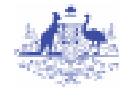




ASF



Australian Government
AusAID

STRATEGIC PLAN 2005

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 is more focused, targeted and strategic in approach, and so can be expected to have greater impact than ASF I.

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

ABOUT THIS STRATEGIC PLAN

This document is a revision of the *Strategic Plan* developed by the major ASFII stakeholders in January 2004. It provides the ASFII Board of Management with a framework for shaping the uses of the Facility generally and when considering specific Adviser placement requests.

This 2005 *Strategic Plan* is not a static document – it is reviewed annually, and more frequently if necessary, to take account of changes within the PNG development environment, AusAID and GoPNG policy, or other situational developments.

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.

INFLUENCES AND IMPACTS

PNG faces many policy and management challenges, particularly in the areas of Governance and Public Sector Reform [PSR]. ASFII advisory support has a primary focus on PSR, including improvements in public management and administration. This will be achieved through strengthening governance by building the capacity of PNG agencies to better deliver services.

The GoPNG has identified its immediate objectives for implementing PSR through the formulation of a *Strategic Plan for Supporting PSR in PNG*, and a related *Workplan*. The priorities

are clear and central, line and sub-national agencies are implementing, to different degrees and at varied rates, the reforms under this Plan.

Key recent organisational initiatives include the establishment of the Public Sector Reform Management Unit [PSRMU], the Public Sector Reform Advisory Group [PSRAG], the *Public Expenditure and Rationalization Review Reports 2003* [PERR] and the formation of the Central Agencies Coordinating Committee [CACC]. The latter committee has a key role in oversight of the implementation of the *Strategic Plan for Supporting PSR in PNG*.

A key document for ASFII is the *Strategic Plan for PSR*, which sets the objectives for reform:

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

This plan notes that critical areas for public sector reform in PNG are:

- Reducing costs and waste in national and provincial administrations;
- Correcting the underlying weaknesses that fail to control spending and prevent waste;
- Strengthening the capacity of the central agencies.



The findings of the *PERR Reports* prepared during 2003 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 expenditures;
- Action to control the Civil Service size and payroll;
- Restoring the integrity of Budget institutions and systems.

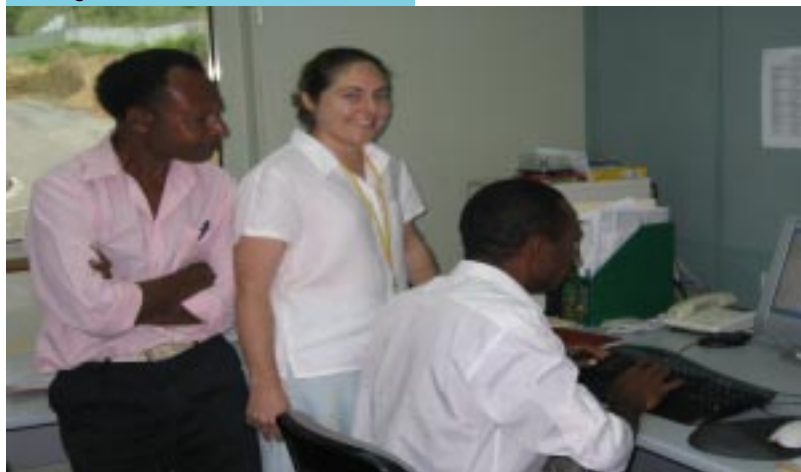
The *Strategic Plan for PSR 2003-2007* notes the need to accelerate actions on various activities, including:

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

In addition, in 2004 the GoPNG also launched a new public service development initiative – the Workforce Development Initiative [WDI].

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

All ASF Advisers work in collaboration with PNG colleagues, focussing on capacity building of organisations and individuals.



As ASFII is an AusAID funded facility, it is also influenced by current Australian policies and initiatives. Two major influences on ASFII are the Enhanced Cooperation Program [ECP], jointly agreed by the PNG and Australian Governments in December 2003, and AusAID's Sub National Initiative [SNI], established in late 2004. ASFII will seek to operate in complementary ways with ECP rather than compete or duplicate ECP efforts. Although it will be involved in the SNI through the funding of a team of Advisers with Department of Provincial and Local Government Affairs [DPLGA], it is not likely to directly fund SNI related activities within provinces in 2005.

ASFII PRIORITIES FOR 2004

In seeking to achieve its goal and purpose, ASFII will seek to engage strategically and constructively with GoPNG agencies, AusAID, ECP and other aid donors to:

- identify areas where ASFII resources can most effectively be applied;
- scope, define and manage appropriate Adviser placements.

ASFII recognises GoPNG policy priorities relating to the *MTDS*, particularly public sector reform priorities and action on the *PERR Reports*. Based on these priorities, ASFII proposes to focus on the following four key areas in 2005.

1. Setting Clear Directions

While ASFII provided substantial support in this area in 2004, some agencies still need support to develop, or further clarify, their purpose, direction and priorities. ASFII will continue to support corporate planning, based on the GoPNG agreed standard model, in 2005. This process includes the identification of service delivery priorities and impediments, the effective linking of planning, budgeting and organisational improvement, and the development of appropriate departmental structures.

