



PNG COMMITMENT ON AID EFFECTIVENESS
A JOINT COMMITMENT OF PRINCIPLES AND ACTIONS BETWEEN THE
GOVERNMENT OF PAPUA NEW GUINEA AND DEVELOPMENT PARTNERS

I. PURPOSE OF THE COMMITMENT¹

The purpose of this joint commitment is to localise the Paris Declaration on Aid Effectiveness (2005)². It aims to give meaning to the principles in the Declaration within PNG and set monitorable targets and actions to improve aid effectiveness over the period 2007 to 2012 and beyond.

This joint statement is in line with the Madang Plan of Action³ – a joint agreement of Development Partners and the Government of Papua New Guinea (GoPNG) to localise the Paris Declaration by November 2007, and is consistent with work that is going on to develop the Pacific Principles on aid effectiveness.

PARTNERSHIP COMMITMENT

Developed in a spirit of mutual accountability, these Partnership Commitments reflect the

¹ This is a shared intention between the Government of Papua New Guinea and Development Partners, and does not constitute a legally binding instrument

² The Paris Declaration represents the conclusions of the High Level Forum on Aid effectiveness held in Paris in March 2005. The GoPNG and all Development Partners in PNG have signed this declaration

³ The Madang Plan of Action was agreed at the 2006 PNG Development Partners Consultation Forum held in Madang in October 2006

ambitions and structure of the Paris Declaration and build on the ongoing efforts and experiences of development in Papua New Guinea.

II. BACKGROUND

The Government of Papua New Guinea and Development Partners, mutually resolve to take specific, monitorable actions to make foreign aid more effective in reducing poverty and inequality, increasing growth, and building the capacity of human resources and institutions, as we work together for the achievement of PNG's Medium Term Development Strategy (MTDS) by 2010, and the Millennium Development Goals (MDGs) by 2015.

While the Government's own resources allocated to achieving the MTDS through the development budget have increased from K426 million in 2004 to K763 million in 2008, aid continues to play an important role in PNG, providing around 60% of the total development budget. Aid effectiveness must improve significantly to support PNG's efforts to strengthen governance, to improve development performance, and to enhance development outcomes.

In recognition of the time it takes to achieve significant actions, and targets set by this Statement, it should be reviewed in full by the end of 2012. However, the Government and Development Partners also mutually consent to regularly monitor progress and to prepare an annual Action Plan.

III. SHARED PRINCIPLES

A. OWNERSHIP

Government of PNG defines operational development policies

1. GoPNG will exercise leadership in developing and implementing its Medium Term Development Strategy (MTDS) through broad consultative processes which integrate overseas development aid into mainstream planning (Indicator 1).

2. GoPNG further strengthen its leadership role in co-ordinating aid at all levels.
3. GoPNG and its Development Partners will invite Non-Governmental Organizations (NGOs) and Faith-Based Organizations (FBOs) to participate in these efforts aimed to produce greater aid effectiveness.
4. GoPNG and Development Partners ensure that all development partners' funds are recorded in the budget documents, so as to ensure that development partners' funds are supporting Government policies and priorities.
5. GoPNG and Development Partners' ensure that government has the statistical and information management capacity to record aid flows.

B. ALIGNMENT

Development Partners align with PNG's strategies

6. Development Partners will base their support on the GoPNG's MTDS and related national and sectoral plans (Indicator 2).
7. Development Partners will base their development policy dialogue with Government on the poverty reduction and growth agenda articulated in the MTDS and related national and sectoral plans.
8. GoPNG and Development Partners will establish mutually decided frameworks that provide reliable assessments of the trustworthiness and usability of country systems, procedures and their performance.
9. GoPNG and Development Partners acknowledge the importance of non-state-actors as key partners in achieving effective aid outcomes and will involve them in the development and implementation of PNG's development policies and priorities.

