



## ASFII STRATEGIC PLAN

### INTRODUCING THE FACILITY

ASF Phase II (2003-2006) supports PNG public sector agencies to address priority development and reform needs, through the provision of Advisers to work with officers in these agencies. It builds on a first phase (1996-2003) but is significantly different – ASFII will be more focused, targeted and strategic in approach, and is expected to have greater impact.

The primary objective of ASFII is to support the implementation of public sector reform in PNG and advisory support will have a strong emphasis on capacity building to ensure sustainability of reforms.

### STRUCTURE OF THE FACILITY

ASFII will provide Advisers under four **arrangements**:

- Standard ASFII placements;
- Nominated engagements (direct placements);
- Partnership placements under ‘twinning’ schemes between GoPNG and Australian government agencies;
- Scoping placements to scope highly specialised advisory positions.

ASFII has four **components**:

- Strategic direction and definition of placements;
- Recruitment and management of Advisers;
- Logistical support for nominated Advisers;
- Facility Management.

**The goal of ASFII is to support government agencies in PNG to develop and implement accountable policies, plans and systems and thereby contribute to enhanced service delivery.**

**The purpose of ASFII is to support the development of policy, planning, management and technical competencies and capabilities in individuals, groups and organisations within PNG, which will lead to their sustained performance and development.**

### ABOUT THIS STRATEGIC PLAN

This *Strategic Plan* has been developed to provide the ASFII Facility Management Group [FMG] with a framework for actively shaping the uses of the Facility when approving Adviser placements and extensions. The Strategy will be used by the FMG and the AMC ASFII team to ensure that the most effective use is made of the resources available to ASFII to support public sector management and administration improvements in GoPNG agencies.

This *ASFII Strategic Plan* is not a static document – it will be reviewed, at least annually, in the light of changes within the PNG development environment, AusAID policy changes, or other situational changes.

### INFLUENCES AND IMPACTS

PNG faces many policy and management challenges, particularly in the areas of governance and public sector reform. ASFII support is intended to have a primary focus on public sector reform, including improvements in public management and administration. This will be achieved through strengthening governance by building the capacity of PNG agencies to deliver services.

The GoPNG has identified its immediate objectives for implementing public sector reform through the formulation of a *Strategic Plan for Supporting PSR in PNG*. Priorities are now clearly established but central, line and sub-national agencies need support to implement the reforms under this Plan.

This *ASFII Strategic Plan* builds on and links with recent major GoPNG initiatives which have resulted in the following reports and plans, all of which will impact on decision-making on requests for ASFII resources:

- The *Medium Term Development Strategy 2003-2007* (not yet released);
- The *Strategic Plan for Supporting Public Sector Reform in PNG 2003-2007*;
- The *Public Sector Reform Workplan 2003-2004*;
- The *Strategic Plan for Supporting Public Sector Reform in PNG 2003-2007*;
- The *Public Expenditure & Rationalization Review Reports*.



The *Strategic Plan for Supporting Public Sector Reform* has as its objectives:

- A public sector with a clear sense of priorities;
- Affordable government;
- Improving performance, accountability and compliance;
- Improving service delivery.

It discusses **priorities for reform** and notes that the most critical areas for public sector reform in PNG are reducing costs and waste in national and provincial government administrations and correcting the underlying weaknesses that fail to control spending and prevent waste. It also notes that a high priority for the GoPNG is to strengthen the capacity of the central agencies.

The findings of the PERR reports set the scene for substantial reforms in financial management and related fields of management. The PERR focused on **four key areas**:

- A road map to fiscal sustainability;
- Reprioritisation of expenditure;
- Action to control Civil Service size and payroll;
- Restoring the integrity of Budget institutions and systems.

The ASFII Facility Management Group has representatives from GoPNG, AusAID and the Managing Contractor. Members in 2004 are Mr Mosilayola Kwayaila (Chairman), Mr James Melegepa, Ms Raquel Painap, Dr Jane Lake and Dr Alan Pope.