2. Improving Performance

Some agencies have made progress in establishing appropriate systems related to improving performance but the need to provide support in this area continues in 2005. ASFII will support agencies to develop and manage effective systems for measuring, monitoring and reporting agency performance and improving performance appraisal systems for individual officers. ASFII may also provide support for relevant GoPNG 'watchdog' agencies.

3. Expenditure management

An important priority for ASFII in 2004 was that of improving public expenditure management and this will continue to be supported in 2005. As identified in the *PERR Reports*, individual agencies need support to control spending, improve cost-effectiveness, strengthen the budget process, improve financial management, implement better control and compliance measures, and follow agreed procurement practices. While ECP is involved in this area, it is expected that there will be ongoing opportunities for ASFII activity in support of such reforms in 2005.

4. Tackling HIV/AIDS

Recognising the seriousness of the HIV/AIDS threat to PNG, ASFII will provide support in 2005 to address issues related to HIV/AIDS awareness and ongoing action within public sector workplaces. In this endeavour, ASFII will work closely with the National AIDS Council and the Department of Personnel Management.

CENTRAL AGENCY SUPPORT

As in 2004, advisory support will be targeted mainly at central agencies, the rationale being that they continue to be key drivers of reforms relating to the above ASFII priorities 2 and 3 (improving performance and public expenditure management). The focus will be on locations where the advisory placement is likely to lead to flow-on effects within line departments and sub-national agencies, or where short-term practical effects are likely to be replicated in other locations. Key departments include:

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

LINE & SUB-NATIONAL LEVEL

The focus within these levels will be on strategic interventions in support of government reforms, particularly within the MTDS priority areas. Placements will explore innovative approaches to policy implementation and improved service delivery. Priority may be given to initiatives showing potential for replication of outcomes through similar initiatives in other line departments, or within agencies at provincial, district or local level government.

ASF PRIORITIES FOR 2005

Setting clear directions

Improving performance

Public expenditure management

Tackling HIV/AIDS in the workplace

OTHER PLACEMENTS

The ASFII Board of Management may approve placements in other GoPNG locations, such as authorities, across two or more agencies, or within a sector. These will support GoPNG-approved development priorities. These placements may also address cross-cutting issues such as poverty, gender, and environment.

ASFII GUIDING PRINCIPLES

- The priorities for ASFII placements are determined by GoPNG and Australian Government policy, and are responsive to PNG government reform strategies and evolving needs.
- ASFII works in partnership within government systems, building on existing priorities and activities in collaborative, flexible and innovative ways.
- ASFII 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 ASFII placements which will support early implementation of GoPNG public sector reform priorities.

CAPACITY BUILDING FOCUS

The following criteria provide guidance to the ASFII Board in deciding whether capacity building will be achieved through ASFII provision of advisory assistance:

- An identifiable problem exists, the extent of the problem is largely known, and the causes 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 the desired change;
- The agency is committed to change but is constrained by lack of knowledge and/or skills;
- The problem is amenable to solution by the provision of external advisory input;
- The most appropriate external input is a short to medium term adviser.

Capacity building activities can be wide ranging and may include training and development, organisational assessment and development, institutional strengthening and the 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 the host agency 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 or fewer misguided policies or plans;
- be sustainable, so that the improved performance continues after the ASFII advisory activities cease;
- be self-generating, to enable the target individual or group to

continue to build capacity with little or no further advisory assistance.

However, the above 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, as determined by the FMG.

APPROACHES AND METHODS

ASFII is 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 these flexible characteristics.

ASFII has limitations, particularly in its use of advisory 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 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; who have excellent inter-

personal and communication skills; and who are committed to capacity building and mentoring of their nominated GoPNG colleagues.

ASFII will seek opportunities to promote good governance and support public sector reform through assisting with initiatives to improve public service management and administration by placing an Adviser or, where appropriate, a team of Advisers, into situations where the opportunity is likely to:

- Support the implementation of an existing or proposed GoPNG public sector reform priority;
- 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;

- Complement an existing Enhanced Cooperation Program assignment/s.

Ongoing support will be provided for Twinning schemes (e.g. Finance Twinning Scheme, PATTS) and further opportunities for twinning arrangements will be explored.

STRATEGIC APPROACH

The FMG has prepared this *Strategic Plan*, in order to facilitate strategic and constructive engagement with GoPNG agencies, so that identify appropriate areas where ASFII resources can be applied. This will enable the FMG to effectively manage the ASFII and to focus available resources on capacity building likely to foster effective public sector reform.

The AMC will produce agency awareness and guidance materials based on this Plan, so that the availability of the ASFII resources, and the criteria by which they are allocated, are understood by decision-makers within targeted GoPNG agencies.

As placements are identified and approved, a key ASFII objective is to recruit, induct, support and manage advisers with high quality technical, capacity building and interpersonal skills in a cost-efficient and timely manner. To this end, the AMC is guided by approved sub-plans, including:

- a *Recruitment Strategy*;
- a *Facility Plan*;
- *Six-monthly Management Plans*;
- a *Monitoring and Evaluation Framework*;
- *Six monthly Management Plans*;
- a *Procedures Manual*.

All of these will be updated, as changing circumstances require.



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