Government of PNG and Development Partners work to implement and strengthen

Program Based Approaches

10. GoPNG and Development Partners will increasingly use program based approaches at the sector and thematic level. In the PNG context, program based approaches feature:
 - government-led policies, strategies and action plans
 - consideration of an expenditure framework covering GoPNG, Development Partner and other funding (the total resource envelope)
 - processes for joint dialogue and decision-making
 - flexible implementation mechanisms and
 - clearly defined management, monitoring and reporting requirements

Government of PNG strengthens institutional capacity with support from Development Partners

11. GoPNG will integrate capacity building objectives into any new national, lower level governments and sectoral plans with co-ordinated Development Partner support (Indicator 4).
12. GoPNG will carry out reforms, such as public sector reforms (PSR) that promote long-term capacity development and supportive of/aligned with GoPNG's MTDS and priorities.
13. GoPNG will undertake reforms to ensure that the legal framework, national systems, institutions and procedures for managing and administering aid and other development resources are effective, accountable and transparent.
14. GoPNG and Development Partners will commit sufficient resources to support and sustain reform and capacity building in public procurement and public financial management.

Use of Government of PNG systems

15. Development Partners will use PNG systems and procedures to the maximum extent possible. Where use of PNG systems is not feasible, Development Partners

will establish additional safeguards and measures in ways that strengthen PNG systems and procedures (Indicator 5 and 6).

16. Unless Development Partners and the GoPNG mutually decide it is necessary, Development Partners will avoid creating new parallel structures (PMUs) for day-to-day management and implementation of aid financed projects and programmes (Indicator 3).

17. Development Partners will progressively rely on the GoPNG's procurement system once mutually decided standards have been attained (Indicator 5).
18. Development Partners will progressively rely on the GoPNG's public financial management system once mutually decided standards have been attained (Indicator 6).

C. HARMONISATION AND SIMPLIFICATION

Development Partners implement common arrangements and simplify procedures.

19. Development Partners will conduct more and make greater use of joint missions and analytical work. The GoPNG and Development Partners work together to share widely reviews and other analytical work produced by Government or one or more Development Partner (Indicator 8).
20. GoPNG and Development Partners will jointly conduct and use core diagnostic reviews such as Public Expenditure and Financial Accountability (PEFA) assessment and the Country Procurement Assessment Report (CPAR).
21. Development Partners will rationalise their systems and procedures by implementing common arrangements for planning, design, implementation, Monitoring & Evaluation and reporting to GoPNG on Development Partner activities using the Performance Management Framework for the MTDS and any whole-of-government assessment framework when developed (Indicator 9).
22. Each Development Partner will maximise decentralisation and delegation of authority to its PNG country office. (Indicator 10).

Complementarity: more effective division of labour.

23. GoPNG will consult with Development Partners and provide clear views on their comparative advantage, different aid modalities and on how to achieve Development Partner complementarity at country or sector level.

24. Development Partners will make full use of respective comparative advantage at sector level by aligning support and deciding, where appropriate, which Development Partner will lead the co-ordination of programs, activities and tasks, including the option of delegated cooperation. This process will be supported through the Development Partner's Round Table meetings.

D. MANAGING FOR RESULTS

Managing resources and improving decision-making for results.

25. GoPNG and Development Partners will use results-oriented performance assessment frameworks (including sector frameworks and the Performance Management Framework for the MTDS) to manage implementation of the MTDS and related national, lower level governments and sectoral plans (Indicator 11).

Development Partners' country strategies, programs and resources will be assessed by their contribution to the development results recorded in GoPNG performance assessment frameworks. Indicators for Development Partner's contribution will be discussed and mutually decided with the GoPNG.

E. MUTUAL ACCOUNTABILITY

The Government of PNG and Development Partners are accountable for aid effectiveness.

26. GoPNG and Development Partners will jointly assess, and carry out annual reviews, on progress in implementing the commitments on aid effectiveness contained in this statement (Indicator 12). This will include reporting to each annual Development Partner Consultation meeting against progress on annual action plans and towards longer term targets and indicators and adherence to protocols. Joint assessments and reviews will lead to the production of new annual Action Plans.
27. Development Partners will enhance the predictability of future aid through joint decision making processes with the GoPNG, provide timely and reliable indicative

commitments of aid over a multi-year framework (including indicative aid commitments covering multi-year expenditures of projects) and release aid in a timely and predictable fashion in relation to the GoPNG's budget cycle (Indicator 7).

28. Development Partners and Government will provide timely, transparent and comprehensive information on aid flows and programme intentions to enable GoPNG to present comprehensive expenditure reports to Parliament and citizens, and manage aid more effectively.
29. Development Partners and Government will disclose in a transparent, timely and comprehensive manner information on annual expenditure reports to non state actors and key stakeholders.

