Evaluation of the Commission’s Support to Papua New Guinea
Country Level Evaluation

Commission Framework Contract
EuropeAid/116548/C/SV
Lot No. 4: Sectoral and Project Evaluations
Contract No. 2005/104084

Final Report
February, 2006

Project carried out by
Consortium INTEGRATION
Evaluation of the Commission’s Support to Papua New Guinea
Country Level Evaluation

Final Report
February, 2006

Team of Experts:

Siegfrid Jenders, Team Leader
Edwin Burgeois, Education Expert
Alois Große-Rüschkamp, Rural Development Expert
Ben Goodman, Country Policy Expert

Disclaimer:
This publication was produced with European Union support. Its contents are the sole responsibility of INTEGRATION Consortium and in no way reflect the opinion of the European Union.
# TABLE OF CONTENTS

0 Executive Summary .................................................................................................................. 1  

1 Evaluation Methodology ........................................................................................................ 7  
1.1 Rationale and Objectives of the Evaluation ........................................................................ 7  
1.2 Methodology ...................................................................................................................... 8  
1.2.1 Proceedings ................................................................................................................ 8  
1.2.2 Evaluation Questions, Judgement Criteria and Indicators ........................................... 9  
1.2.3 Information and Data Collection ................................................................................. 9  
1.2.4 Schedules .................................................................................................................... 10  

2 Development Co-operation Context ...................................................................................... 11  
2.1 Country Situation and Recent Political and Economic Developments ............................ 11  
2.2 The Social and Cultural Dimension in PNG .................................................................... 13  
2.3 Human Development and Poverty .................................................................................... 14  
2.4 Development Strategies of the PNG Government .............................................................. 15  
2.5 Interventions of Other Donors ....................................................................................... 17  
2.6 EC Development Policy in PNG ..................................................................................... 19  

3 The Country Strategy Paper .................................................................................................. 21  
3.1 Process of Strategy Development and Formulation for EDF 8 and EDF 9 ...................... 21  
3.2 Results of Reviews/Evaluations of EDF 8 and EDF 9 ...................................................... 21  
3.3 Intervention Logic of EDF 8 and EDF 9 ......................................................................... 22  
3.4 Comparative Analysis: Priorities and Focal Areas of Intervention .................................. 23  
3.5 Financial Envelopes ......................................................................................................... 24  