**This Strategic Plan identifies areas where ASFII resources can most effectively be applied. This will enable the FMG to effectively manage the ASFII and focus the resources on capacity building in order to achieve effective public sector reform.**

The *Strategic Plan for Supporting Public Sector Reform* notes the need to accelerate actions on various **activities**, including:

- Improvements to salary controls;
- Finalisation of current retrenchment initiatives;
- Reforming public sector salary agreements;
- Improving support for Financial Controllers in key departments.

Taken together, the above plans, reports and statements establish public sector reform priorities for PNG, and consequently the strategic framework and priorities for ASFII activities.

#### **ASFII PRIORITIES FOR 2004**

In seeking to achieve the goal and purpose, ASFII will seek to engage strategically and constructively with GoPNG agencies, AusAID and donors to identify areas where ASFII resources can most effectively be applied, and to scope and manage appropriate

Adviser placements. It is essential to recognise PNG policy priorities relating to the MTDS, particularly the public sector reform priorities and action on the PERR reports.

ASFII proposes two key intervention areas for its initial focus:

- Setting clear directions
- Improving performance.

#### **Setting Clear Directions**

Individual agencies need support in developing a clear sense of direction through consistent corporate planning, based on a standard model, including the identification of service delivery priorities and problems. This will involve corporate plans being linked with budgets and organisational improvement.

#### **Improving Performance**

Individual agencies need support in establishing or managing appropriate systems which can assist in improving performance. This will involve effective systems for measuring, monitoring and reporting on agency performance (linking the financial with the service objectives and outcomes) and for improving the performance appraisal system for individuals. It will also involve support for relevant 'watchdog' bodies.

#### **Public expenditure management**

Individual agencies also need support to control spending, improve cost-effectiveness, improve the budget process, financial management and procurement practices. Financial compliance and control is a key requirement. It is expected that a large part of these requirements will be met through the Enhanced Cooperation Program (ECP) and so ASFII may not need to devote resources to these activities.

However, some specialist or supplementary resources may be needed at times to ensure effective implementation of PERR oriented

initiatives. In addition, assistance will be required from ASFII for related activities in personnel management, such as implementing more effective controls of salaries and various staffing costs.

### CENTRAL AGENCY SUPPORT

The largest amount of ASFII funding will be provided for placements within central agencies which are driving key reforms relating to public expenditure management and performance improvements in public service delivery.

For this group of agencies, there will be a focus on placements where the intervention can show flow-on effects to line departments and sub-national agencies; and short-term practical effects which can be replicated. Key departments include:

- Department of Prime Minister & National Executive Council;
- Department of National Planning & Rural Development;
- Department of Personnel Management;
- Department of Finance;
- Department of Treasury;
- Department of Provincial and Local Level Government.

### LINE & SUB-NATIONAL LEVEL

The next priority is for placements at the line department level, and at the sub-national levels of government. For these areas, there will be a focus on strategic interventions in support of government reforms.

Placements will explore innovative approaches to policy implementation, and where there is potential for use of the intervention outcomes in implementing similar initiatives in other line departments or in provincial, district or LLG agencies. This relates to the MTDS priority areas, and particularly supports:

- Transport Infrastructure Reha-

**In seeking to achieve the goal and purpose, the ASF will engage strategically and constructively with GoPNG agencies, AusAID and donors to identify areas where ASFII resources can most effectively be applied to meet the above purpose, and to scope and define and manage appropriate Adviser placements.**

- Rehabilitation and Maintenance;
- Basic Education and Primary Health Care;
- Law and Justice;
- Broad-based rural development.

### OTHER PLACEMENTS

Occasional placements will be funded, appropriately co-ordinated with other work in the relevant sectors, to support other GoPNG-approved development priorities, including countering the spread of HIV/AIDS. These placements could also address cross-cutting issues such as poverty, gender and the environment.

### ASFII GUIDING PRINCIPLES

The priorities for ASF placements are determined by GoPNG and Australian Government policy, and are responsive to PNG government reform strategies, and evolving needs.

ASF works in partnership within government systems, building on existing priorities and activities in collaborative, flexible and innovative ways.

ASF placements target areas where they can build capacity of individuals and organisations, and have a cost-effective, sustainable and measurable impact.

Special emphasis will be placed on ASF interventions which will

support early implementation of GoPNG public sector reform priorities.