Attachments forming part of this statement:

- *Annex 1 – Targets and Indicators for 2012*
- *Annex 2 – 2008 Action Plan*
- *Annex 3 – Protocol for mounting Development Partner missions to PNG*
- *Annex 4 – Protocol for mobilising and managing Technical Assistance in PNG*

SIGNED ON THE 5th DAY OF JUNE 2008:

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Joseph Lelang
Secretary
Department of National Planning and Monitoring
(on behalf of the Government of Papua New Guinea)

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Margaret Thomas
Minister Counsellor
Australian Agency for
International Development

.....
H.E. Amb. Aldo Dell' Ariccia
Head of Delegation
European Commission

.....
Takeshi Tanabe
Chief of ODA
Embassy of Japan

.....
Dr. Benson Ateng
Country Manager
World Bank

.....
Charles Andrews
Country Director
Asian Development Bank

.....
Dr. Jacqui Badcock
Resident Coordinator
United Nations

.....
Tessa Te Mata
NZAID Manager
New Zealand Agency for
International Development

.....
Zhao Chunfeng
Attache (China Aid)
Embassy of the People's
Republic of China

WITNESSED BY:

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Rt. Hon. Paul Tiensten, LL.M, MP
The Minister for National Planning & District Development

ANNEX I: TARGETS AND INDICATORS FOR 2012

	INDICATOR	TARGETS TO 2012
	Ownership	
1	<p>New National Development Strategy developed for beyond 2010</p> <p>Mid term review of Medium Term Development Strategy (MTDS) (2005-2010) completed</p> <p>GoPNG increases budget allocations to MTDS priorities</p> <p>Aid Coordination strategy formulated and adopted by GoPNG</p> <p>Roll-out of Sector Investment Plans</p>	<p>Put in place by 2010 a National Development Strategy for the years beyond 2011.</p> <p>Review/stock take completed by end of July 2008</p> <p>At least 55.5 % of overall budget and 89.9% of the development budget allocated to MTDS priority areas by 2010</p> <p>100% of development aid recorded on GoPNG national budget for 2009 and beyond.</p> <p>Aid Coordination Strategy operationalised in 2008.</p> <p>Aid Management Information System developed by GoPNG and used by Development Partners in 2008</p> <p>13 Sector Investment Plans complete by the end of 2008.</p>
	Alignment	
2	<p>Percentage of each Development Partners' expenditure aligned to MTDS and other national and sectoral plans</p> <p>Percentage of aid expenditure which is related to each country strategy</p>	<p>85% of development assistance grants allocated to MTDS and other national and sectoral plans by 2012.</p> <p>At least 90% of aid expenditure tightly aligned to the country assistance strategies by 2012.</p>
3	<p>Development Partners strengthen GoPNG capacity by minimising the use of parallel PMUs</p>	<p>No new parallel PMUs unless indispensable and mutually consented to, and reduction in the number of PMUs by half (50%).</p>

	INDICATOR	TARGETS TO 2012
4	GoPNG and Development Partners develop, mutually decide and implement protocols for using Technical Assistance (TA) to promote capacity	<p>TA protocol developed in 2008 and updated based on lessons learned by 2010.</p> <p>90%-100% percent of TA identified and mobilised in accordance with mutually decided protocols on TA.</p> <p>At least 50% of aid for capacity building delivered through GoPNG-led and coordinated programmes by 2012.</p>
5	<p>Public procurement systems are strengthened to mutually decided standards taking into account such recommendations as Country Procurement Assessment Report (CPAR)</p> <p>Development Partners' use of GoPNG procurement systems</p>	<p>Each CPAR reports that the PNG country procurement system has improved</p> <p>Development Partners provide more assistance to the Central Supplies and Tenders Board (CSTB)</p> <p>At least 60% of aid flows & most Development Partners channelling at least 30% of their funds through GoPNG procurement systems.</p>
6	<p>Public financial management systems strengthened in line with the Medium Term Financial Management Strategy, with progress to be measured against a 2007 benchmark of PEFA indicators</p> <p>Development Partners' use of GoPNG financial management systems</p>	<p>GoPNG awarded an A grade on at least 25% of Public Expenditure and Financial Accountability indicators</p> <p>Medium Term Financial Management Strategy finalised and implemented.</p> <p>Mid-year economic and fiscal outlook report and final outcome report as required under the Fiscal Responsibility Act (2006) shared with Development Partners and published</p> <p>At least 50% of aid flows & most Development Partners channelling at least 30% of their funds through country financial management systems.</p>