4 Evaluation Questions and Answers ....................................................................................... 26  
4.1 Selection and Rationale for Evaluation Questions ............................................................. 26  
4.2 EQ 1: Relevance ............................................................................................................... 27  
4.2.1 Justification and Coverage ....................................................................................... 27  
4.2.2 Analysis and Assessments ....................................................................................... 28  
4.3 EQ 2: Effectiveness and Impact of HRD Programmes ..................................................... 31  
4.3.1 Justification and Coverage ....................................................................................... 31  
4.3.2 Strategies and Programmes ..................................................................................... 32  
4.3.3 Analysis and Assessment ....................................................................................... 33  
4.4 EQ 3: Effectiveness and impact of Rural Water supply and Sanitation (RWSS) .......... 36  
4.4.1 Justification and Coverage ....................................................................................... 36  
4.4.2 Strategies of the Programme ..................................................................................... 37  
4.4.3 Analysis and Assessment ....................................................................................... 37  
4.5 Rural Development under EDF 8 ..................................................................................... 40  
4.5.1 Justification and Coverage ....................................................................................... 41  
4.5.2 Strategies of the Projects ......................................................................................... 41  
4.5.3 Analysis and Assessments ....................................................................................... 42  
4.5.5 STABEX ................................................................................................................... 46  
4.6 EQ 5: Institutional Capacity Building and Governance .................................................. 47  
4.6.1 Justification and Coverage ....................................................................................... 47  
4.6.2 Strategies of Programme ......................................................................................... 48  
4.6.3 Analysis and Assessments ....................................................................................... 49  
4.7 EQ 6: Implementation Mechanisms .................................................................................. 50
4.8 EQ 7: Cross Cutting Issues ........................................................................ 54
  4.8.1 Justification and Coverage ................................................................ 54
  4.8.2 Brief Description of Interventions .................................................... 54
  4.8.3 Analysis and Assessments ................................................................. 54
4.9 EQ 8: Coordination, Complementarity and Coherence ................................. 57
  4.9.1 Justification and Coverage ............................................................... 57
  4.9.2 Analysis and Assessment ................................................................. 58
4.10 EQ 9: Sustainability .................................................................................. 61
  4.10.1 Justification and Coverage............................................................... 61
  4.10.2 Analysis and Assessments ................................................................. 61
5 Conclusions .................................................................................................. 65
  5.1 Changing Approaches to Poverty Reduction ........................................... 65
    5.1.1 Conceptual Shift from EDF 8 to EDF 9 .............................................. 65
    5.1.2 Strategy Developments of the GoPNG .............................................. 66
  5.2 Observations on Approaches for EC Interventions ................................ 67
    5.2.1 Lessons Learnt: Factors Contributing to Sustainable Development .... 67
    5.2.2 Choices of Main Areas of Interventions .......................................... 68
    5.2.3 Sustaining Suitable Intervention Approaches .................................. 69
    5.2.4 Achieving Poverty Reduction .......................................................... 70
6 Recommendations ........................................................................................ 72
  6.1 Scope of Recommendations .................................................................... 72
  6.2 Basic Strategic Approaches .................................................................... 72
  6.3 Strengthening the Role of the GoPNG in Development Cooperation ........ 73
  6.4 Recommendation Concerning the Ongoing CSP ................................... 74
    6.4.1 Relevance ....................................................................................... 74
    6.3.2 Efficiency ....................................................................................... 75
    6.3.3 Effectiveness ................................................................................... 76
    6.3.4 Impact ............................................................................................ 76
    6.3.5 Sustainability .................................................................................. 77

Annex 1 Terms of Reference
Annex 2 Logical Diagrams EDF 8 and EDF 9
Annex 3 Overview of the EC Interventions: EDF 7 - EDF 9
Annex 4 Selected Social and Economic Indicators
Annex 5 Matrix of Information Collected
Annex 6 Contacts
Annex 7 References
Annex 8 Map of PNG
ACRONYMS

