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Improving Australia's aid program to Papua New Guinea

AUSTRALASIAN AID CONFERENCE, CANBERRA

LOWY INSTITUTE

About the Institute

- Australia's leading foreign policy think tank
- Non-aligned/partisan
- Editorial independence
- Have maintained a focus on the Pacific since our inception

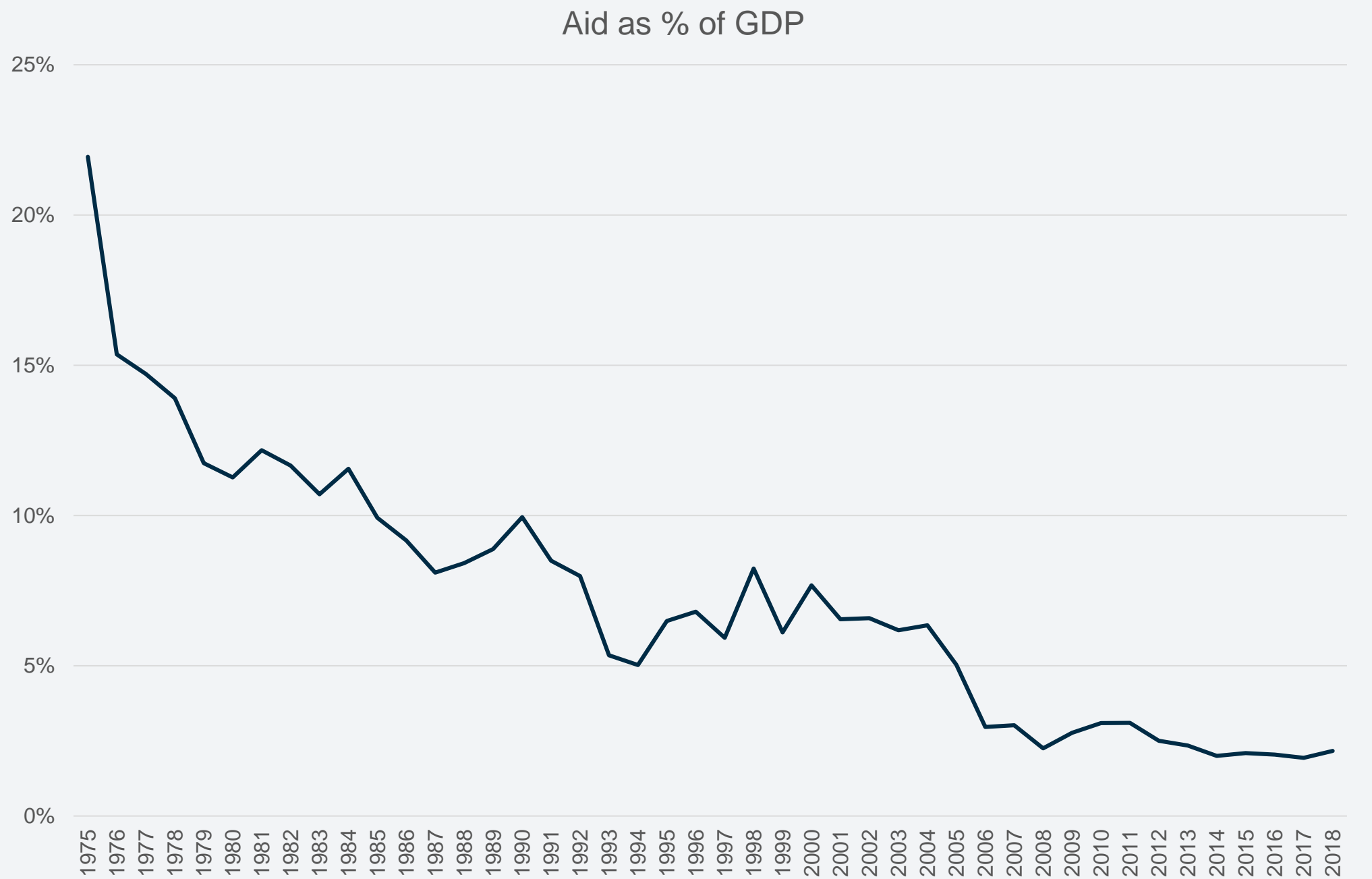
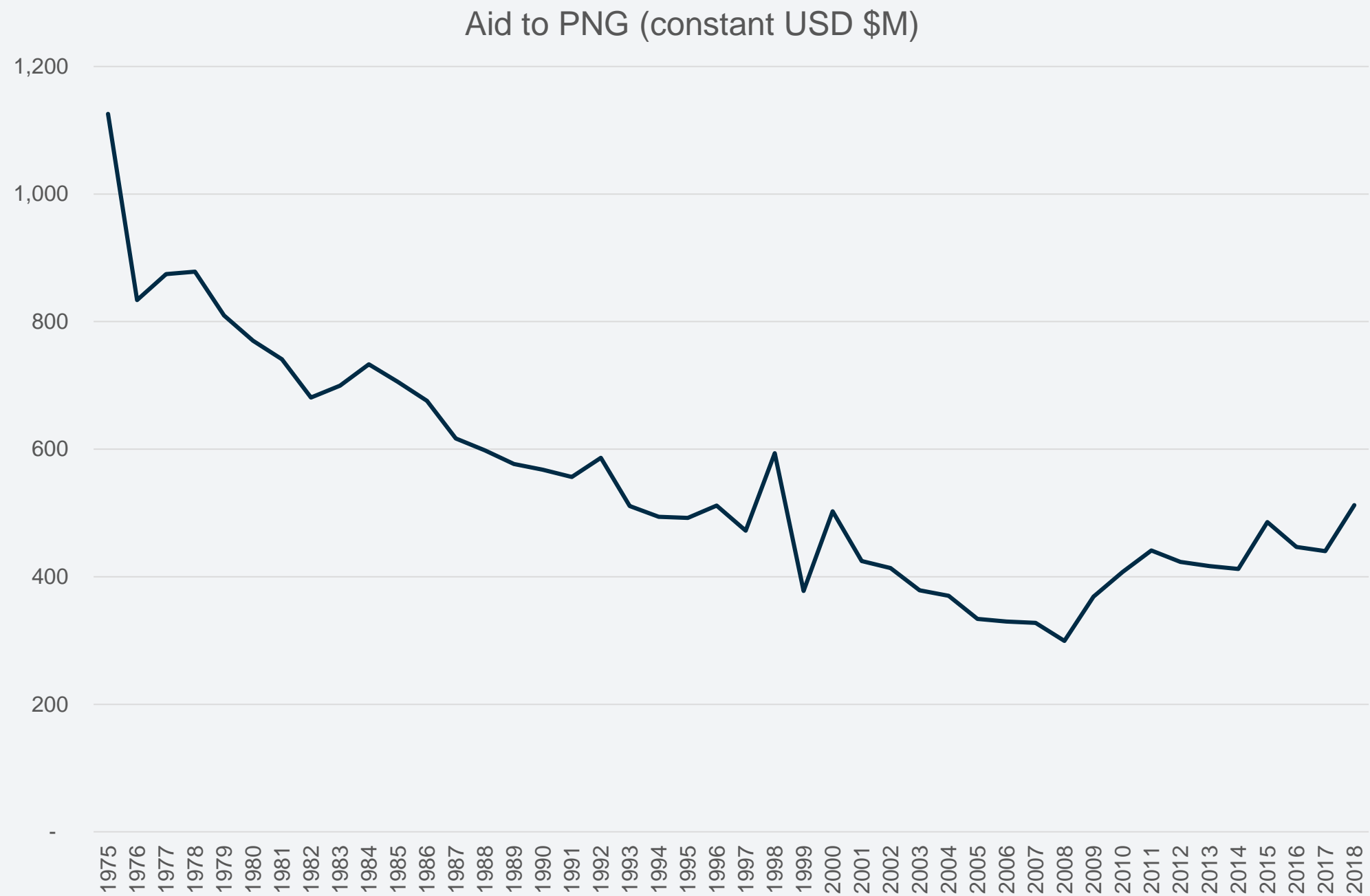
Why now?

- Government conducting a ‘development review’.
- Aid investment plan has expired.
- Last independent evaluation was a decade ago, and last internal evaluation five years ago.
- Major turnover of aid projects and personnel this year.