	INDICATOR	TARGETS TO 2012
7	<p>Development Partners' interventions are co-ordinated within GoPNG-led policy & sector frameworks. Including general/sector budget support & project modalities.</p> <p>Percentage of Development Partners that submit budget estimates to GoPNG by August 7 in each year</p> <p>Percentage of Development Partners that submit actual annual expenditure outcomes for previous year to GoPNG by 1 May in each year</p> <p>Percentage of Development Partners that submit three year expenditure forecasts to GoPNG by 1 May in each year</p>	<p>At least 50% of aid is national or sector programme based.</p> <p>100%</p> <p>100%</p> <p>100%</p>
	Harmonisation & Simplification	
8	<p>Fewer, better, core diagnostic & country analytical reviews of PNG's development needs.</p> <p>Improved coordination of missions to PNG</p>	<p>At least 40 % of country analytical reviews used by 2 or more Development Partners</p> <p>Total number of missions not more than 150 annually.</p> <p>At least 45% of Development Partners missions jointly conducted and executed.</p> <p>All missions mobilised according to attached protocols.</p>
9	<p>Common project cycle management tools mutually consented to and used throughout the project/programme cycle (planning, design, implementation, management reporting etc.)</p>	<p>At least 50% of Development Partners follow a minimum set of common project cycle management tools and processes as defined by a joint process with GoPNG.</p>
	Managing for Results	
10	<p>Development Partners enhance capacity of country offices and delegate authority to them</p>	<p>At least 50% or more of aid interventions managed at country level.</p>
11	<p>GoPNG Results framework developed and used to assess the performance of the MTDS and sector programmes & information used in decision making</p>	<p>GoPNG publishes an annual report from the Performance Management Framework on the MTDS.</p> <p>Joint annual reviews on Development Partners cooperation programs undertaken</p>
	Mutual Accountability	
12	<p>Periodic mutual assessment of progress in implementing commitments on aid effectiveness expressed in this joint</p>	<p>Assessment Reports published annually.</p> <p>Government and Development Partners respond to</p>

statement including the attached protocol and action plans.	assessment questions within three months.
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ANNEX II: 2008 ACTION PLAN

Indicator Reference	What are we going to do?	When are we going to do it by?	Who is responsible Lead Agency
1	Mid Term Stock take of the MTDS	Completed by July 2008	GoPNG - DNPM
1	Discuss implications of MTDS Stock take outcome for aid programs	November 2008	GoPNG - DNPM Development Partners
1	GoPNG Aid Coordination Strategy developed	Strategy released to Development Partners in 2008	GoPNG - DNPM
1	Sector Investment Plans developed	December 2008	GoPNG - DNPM
5	Implement recommendations of 2006 World Bank CPAR First regular update of CPAR on the reliability of the PNG procurement systems conducted, with reference to aid effectiveness principles	2008 CPAR update undertaken in 2008 and distributed by February 2009	GoPNG -CSTB and Development Partners (World Bank to lead)
6	2007 PEFA report on effectiveness of PNG financial management systems	PEFA report completed and distributed by November 2008	GoPNG Departments of Finance and Treasury, Development Partners (PERR team to lead) ADB to provide TA
7	Study on issues and options for reducing	Study and protocols	GoPNG Development

	parallel structures (PIUs) and introducing a project management protocol	completed by Nov 2008	Partners (TWG on Aid Effectiveness)
	Proposals to establish new PIUs referred to the TWG on aid effectiveness for review - TWG reports on proposal and advises GoPNG and Development Partners	Report by November 2008	GoPNG, Development Partners and TWG
10	Joint GoPNG/DP Study on effectiveness of capacity building programs and Technical Assistance leading to recommendations for action and if appropriate to a revised TA protocol	Report by Nov 2008	GoPNG – DNPM, DPM Development Partners (Sub-committee of the TWG)
10	TA mobilised and managed in accordance with set protocol		
1	Aid administrative services such as taxation, visas and aid status certificates are provided in accordance with set protocols and service standards	Review and issues paper commenced in January 2008. Protocols and Service Standards set by November 2008	GoPNG – DOFA, IRC Development Partners
5	A new plan for GoPNG and Development Partners to support government procurement functions in CSTB and line agencies	November 2008	Development Partners and GoPNG
6	Medium Term Financial Management Strategy developed and approved	November 2008	GoPNG, with ADB support
7	Aid Management Information System	November 2008	GoPNG -DNPM with UNDP support

