the Australian aid program \(part two\): possibilities and dilemmas](#) by Danielle Logue and Mel Dunn

[Local staff and aid effectiveness: does integration matter?](#) By Ben Davis and Rivandra Royono

[Settling as an expat in Port Moresby – a personal account](#) by Carmen Voigt-Graf

[Scholarships and the aid program \(part one\): waste of money or effective aid?](#) By Joel Negin

[Reflections on the new aid paradigm, part 1: continuity in Australian aid policy](#) by Robin Davies

[Pacific Islanders in Australia: where are the Melanesians?](#) By Jonathan Pryke

[Using the c-word: Australian anti-corruption policy in Papua New Guinea](#) by Grant Walton and Stephen Howes

[Australia's economic diplomacy: is this good development?](#) By Julia Newton-Howes

[Putting our money where our mouths are? Donations to NGOs and support for ODA in Australia](#) by Terence Wood, Alex Cifuentes and Jonathan Pryke

[Run out of town: aid and the Australia–Cambodia refugee resettlement agreement](#) by Robin Davies

[Dame Carol Kidu on why things are getting tougher for PNG's women](#) by Carol Kidu and Ashlee Betteridge

### **Top briefs**

[The end of AYAD: youth ambassador program retired](#) by Ashlee Betteridge

[The mess that is DFAT's aid website](#) by Stephen Howes

[A few details emerging on DFAT's innovation hub](#) by Ashlee Betteridge

[Plibersek: AusAID to return only if Coalition has a single term](#) by Jonathan Pryke

[Pre-Christmas aid cuts on the horizon](#) by Ashlee Betteridge and Stephen Howes

[More aid cuts?](#) By Benjamin Day

### **Meetings, talks, training, assignments**

- Stephen Howes:
  - Key note speaker at the Australia-Vanuatu business conference in July in Brisbane
  - Was invited as one of two resource persons (and the only one from Australia) to a NZ conference on Pacific labour mobility to inform PACER Plus negotiations
  - Keynote speaker at the Melbourne Nossal conference in October.
- Robin Davies:
  - Completed book chapter on the effectiveness of the UN Food and Agriculture Organisation, forthcoming in a book on the governance of international organisations edited by Professor Patrick Weller of Griffith University, in July.
  - Completed extended Working Paper for the Centre for Global Development (CGD) on the demise of the Indonesia-Australia Forest Carbon Partnership, as a member of CGD's Working Group on Forest Conservation, in November.
  - Finalised, with Jonathan Pickering, the 'Aid agency of the future' survey report, commissioned by the OECD (see Major Projects, below).
  - Met with Geoff Adlide, Director, Advocacy and Public Policy, GAVI Alliance, prior to the visit to Australia of GAVI Alliance CEO Seth Berkley, in October.
  - Met with Phil Lynch, head of the International Service for Human Rights, in September.
  - Met with Ann Tutwiler, CEO of Bioversity International, in July.

- Matthew Dornan:
  - Presented on energy poverty at the G20 Energy Sustainability Working Group meeting in Brisbane in August .
  - Presented on energy poverty at the Fiji Update, hosted by the University of the South Pacific in Suva in August.
  - Discussed budget support with the World Bank, Asian Development Bank, European Union, DFAT, Pacific Islands Forum Secretariat, and Pacific Financial Technical Assistance Centre (PFTAC) in August and September.
  - Conducted research on budget support to Tonga in September.
  - Met DFAT to discuss his paper on Chinese assistance in the Pacific in August.
  - Tess Newton Cain presented a paper co-authored by Matthew Dornan on Pacific regionalism to the Asia and the Pacific Policy Society conference in September.
  - Represents Devpolicy at board meetings of the ANU Pacific Institute.
- Grant Walton:
  - Met with Senator Brett Mason to discuss Australia's response to key challenges in the Pacific in July.
  - In August, devised and started on a research program with the University of Birmingham's Development Leadership Program on collective action and corruption in PNG.
  - Was appointed Deputy Director of the Transnational Research Institute on Corruption in September.
  - Conducted research with key Papua New Guinean anti-corruption and anti-money laundering experts in Port Moresby in October. Also met with representatives from DFAT to discuss possible funding for further research into corruption.
  - In Port Moresby in September/October, presented PEPE findings to: the PNG National Department of Education's management team; PEPE Advisory Committee; DFAT; Auditor General's Office.
  - Provided peer review for a highly ranked geography and development journal.
- Terence Wood:
  - Presented on NGO donations and public opinions on aid research in a Devpolicy seminar, at ACFID, and at the DevNet conference in Dunedin.
  - Presented a talk on Australian aid at a function held by the Norwegian Ambassador to Australia.
  - Presented on the post-2015 development agenda to the National Capital Model United Nations Conference.
  - Presented on ethnic identity and voting in Solomon Islands at the Australian Political Studies conference.
  - Presented on the topic 'Understanding Solomon Islands Electoral Politics' at the Ministry for Foreign Affairs in New Zealand.
  - Attended DFAT consultations on economic development in the Pacific.
  - Participated in the OECD DAC peer review of the NZ Aid Programme as part of academic group who met with reviewers.
- Colin Wiltshire (PEPE Project Manager) developed a health facility assessment survey for the World Bank that will be used to survey hospitals across PNG. This survey of secondary health care health facilities will complement and build on data collected from PEPE health surveys