PNG's development challenges

- Population: 8-10 million
- Human Development Index: 0.516, ranked 155 out of 188 (lowest in Asia-Pacific)
- GDP per capita: \$2,730 (Lower Middle Income status)
- Basic needs poverty rate: 39.9%
- Infant Mortality Rate: 38/1,000 (Australia is 3/1,000)
- Maternal Mortality Rate: 145/100,000 (Australia is 6/1,000)

Aid's declining relevance in Papua New Guinea

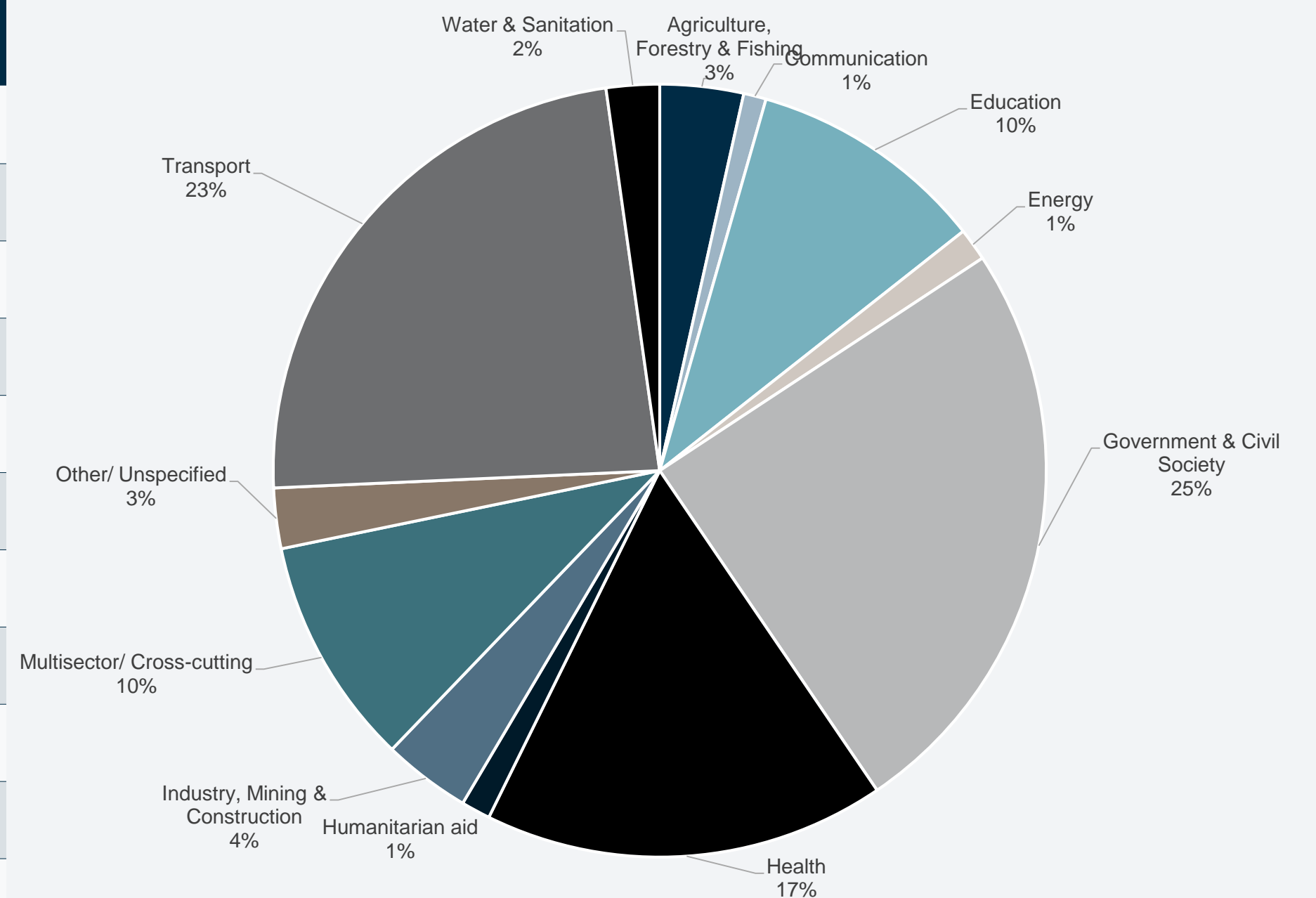


Aid in Papua New Guinea today

Aid to PNG 2011-2017

| Donor | Current USD M | Share |
|------------------------|------------------------|-------------|
| Australia | \$3,359,408,865 | 59% |
| Asian Development Bank | \$737,782,493 | 13% |
| China | \$445,559,255 | 8% |
| Japan | \$211,165,771 | 4% |
| World Bank | \$182,647,580 | 3% |
| New Zealand | \$157,323,649 | 3% |
| The Global Fund | \$154,620,224 | 3% |
| United Nations | \$126,023,463 | 2% |
| European Union | \$90,385,737 | 2% |
| Other | \$207,023,441 | 4% |
| Grand Total | \$5,671,940,477 | 100% |