### CAPACITY BUILDING FOCUS

The following criteria are given as guidance in deciding whether capacity building will be achieved through ASFII Adviser assistance:

- An identifiable problem exists, the extent of the problem is largely known, and the causes are understood;
- The problem is affecting the efficient and effective use of public resources and/or the delivery of services;
- GoPNG does not have the internal resources to bring about change;
- The agency is committed to change and is constrained by lack of knowledge and/or skills;
- The problem is amenable to solution by use of ASF-style external inputs;
- The most appropriate external input is use of a short to medium-term adviser.

Capacity building activities can be wide ranging and can include training and development, organisational assessment and development, institutional strengthening and implementation of comprehensive reform programs. The key elements that ASFII will support are those that will:

- include activities that are tailored to the level at which it is operating and to the needs of the participating individual or group;
- lead to performance improvement for the participating individual or group, such as improved service delivery, increased productivity, fewer misguided policies or plans;
- be sustainable, so that improved performance continues after the aid-funded activities cease;

- also be self-generating, to enable the target individual or group to continue to build capacity with little or no aid-funded assistance.

However, this list is simply a framework, not a prescriptive set of criteria that must be met. If a placement request does not meet one or more of the parameters, then the request should be able to demonstrate eligibility by reference to other stated priorities.

## APPROACHES AND METHODS

ASFII is unique in being a Facility with the ability to respond flexibly and quickly. It is therefore important that it be used in ways that make the best use of its flexible characteristics.

ASFII has limitations, particularly in its use of mainly single Adviser placements for relatively short time periods (12-24 months). ASFII, therefore, does not compete with or duplicate existing major programs, nor undertake major new development projects.

What ASFII does best is to provide strategic well-planned placements of high-quality professional advisers to work collaboratively with nominated agency staff towards agreed priorities. It will always seek to provide advisers who:

- are adaptable and capable of working effectively in the PNG environment;
- have good inter-personal and communication skills;
- who are committed to capacity building and mentoring of local counterparts.

ASFII will seek opportunities to support public sector reform and promote good governance through assisting with high priority initiatives relating to

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improved public service management and administration. It will do so by placing an Adviser (or in some cases more than one) where the opportunity is likely to:

- Support the implementation of an existing or proposed GoPNG public sector reform priority initiative;
- Assist GoPNG agencies to achieve specific, limited yet key development outcomes (mainly delivery of core policy formulation and planning and core common functions);
- Build the capacity (competencies and capabilities) of individuals, groups and organisations, in areas identified by GoPNG agencies, which will lead to sustained and self-generating performance improvement of the agency;
- Prepare the way for, complement (in some cases through a twinning arrangement), or consolidate an existing, planned or completed AusAID, other donor, or GoPNG project.

## STRATEGIC APPROACH

The AMC has prepared this *Strategic Plan* in order to identify areas where ASFII resources can most effectively be applied. This will enable the FMG to effectively manage the ASFII and focus the resources on capacity building, leading to effective public sector reform.

The AMC will also produce a *Communication Strategy* whereby the availability of the ASFII resources is communicated to decision-makers within central, line and sub-national agencies.

A key objective of ASFII is to recruit, induct, support and manage personnel with high quality technical capacity building and interpersonal skills in a cost-efficient and timely manner. To this end, the AMC will also produce a *Recruitment Strategy* so that stakeholders are able to understand the process and requirements that are involved in the placement of Advisers to assist in capacity building. The priorities under this plan will include:

- Developing and applying recruiting strategies which ensure access to the widest possible fields of candidates, consistent with affordability;
- Effective placement of suitable advisers under agreed contracts and workplans.

To enable the FMG to effectively manage the resources available through ASFII, the AMC will not only act as Secretariat, but will also provide both a *Facility Plan* and a *Management Plan*. In addition, AMC will provide reports detailing opportunities, relevant information regarding the influences and impacts of changes in the GoPNG environment, and proposals for placements.

**FOR FURTHER INFORMATION ON ASFII CONTACT THE ASFII OFFICE**  
**Phone: 320 1926 Fax: 321 1602 Email: [asf@asf.sagrc.com](mailto:asf@asf.sagrc.com)**