of primary health care facilities. He is also providing ongoing advice to Australian Doctors International (ADI), which is seeking to expand operations in Gulf Province to provide rural and remote communities with primary health care services.

- New Visting Fellow (and former senior Treasury official) Paul Flanagan travelled extensively to Port Moresby to undertake economic research and build research and policy partnerships.
- Margaret Callan chaired a session of the GRM International Conference, *Beyond Aid: Business and Development*, in Brisbane in November during the week prior to the G20 Leaders' Summit. The session, *Public Private Partnerships in Development: Promises or Pitfalls*, included presentations by Professor Fabrizio Carmignani, Dr Michael Carnahan, Ms Ann Sherry, Mr Liam Foran and Mr Emery Brusset. The conference was attended by around 100 representatives of Australian and international private sector and civil society organisations.
- Research Officer Ashlee Betteridge was selected as one of 15 Australian delegates to attend the Conference of Australian and Indonesian Youth (CAUSINDY) in Jakarta in September. The conference focused on the future of the Australia-Indonesia bilateral relationship. She also spoke on a panel on communicating aid and poverty in October in Canberra to 300 youth delegates participating in Oaktree's End Poverty Roadtrip.
- Kamalini Lokuge, Research Associate and Director of the Lae Family and Sexual Violence Case Management Centre, provided evidence to a parliamentary committee hearing on the human rights of women and girls in the Indian Ocean-Asia Pacific, focusing on the CMC's work and the issue of family and sexual violence in PNG.
- Pepe Khennevong completed and submitted his thesis on aid to Laos.

### **New researchers**

- Carmen Voigt-Graf joined us as a Fellow in October. She is based in Port Moresby, and leads our project of collaboration with the National Research Institute. Carmen has a PhD from the University of Sydney and has worked at ANU and USP in Fiji. She has worked on a range of economic issues in the Pacific, most recently as Economic Adviser with the Office of the Chief Trade Adviser in Vanuatu.
- Terence Wood joined us as a Research Fellow in October. He heads our program of research into Australian and New Zealand aid. Terence's research interests include aid policy, the politics of aid, and governance in developing countries. He has recently finished his PhD, studying voter behaviour in the Solomon Islands elections. Prior to commencing PhD study Terence worked for the New Zealand government aid program.
- Paul Flanagan joined us as a Visiting Fellow in September. He has a long standing interest in public policy issues in Australia, PNG and more broadly. He has recently left the Australian Treasury as Chief Advisor, Foreign Investment and Trade Policy Division. Earlier in his career, he spent 17 years in AusAID in a range of policy, budget, sectoral and country program roles.
- Jessie Connell joined us as a Visiting Fellow She is a PhD Candidate with the Mekong Research Group, University of Sydney. Her research focuses on population displacement and the safeguards of international financial institutions.

- Ying Yeung joined us as a Research Officer to work on a project analysing Mongolia's experience with "Oil2Cash", that is, transfers to citizens to distribute resource transfers. Funding for this project was obtained from the Mining for Development Centre.
- Rohan Fox and Sarah James were selected as volunteers with the aid program. Both will be based in Port Moresby next year, and will work closely with us next year in their roles as, respectively, a lecturer with UPNG Economics Division, and a stakeholder officer with Femili PNG.