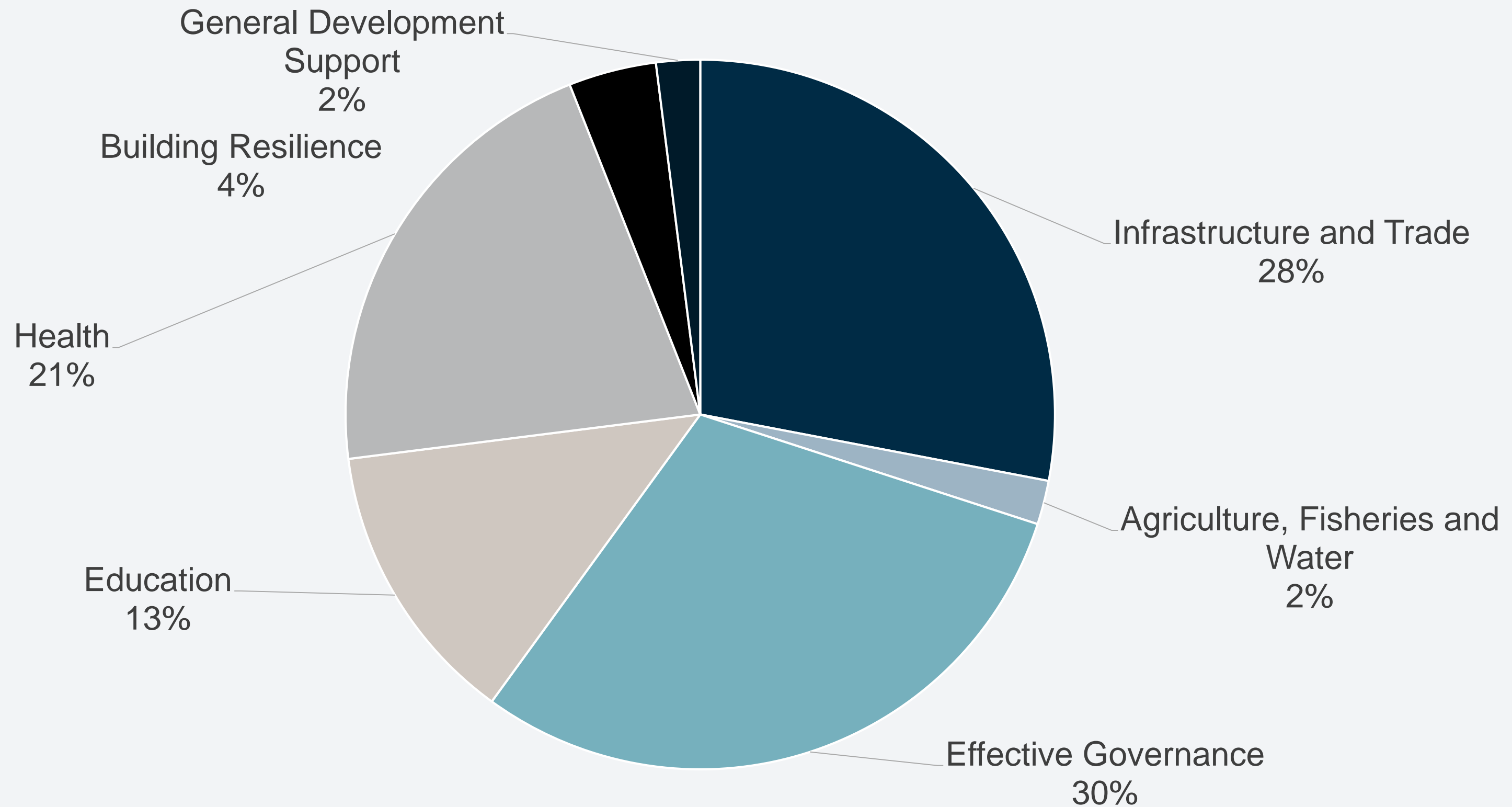
Aid sectors 2011-2017



Australian aid in PNG today

- How objectives are set
- What the objectives are
- How aid is implemented
- Australia's aid performance

2019-20 Sectoral breakdown



Active Australian aid investments

| Investment name | Approved budget | Duration | Number of years | Budget per year (avg) |
|--|----------------------|-----------|-----------------|-----------------------|
| Australia Awards PNG | 185,000,000 | 2016-2026 | 10 | 18,500,000 |
| Education Capacity Development Facility | 277,600,000 | 2011-2020 | 9 | 30,844,444 |
| Health Capacity Development & Service Delivery | 349,400,000 | 2011-2020 | 9 | 38,822,222 |
| PNG Health & HIV Multilateral Partnerships | 16,500,000 | 2013-2020 | 7 | 2,357,143 |
| Transport Sector Support Program | 463,500,000 | 2013-2022 | 9 | 51,500,000 |
| Incentive Fund | 100,300,000 | 2015-2021 | 6 | 16,716,667 |
| Justice Services Stability for Development | 91,200,000 | 2015-2020 | 5 | 18,240,000 |
| Combating corruption in PNG | 7,900,000 | 2014-2021 | 7 | 1,128,571 |
| PNG Governance Facility | 419,400,000 | 2014-2020 | 6 | 69,900,000 |