	Developed and a Website established		
7	Data provided for GoPNG MTRF by 1 May each year and to Aid Management Information System within three months of request		Development Partners
7	Health Sector Task Force re-invigorated	Meets at least 3 times a year	GoPNG -DNPM

7	Consider a Program Based approach for Education Sector	Statement of intent signed	Dept of Education, Central Agencies, Development Partners
7	Transport Sector joint statement on implementing aid effectiveness principles, including consideration of common project cycles	November 2008	Dept of Transport GoPNG Development Partners (AusAID, WB, ADB, Japan)
11	Report from Performance Management Framework for the MTDS	2008 version by 30 August 2008.	GoPNG - DNPM
11	Development Partners use PMF to report against the effectiveness of their interventions	Each DP to report by November 2008	Development Partners
8	Missions to PNG follow set protocol	Development Partners follow protocol and report on adherence by November 2008	Development Partners
8		Government advises its assessment of rates of compliance, by November 2008	GoPNG - DNPM

12	Establish monitoring sub-committee on the TWG on Aid Effectiveness	March 2008	TWG
	Comparative advantage of Development Partners assessed and discussed. Including consideration of lead Development Partners for each sector	November 2008	GoPNG and Development Partners

ANNEX III: PROTOCOL FOR MOUNTING DEVELOPMENT PARTNER MISSIONS TO PNG

1. Purpose

Consistent with the principles of the Paris Declaration on Aid Effectiveness, the Government of Papua New Guinea (GoPNG) and its Development Partners have agreed to put in place shared principles and operating guidelines to ensure the more effective conduct of development partner incoming missions to Papua New Guinea (PNG). This agreement also follows the direction of the Madang Plan of Action, and aims to giving practical effect to our joint commitment to aid effectiveness principles and actions in which we have agreed to increase the use of joint development partner missions and to monitor the overall number of development partner missions and increase their operational effectiveness.

2. Definition

Development Partners missions include any visit to PNG by one or more development partner official(s), consultant(s) or other representative(s) to discuss development aid-related relations, or to participate in aid-related planning, design or monitoring processes. Missions involve discussions with government officials, other Development Partners and/or non-government representatives based in PNG.

Missions for development partner's corporate tasks not involving engagement with the Government, other Development Partners or NGOs are not considered missions for the purpose of this Protocol. Technical, policy or training inputs provided as part of the delivery of development partner-supported projects and programs are also not considered missions in this protocol.

In case further clarification is required to establish if a development partner's visit qualifies as a Mission, the Aid Policy and Coordination Directorate (APCD), from the Department on National Planning and Monitoring (DNPM), will make such a determination.

3. Principles

3.1. Preparation and Communication. Development Partners will provide adequate and reasonably advanced notice and advice to the Government on the proposed timing and objectives of their missions, and will provide clear and accurate written communication detailing the preparation for and execution of the mission, including its Terms of Reference;

- 3.2. Whole-of-PNG Government approach.** In response to advanced notice by Development Partners, the Government will support missions, including through the facilitation of entry into PNG and preparatory consultations towards a single Government position on the issues and objectives to be discussed in the mission;
- 3.3. Cost-effectiveness.** Missions should seek to adopt the most cost-effective means to achieve the objectives established in the Terms of Reference.
- 3.4. Harmonisation.** Development Partners have committed under the Paris Declaration on Aid Effectiveness to work together to reduce the number of separate, duplicative, missions to the field and diagnostic reviews.
- 3.5. Ownership.** Development aid interventions, including Development Partners' Missions, should respect and promote the Government's ownership and leadership, in addition to the full compliance with national legislation and the alignment with national policies.
- 3.6. Local capacity-building.** For a better performance of its objectives and to contribute to the development of local capacities, Development Partners' missions will try to integrate local consultants and officials into their teams.
- 3.7. Clear feedback and agreement on next steps.** Development Partners will provide written feedback on mission findings and recommendations, supplemented by a de-briefing meeting unless the Government requests otherwise. The Government and development partner(s) will agree next steps in meeting the broader mission objectives.