## Events

### *18 July -- Challenges and opportunities for women in Papua New Guinea*

- 60 attendees
- Avia Koisen, Principal, Koisen Lawyers and Emma Wurr, Principal Legal Officer for Human Rights, PNG Office of the Public Solicitor spoke about the challenges facing women in PNG, drawing on their own experience.

### *30 July -- Private sector partnerships in development: US approaches*

- 65 attendees
- In 2012, the Center for Strategic and International Studies (CSIS) convened the Executive Council on Development—a bipartisan group of leaders from government, business, nongovernmental organisations, and philanthropy—to explore how the US government and private sector can work together to support the economic success of developing countries. Daniel F Runde and Anna Saito Carson discussed the findings and the recommendations of their final report, *Our shared opportunity: a vision for global prosperity*. The report provides a targeted set of recommendations for the US government and private sector, calling for a greater reliance on business, trade, and investment tools to achieve better development outcomes.

### *8 August -- Putting our money where our mouths are? Donations to NGOs and support for foreign aid in Australia*

- 45 attendees
- In this public seminar, the authors of a Development Policy Centre Discussion Paper presented findings from analysis of two new datasets – one based on surveyed support for government aid, and one based on actual private donations to aid non-governmental organisations (NGOs). They discussed the socioeconomic and political traits most strongly associated with support for government aid, traits most strongly associated with NGO donations, and the relationship between the two.

### *28 August – Poverty in Asia: a deeper look*

- 50 attendees
- Dr Guanghua Wan, Principal Economist and Head, Poverty-Inequality Research Group, Asian Development Bank, argued that conventional wisdom on poverty measurement fails to consider significant challenges of food insecurity, increasing inequality and rising vulnerability. Once these additional elements are brought in, the hope for an Asia free of

poverty by 2020 looks unlikely. Instead, it is more likely poverty will remain prevalent in Asia beyond even 2030.

*2 September -- Securitisation of aid and NGOs post-9/11*

- 45 attendees
- In this public seminar, Dr Jude Howell, Professor of International Development at London School of Economics and Political Science (LSE), argued that the securitisation of NGOs post-9/11 has raised both practical issues about aid delivery and the security of NGO workers, as well as broader questions around the purpose of aid and development of civil society.

*19 September – Political economy and the aid industry in Asia*

- 40 attendees
- In the last decade, many international development agencies have turned to political economy analysis to try to improve the effectiveness of their programs and projects. Sometimes political economy has been used for better risk analysis, but it has also been applied more positively to determine the social and political ‘drivers of change’ and how aid agencies might work more politically. Drawing on case study research in Southeast Asia, this seminar by Dr Jane Hutchison, Senior Lecturer in Politics and International Studies, School of Management and Governance, Murdoch University, outlined the limits and possibilities entailed in an alternative, structural political economy, approach to development policy and practice.

*25 September -- Voice and agency: empowering women and girls for shared prosperity*

- 150 attendees
- *Voice and Agency: empowering women and girls for shared prosperity* is a major new report by the World Bank that shines a spotlight on the value of empowerment, the patterns of constraints that limit their realization, and the associated costs, not only to individual women but to their families, communities, and societies. Jeni Klugman, Senior Adviser, The World Bank Group and Fellow, Kennedy School, Harvard University, presented the report’s main findings. We also assembled a great panel to discuss the report, consisting of: Elizabeth Broderick, Sex Discrimination Commissioner, Australian Human Rights Commission; Dame Carol Kidu, former Papua New Guinea Member of Parliament, Minister for Community Development and advocate for women’s rights; and Ewen McDonald, Deputy Secretary, Department of Foreign Affairs and Trade.

*15 October – Careers in Development*

- 100 attendees
- Our panel gave students interested in a career in development to hear from those working in the field. Presenters included: Jacqui De Lacy, Abt JTA; Chris Adams, ACFID; Alwyn Chilver, GRM International; Ashlee Betteridge, Development Policy Centre, Crawford School.

*28 October -- ODI Fellowships: opportunities for postgraduates*

- 25 attendees

- At this public seminar, Darren Lomas discussed the ODI Fellowship scheme and provided details on the recruitment and application process for 2015-2017 posts.

*30 October – “PNG’s lost decade?” PEPE launch, NRI, Port Moresby*

- 150 attendees
- Launch by Education Secretary and Australian High Commissioner. Presentations by NRI Director, Devpolicy Director, and Paul Flanagan.