| Quality Technical Assurance Group | 3,800,000 | 2017-2020 | 3 | 1,266,667 |
| Economic Governance and Inclusive Growth | 13,600,000 | 2017-2020 | 3 | 4,533,333 |
| Gender Equality / Gender based violence | 63,300,000 | 2008-2020 | 12 | 5,275,000 |
| Sports for Development | 7,500,000 | 2015-2019 | 4 | 1,875,000 |
| Climate Change Portfolio | 9,800,000 | 2018-2020 | 12 | 816,667 |
| Bougainville Programming | 18,500,000 | 2014-2020 | 6 | 3,083,333 |
| Kokoda Initiative | 43,100,000 | 2008-2020 | 12 | 3,591,667 |
| Institutional Partnership Program | 63,000,000 | 2017-2020 | 3 | 21,000,000 |
| PNG Partnerships Fund | 150,000,000 | 2017-2020 | 3 | 50,000,000 |
| Total | 2,283,400,000 | | | 339,450,714 |

Methodology

- Desk based review of all evaluations, designs, independent reviews, and government submissions from the last 10 years.
- Read every PNG government strategy: five-year medium-term development plan, the Alotau Accord II, The 20-year Development Strategic Plan, PNG policy on donor funding, the StaRS plan, and Papua New Guinea 2050.
- Focused workshops with experts in Sydney and Port Moresby
- Consultation with DFAT officials