4. Operating guidelines

- 4.1.** Development Partners are to advise the APCD in writing about an incoming mission at least four weeks in advance, except under urgent circumstances, of the initiation date, attaching the Terms of Reference. GoPNG should advise in writing not later than two weeks after being informed if they do not agree with the proposed timing or objectives of the planned mission.
- 4.2.** For missions that will require substantial engagement with GoPNG officials, the specific objectives and proposed outcomes of the mission must be clearly articulated and be in line with the MTDS and/or jointly agreed country strategy frameworks.

- 4.3. GoPNG and Development Partners will nominate the most appropriate personnel to accompany and be a part of mission teams, assuring that they will hold positions relevant to the task. In instances where Development Partner or GoPNG personnel are assigned as part of mission teams for professional development reasons, this will be notified. Due regard must be given to the appropriate gender mix in the team.
- 4.4. The team undertaking the mission are to complete relevant preparatory work prior to mobilisation. Previous work on the issue should be reviewed and approaches discussed with their in-country teams before meeting with GoPNG, other Development Partners and stakeholders.
- 4.5. Documents for discussion with the GoPNG should be made available at least one week prior to scheduled meetings.
- 4.6. Development Partners will at least monthly update the Matrix of Missions assuring its accuracy.
- 4.7. Where possible and practicable other Development Partners working on similar issues should be included in the one mission. Where possible, Development Partners should indicate in their letter of advice that they have notified and requested other development partner involvement in their mission.
- 4.8. Mission reports should be shared with government and other development partner partners and NGO's, civil society agencies working on similar issues. Wherever possible the GoPNG will be provided with electronic files of all the documents and instruments produced by the Mission, without any restrictions in regards to intellectual property rights or publication entitlements.
- 4.9. Missions should only be mounted where they are the most cost effective means to provide the information required. The use of alternative means like internet and video conferencing should be maximised.

Pro-forma for proposing development partner missions to Aid Policy and Coordination Directorate

1. What is the sequence number of this mission (eg NZ mission #1/2007)
2. What are the arrival and departure dates of the mission?
3. Who is the main in-country development partner contact person for this mission (include contact details)?

4. What are the objectives of the visit? Terms of reference should be attached.
5. How does this mission fit with the MTDS and country strategy?
6. Who will be on the team? (full list of proposed team members including title, contact details and relationship to the purpose of the mission)?
7. If no local consultants or officials are in the mission team, why not?
8. What pre-mission work has been/will be completed before the mission is mobilised?
9. What is the proposed visit itinerary (places and dates)?
10. Who does the mission propose to meet with?
11. Has this mission been included on the list of proposed missions circulated in government and Development Partners? If not, why?
12. Which other Development Partners have been approached to take part in this mission?
13. Has a similar mission been mounted by you or another development partner in the last 12 months? If yes, please give brief details.
14. What is the expected outcome of this mission?
15. Which other Development Partners, NGO's and civil society organisations will the mission report be shared with?
16. What are the estimated costs of the mission (Kina)?

Pro-forma for reporting on missions

1. The sequence number of this mission (eg NZ mission #1/2007).
2. Persons consulted during the mission.
3. Other Development Partners involved in the mission
4. Key findings and recommendations (attach an Aide Memoire if produced)
5. Will there be any further follow up missions? Is yes, what are the proposed dates?
6. Key contact person and contact details after completion of the mission for any follow up comments or actions.
7. Are there any key documents that will result from this mission? If they will be for internal consumption only, this should be noted.

ANNEX IV: PROTOCOL FOR MOBILISING AND MANAGING TECHNICAL ASSISTANCE IN PAPUA NEW GUINEA

1. Purpose

Consistent with the principles of the Paris Declaration on Aid Effectiveness, the Government of Papua New Guinea (GoPNG) and its Development Partners have agreed to put in place some shared principles and operating guidelines to ensure the more effective use of Technical Assistance provided to Papua New Guinea (PNG) within development aid programs or projects. This agreement also follows the direction of the Madang Plan of Action, and aims to giving practical effect to our joint Statement 'Principles and Actions for Making Aid More Effective in PNG' by which we have agreed to monitor the overall effectiveness of Technical Assistance in Papua New Guinea.