*12 November -- The rise of inequality and the new economic development consensus*

- 70 attendees
- Winnie Byanyima, Executive Director of Oxfam International, spoke on the challenges of rising global inequality and the need for global leaders to take action. She was visiting Australia ahead of the G20 meeting to draw attention to this issue.

*25 November – Malaria elimination in the Asia Pacific by 2030*

- 35 attendees
- Sir Richard Feachem, Director, The Global Health Group, Professor of Global Health, University of California, San Francisco (UCSF), spoke on the remarkable progress made so far on combatting malaria, and on what more needs to be done.

*27 November -- The challenges of fighting corruption in Papua New Guinea*

- 100 attendees
- Sam Koim, Chairman, Taskforce Sweep and Principal Legal Officer, Department of Justice and Attorney General, Papua New Guinea.

*3 December – Afghanistan 2014: a survey of the Afghan people*

- 40 attendees
- Asia Foundation experts discussed the findings of their latest Survey of the Afghan People. Professor William Maley acted as discussant.

*8 December – The more things change? What was different about the 2014 elections in Solomon Islands and what it means for development*

- 50 attendees
- Dr Terence Wood, Research Fellow, Development Policy Centre, presented on the outcomes of the 2014 Solomon Islands election and its implications for development.

*11 December – ‘A lost decade? Service delivery and reforms in Papua New Guinea 2002-2012’ Australian launch*

- 90 attendees
- The Australian launch of our report from the PEPE project with NRI. Speakers included H.E. Mr Charles W Lepani, Papua New Guinea High Commissioner; Dr Thomas Webster, Director,

The National Research Institute of Papua New Guinea (NRI); Mat Kimberly of DFAT and Professor Stephen Howes, Director, Development Policy Centre.

## **Publications**

### *Discussion papers*

#### **DP 35 Public sector pay scales in PNG: are academics underpaid?**

*Thomas Wangi and Stephen Howes*

PNG's public universities face difficulties in retaining academic staff, many of whom join government departments, statutory authorities, public enterprises, or the private sector for better paid jobs. This paper compares university pay in PNG with public service, statutory authority, and state-owned enterprise pay.

[View publication at SSRN](#)

#### **DP 36 Enterprise Challenge Funds for Development: Rationales, Objectives, Approaches**

*Robin Davies and Kerri Elgar*

Enterprise challenge funds use overseas aid to subsidise private investment in poverty-reducing business ventures in developing countries, where such ventures have good medium-term prospects of commercial viability but would probably have been left on the shelf without subsidies. These funds are viewed with instinctive affection by politicians and international development agencies and have a standard set of characteristics, which we describe. Nevertheless, there is considerable confusion about what international development agencies should be seeking to achieve by means of them, and how. We argue the main source of confusion is a failure to distinguish clearly between what we term enterprise development and business modification objectives, and the rationales and instruments appropriate to each.

[View publication at SSRN](#)

#### **DP 37 Putting our money where our mouths are? Donations to NGOs and support for ODA in Australia**

*Terence Wood, Alexandra Humphrey Cifuentes and Jonathan Pryke*

This paper examines support for aid amongst the Australian public. It draws on two new datasets – one based on surveyed support for government aid (ODA), and one based on actual private donations to non-governmental aid organisations (NGOs). In the paper these data are combined with census information and election results to isolate factors associated with differing levels of support for aid. Our analysis shows that parts of Australia where surveyed support for ODA are highest are also, on average, the parts of the countries which have the highest proportion of the population who give to NGOs. Findings also show tertiary education to be the strongest positive socio-economic correlate of both support for ODA and NGO donations.

[View publication at SSRN](#)

### *Policy briefs*

#### **PB10 Papua New Guinea's vanishing LNG export boom**

*Paul Flanagan, December 2014*

Papua New Guinea (PNG) must adjust to lower liquefied natural gas (LNG) and oil prices to avoid a crisis. The PNG LNG project is still extremely important for the country, but because of lower prices

many of the benefits of the production phase of the project have vanished – probably for at least a decade. Adjustments are urgently required in fiscal, monetary and foreign exchange policies to adapt to the changed realities.