Structure of recommendations

- Aid objectives
- Aid projects
- Aid partners
- Aid management

Aid objectives

1. Expectation management
2. Focus on what works
3. Clarity of intent

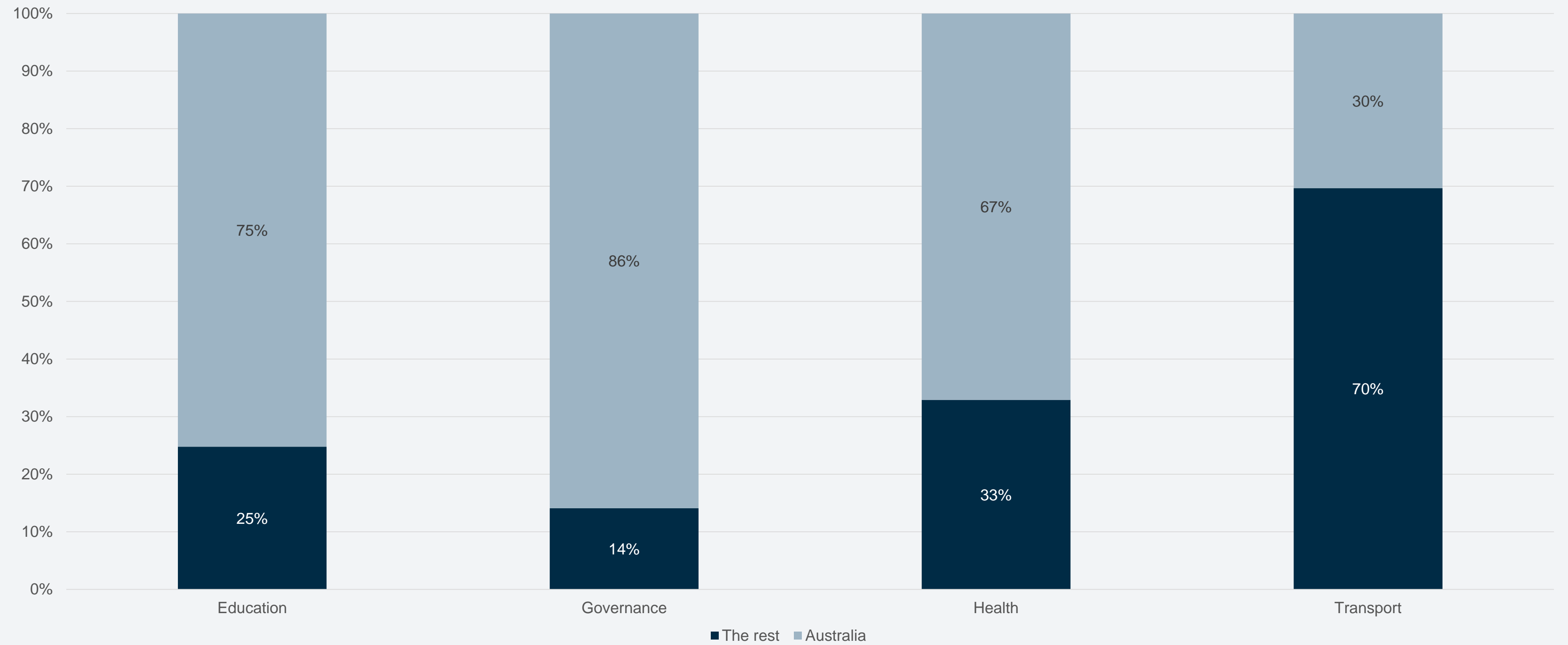
Website priorities

| Promoting effective governance | Enabling effective growth | Enhancing human development |
|--------------------------------|------------------------------------|------------------------------------|
| Public sector leadership | Telecommunications undersea cable | Scholarships |
| UPNG Business School | Economic and social infrastructure | Volunteers |
| Decentralisation | Transport infrastructure | Literacy and numeracy programs |
| Citizen participation | Road maintenance | Technical and vocational skills |
| Economic governance | Incentive fund | PNG gender: Pacific Women |
| Electoral support | Private sector support | Pacific Parliamentary Project |
| National museum | Agriculture and rural development | Quality teaching and learning |
| Kokoda | Financial inclusion | Climate change |
| Bougainville | Innovation | Disaster preparedness and response |
| Law and Justice | | TB detection and treatment |
| | | Malaria surveillance and diagnosis |
| | | Basic health services |
| | | Sexual and reproductive health |
| | | Angau hospital |
| | | Health financing |
| | | National health information system |
| | | HIV/AIDS prevention and care |
| | | Child nutrition |

Aid projects

1. Size of aid activities
2. Complexity of aid activities
3. Design of aid activities
4. Breadth of aid activities

Australia's main sectors



Aid projects

1. Size of aid activities
2. Complexity of aid activities
3. Design of aid activities
4. Breadth of aid activities

Aid partners

1. Contractors
2. Grants
3. Advisers

Aid management

1. Monitoring and Evaluation
2. Aid accountability
3. Aid transparency
4. Managing relationships

Prioritising

1. Expectation management
2. Strategic clarity
3. Focus (breadth and complexity of programs)
4. Accountability

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