2. Definition

Technical Assistance includes aid in the form of specialized expertise and advice provided through development aid programs. It includes consultancies, advisors, trainings and services, as well as equipment or infrastructure to build capacity. Technical Assistance is provided to build and enhance capacity with the overall objective to promote development within its different dimensions in Papua New Guinea

3. Principles

Technical Assistance will be based on the principles of the Paris Declaration on Aid Effectiveness:

- A. **Ownership:** GoPNG to exercise leadership over Technical Assistance provided to Papua New Guinea through various technical cooperation programs
- B. **Alignment:** Development Partners and GoPNG to ensure Technical Assistance is aligned to PNG development priorities. Development Partners and GoPNG to progressively use GoPNG systems and processes to manage Technical Assistance (where appropriate) and consider how these systems and processes might be strengthened

- C. **Harmonisation:** Development Partners and GoPNG will mutually agree on how Technical Assistance is provided through the use of common arrangements and program-based approaches
- D. **Managing for Results:** Development Partners and GoPNG to identify transparent and monitorable performance assessment mechanisms to measure the quality and impact of Technical Assistance in Papua New Guinea
- E. **Mutual Accountability:** Development Partners and GoPNG to undertake mutual assessments of progress in implementation and disbursement of Technical Assistance to Papua New Guinea.

Provision of Technical Assistance to Papua New Guinea will be based on:

- (a) **Demand driven:** The provision of Technical Assistance should be demand driven based on the GoPNG capacity-enhancement needs as expressed by PNG.
- (b) **PNG involvement in key processes:** GoPNG, including at least one senior officer in the receiving agency, should take part in the selection processes of each Technical Adviser, including interview processes where possible, prior to selection. Technical Advisers will report jointly to PNG host agencies and the sponsoring development agency.
- (c) **Local Capacity Building:** Technical Assistance should contribute to the development of local capacities by building the capacity of key agency staff, linking or supporting existing GoPNG capacity building initiatives such as PSWDI and/or engaging local advisors and consultants where feasible. The ToR and Work plan should be developed according to agency needs and priorities
- (d) **Integration:** Technical Assistance should generally be delivered as a component within a broader development aid-intervention, rather than as an isolated action, unless exceptionally required. Technical Assistance should also be coordinated with other forms of aid including scholarships.
- (e) **Partnership and strategic alliances:** Technical Assistance should generally harness the relationship between Development Partners and Government by forming strategic alliances and supporting close integration of national , provincial and local levels government and the private sector to effectively mobilise and deliver Technical Assistance

- (f) **Cost effectiveness:** Technical Assistance should seek to utilise the most cost-effective means to achieve the development objective and considers the opportunity costs.

Operating guidelines

- GoPNG and Development Partners will carry out joint assessment of requirements for technical assistance based on the capacity needs of PNG agencies. Terms of Reference should be mutually agreed between GoPNG line agencies and provided to DNPM.
- Specific objectives, deliverables and results of Technical Assistance must be clearly articulated in the Terms of Reference.
- GoPNG and Development Partners will carry out joint selection process in identifying capacity building and TA expertise
- GoPNG line departments and Development Partners will provide the Technical Assistance teams comprehensive and relevant induction programs, and will encourage strong engagement with GoPNG officials.
- Development Partners and the GoPNG will undertake the mutual assessment of Technical Assistance performance in the country, both in individual cases and for whole programs. This should include yearly appraisals. Reviewing of TOR should be done regularly to reflect ongoing changes and needs .
- GoPNG and Development Partners will identify the best possible and cost effective way to manage Technical Assistance. This should include an oversight group which acts as a partnership between government and Development Partners.
- Technical Advisers will report jointly to PNG host agencies and the sponsoring development agency.
- GoPNG will do its best efforts to nominate the most appropriate and suitable personnel as key agency staff/counterparts to ensure that sustainability issues are addressed and there is proper transfer of skills and knowledge. Unless

specifically agreed for urgent developmental reasons, TA assignments should not proceed without nominated available PNG counterpart(s)

- GoPNG and Development Partners will seek to incorporate learnt in PNG and internationally on key factors for successful TA.

For further consideration through the study group

- *The estimated costs of Technical Assistance will be discussed between Development Partners, the receiving agency and the Aid Policy and Coordination Directorate prior to recruitment.*
- *Use of local technical assistance and implications for government staff turnover*