[View publication](#) [PDF, 504KB]

*Reports and submissions*

### **A lost decade? Service delivery and reforms in Papua New Guinea 2002-2012**

*Stephen Howes, Andrew Anton Mako, Anthony Swan, Grant Walton, Thomas Webster and Colin Wiltshire, October 2014*

This report, part of the joint NRI-ANU [Promoting Effective Public Expenditure \(PEPE\) project](#), presents the results of a 2012 survey of 360 primary schools and health clinics across eight provinces in PNG, from the nation's capital to its most far-flung and inaccessible regions. Many of the same facilities were surveyed at the start of the decade. By combining the two surveys, we can assess progress on health and education service delivery over time, and analyse the impact of important policy reforms.

[Download full report PDF](#) [PDF 5.8 MB]

[View NRI Spotlight summary](#) [PDF 1.3 MB]

[View A3 flyer summary](#) [PDF 4.1 MB]

*Other publications*

### **[Too Global to Fail: The World Bank at the Intersection of National and Global Public Policy in 2025](#)**

Robin Davies and Warren Evans (eds.), World Bank.

This book argues that international development assistance needs to undergo a major transition, such that it takes as an explicit and principal objective the provision of global public goods important for development. The World Bank, moreover, can play a leadership role in this transition, working within new kinds of coalitions but not abandoning the fundamentals of its operating model. Some of the most important global public goods, such as climate change mitigation, are provided through the separate and cumulative actions of multiple countries, so the challenge for the Bank is to find ways of investing strategically and sharing knowledge across countries, while keeping faith with their national development strategies, so as to achieve maximum global impacts. As the book's subtitle says, this involves 'working at the intersection of national and global public policy'. The book can currently be viewed on line via the link above and will shortly be available in hard copy and for ordering as an e-book.

### **Survey of Recent Developments [Indonesia]**

Stephen Howes and Robin Davies, *Bulletin of Indonesian Economic Studies*, Vol. 50(2) pp. 157-183

Outgoing Indonesian president Susilo Bambang Yudhoyono's second-term record is creditable, measured against the targets he set himself in 2010, but deficient in key areas: economic reform, infrastructure investment, and anti-corruption. Indonesia's 2009–14 parliament has been active in economic policymaking, and will leave as its legacy a raft of protectionist legislation. Both presidential candidates, Joko 'Jokowi' Widodo and Prabowo Subianto, have appealed to nationalism in their campaigns, calling for Indonesia to assert its sovereignty and increase its self-sufficiency, but

Jokowi's economic platform is more moderate and economically literate than Prabowo's. The incoming president will inherit an economy that continues to slow. Growth is now not expected to approach 6% until 2015 at the earliest. Having engineered a reduction in the current account deficit, Indonesian policymakers now face the more difficult problem of structural fiscal adjustment. Energy subsidies are the most immediate problem, but fiscal reform more generally will emerge as an overriding and unpleasant imperative for whoever wins the presidential election on 9 July. Unless difficult fiscal policy measures are taken, Indonesia will face major trade-offs between deficit control and investment in social programs and economic infrastructure. The new president will struggle to restrict the deficit to the cap of 3% of GDP: a balanced budget will likely not be feasible for several years. He will need to increase the ratio of revenue to GDP and eliminate fuel subsidies—through a more systematic approach than the infrequent price increases of the past. He will need to choose carefully between competing expenditure priorities, such as infrastructure and defence. The new president would also be well advised to tread cautiously in implementing the legal mandates he will inherit, and to work with parliament to avoid further and unwind current earmarking of public expenditure.

#### **TVET and labour mobility: experiences from the Australia-Pacific Technical College**

Michael A. Clemens and Stephen Howes, *Commonwealth Education Partnerships* 2013/14 pp. 98-101

This paper draws lessons from the Australia-Pacific Technical College (APTC) experience to inform other governments and policymakers looking at the potential of establishing Global Skills Partnerships.

#### **Regional Service Delivery among Pacific Island Countries: An Assessment**

Matthew Dornan and Tess Newton Cain, *Asia and the Pacific Policy Studies* Vol.1(3), pp. 541-560

Pacific Island countries face a range of development challenges, including smallness, distance from major markets and capacity constraints. Regional service delivery, or pooling, has been advocated as a means of addressing these challenges. This article presents the findings from the first comprehensive study of pooling initiatives in the Pacific. It draws on a review of the literature pertaining to 20 pooling initiatives identified in the region and on interviews with stakeholders involved in many of those initiatives. The study finds that experience with pooling among Pacific Island countries has not met the optimistic expectations of advocates, including development partners. This is the result of the challenges inherent in voluntary regionalism, which are exacerbated by the diversity of Pacific Island states and political economy constraints. The article concludes that an incremental approach to expansion of regional service provision in the Pacific is both likely and appropriate given these factors.

#### **Book Review: Transitioning to a Green Economy: Political Economy of Approaches in Small States, edited by Nadine Smith, Anna Halton and Janet Strachan**

Review by Matthew Dornan, *Australian Journal of Agricultural and Resource Economics*, Vol.57(4), 624-627

## **Skill development and regional mobility: lessons from the Australia-Pacific Technical College**

Michael Clemens, Stephen Howes and Calum , *Journal of Development Studies* (accepted)

## **[An analysis of the PNG Sovereign Wealth Fund's process of formulation and progress towards establishment](#)**

David Osborne, NRI Issues Paper No. 09/2014

### **Major projects**

#### *PNG Promoting Effective Public Expenditure (PEPE) project*

The PEPE project launched its final report, '*A lost decade? Service delivery and reforms in Papua New Guinea 2002-2012*', at the National Research Institute in Port Moresby at the end of October. PNG's Secretary for Education and the Australian High Commissioner spoke at the event, which attracted many participants and was the lead item on the national news service. The report shows that PNG's primary schools have expanded rapidly over the last decade, but that fewer services are now provided by its health clinics. It argues that differences in financing, governance, workforce management and agency (church versus government) explain the differences in performance between sectors, provinces and facilities. The PEPE project will finish at the end of 2014, but its success will see it continue in a new format with further funding from DFAT in 2015. While the 2015 PNG budget leaves a lot to be desired, the message hammered home through this project that there needs to be a rebalancing between the recurrent and development budget appears to have been accepted, a major policy gain.

#### *NRI Research Partnership*

The DFAT-funded ANU Research Partnership with Papua New Guinea's National Research Institute (NRI) got underway with funding of about \$600,000 to 2015 with the recruitment by ANU of a Senior Researcher. Dr Carmen Voigt-Graf took up her position based at NRI on 1 October 2014 and is part of NRI's Economic Policy Research Programme. The 2015 work program under the ANU-NRI partnership on "Promoting Effective Public Resource Management" has been developed and will be submitted to the NRI Council for endorsement. The work programme includes joint research activities, fora, workshops and publications under the two broad areas of "Budget and economic management" and "Effective service delivery".

#### *UPNG partnership*

Our partnership with the UPNG Business School is set to expand with a volunteer placement next year, and the prospect of a larger partnership, as part of the Australian Aid program's new UPNG initiative. Our advice was sought in shaping this initiative, and we have been able to significantly improve upon the existing design by getting DFAT to agree to build on our existing partnership with the Business School and its Economics Division rather than establishing a new School. This project has involved intensive work over the last month, and is expected to bear fruit in the new year.

### *Femili PNG – Family and Sexual Violence Case Management Centre (CMC)*

The CMC commenced services in July this year. To the end of October, the CMC has had 61 clients (13 of which have had their cases closed or resolved). The CMC provides referrals to services such as safe houses, the police and courts; emergency support for clients; transport; relocation; and support for clients to obtain protection orders. It has also been able to support other partners in Lae working on family and sexual violence, for example by providing driving lessons to a local policewoman so she can issue protection orders, and by supporting construction work at the City Mission safe house in Lae to improve its security and facilities for clients. Regular meetings are being held with local stakeholders and reception to the CMC's work so far has been positive. We are having a national impact with increasing recognition of what we are achieving and of the need to replicate this elsewhere.

### *Aid agency of the future*

The OECD-funded 'Aid agency of the future' partner country survey has just been completed. The survey obtained the views of 40 senior developing country government officials on medium-term aid policy and management priorities. Robin Davies and Jonathan Pickering analysed the results in July and August, submitted a preliminary report to the OECD Development Cooperation Directorate in September and submitted the final report in October. A senior OECD official presented the main findings of the report to Department of Foreign Affairs and Trade staff in mid-November. Robin Davies will present the findings at more length to a meeting of the OECD Development Assistance Committee in January 2015, and will launch the published version of the report in February 2015 at the Annual Australasian Aid conference.