ACP Africa, Caribbean and Pacific
ADB Asian Development Bank
APEC Asia-Pacific Economic Cooperation
AusAid Australian Agency for International Development
CSP Country Strategy Paper
DNPRD Department of National Planning and Rural Development
DOH Departement of Health
DTI Departement of Trade and Industry
EC European Commission
EDF European Development Fund
EFP Eco-Forestry Programme
EIB European Investment Bank
EPA Economic Partnership Agreement
ECP Enhanced Cooperation Programme
EQ Evaluation Question
ETHRD Education, Training and Human Resource Development
EU European Union
EU-PMU European Union Programme Management Unit
FA Financing Agreement
FLEX Financing for Short Term Fluctuation in Export Earnings
FMIP Financial Management and Improvement Programme
FORCERT Forestry Certification
GDI Gender Development Index
GDP Gross Domestic Product
GNI Gross National Income
GoPNG Government of Papua New Guinea
GRA Gazelle Restoration Authority
GRP Gazelle Restoration Project
HDI Human Development Index
HIV Human Immunodeficiency Virus
HoD Head of Delegation
HRDP Human Resource Development Programme
ICBG Institutional Capacity Building and Governance
IMF International Monetary Fund
IRPEF Improvement for Rural Primary Education Facilities
INA Institute of National Affairs
JC Judgement Criterion
JICA Japan International Cooperation Agency
LGTS Local Government Technical Service
LLG Local Level Government
MDGs Millennium Development Goals
MSG Melanesian Spearhead Group
MTDS Medium Term Development Strategy
MTRP Medium Term Restoration Programme
NAO National Authorising Office
NAO-SP National Authorising Office-Support Project
NDOE National Department of Education
NFA National Fisheries Authority
NGOs Non Government Organisations
NIP National Indicative Programme
NPRS National Poverty Reduction Strategy
NSAs Non-State Actors
<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>NZAID</td>
<td>New Zealand International Development Agency</td>
</tr>
<tr>
<td>PACER</td>
<td>Pacific Agreement on Closer Economic Relations</td>
</tr>
<tr>
<td>PERR</td>
<td>Public Expenditure Review and Rationalisation</td>
</tr>
<tr>
<td>PICs</td>
<td>Pacific Island Countries</td>
</tr>
<tr>
<td>PICTA</td>
<td>Pacific Island Countries Trade Agreement</td>
</tr>
<tr>
<td>PIF</td>
<td>Pacific Islands Forum</td>
</tr>
<tr>
<td>PNG</td>
<td>Papua New Guinea</td>
</tr>
<tr>
<td>RCFDP</td>
<td>Rural Coastal Fisheries Development Project</td>
</tr>
<tr>
<td>RDP</td>
<td>Rural Development Programme</td>
</tr>
<tr>
<td>RIP</td>
<td>Regional Indicative Programme</td>
</tr>
<tr>
<td>RWSS</td>
<td>Rural Water Supply and Sanitation</td>
</tr>
<tr>
<td>SASP</td>
<td>Structural Adjustment Support Programme</td>
</tr>
<tr>
<td>SHP</td>
<td>Sexual Health Project</td>
</tr>
<tr>
<td>STABEX</td>
<td>Stabilisation of Export Earnings of Agricultural Commodity</td>
</tr>
<tr>
<td>SYSMIN</td>
<td>System for Mining Assistance</td>
</tr>
<tr>
<td>TA</td>
<td>Technical Assistance</td>
</tr>
<tr>
<td>TCF</td>
<td>Technical Cooperation Facility</td>
</tr>
<tr>
<td>TRA</td>
<td>Trade Related technical Assistance</td>
</tr>
<tr>
<td>UNDP</td>
<td>United Nations Development Programme</td>
</tr>
<tr>
<td>UNICEF</td>
<td>UNITED Nations Childrens’s Fund</td>
</tr>
<tr>
<td>UNITECH</td>
<td>Technical University (PNG)</td>
</tr>
<tr>
<td>UPE</td>
<td>Universal Primary Education</td>
</tr>
<tr>
<td>UPNG</td>
<td>University of PNG</td>
</tr>
<tr>
<td>WB</td>
<td>World Bank</td>
</tr>
<tr>
<td>WASCOM</td>
<td>Water Supply and Sanitation Committee</td>
</tr>
<tr>
<td>WTO</td>
<td>World Trade Organisation</td>
</tr>
</tbody>
</table>
0 EXECUTIVE SUMMARY

Evaluation Methodology and Proceedings

This evaluation analyses the EC's cooperation with PNG during the recent years, examining whether the Commission's interventions have produced the planned results and impacts. It covers the EC's programmes/projects under EDF 8 (1996 - 2002) and EDF 9 (2002 - 2007). Also included are programmes funded through other envelopes under the Lomé and Cotonou Agreements.

The evaluation aimed at examining the consistency of the EC's strategy with the country's development plans and its coherence with the interventions of other donors. Emphasis is placed upon the relevance of the current country strategy, on the country's absorption capacity for donor supported programmes and the specific challenges facing the effective delivery of assistance. The analysis also includes relevant overarching issues.

A desk research phase reviewing basic strategy and programme documents and resulting in a Desk Report defined Evaluation Questions (EQ), Judgement Criteria (JC) and Indicators. During a field research phase of three weeks (2nd to 24th October 2005) in PNG additional documents were reviewed and intensive discussions held with the EU Delegation, the office of the NAO, managers of EC funded programmes/projects, officers of government departments, relevant stakeholders and other donors.

The EU-Delegation and the NAO in PNG, and later the Reference Group of this evaluation in Brussels were debriefed on preliminary findings. The first draft of the final Report was then submitted on 16th November. A participatory workshop was held on 1st February in PNG, to which the final Report is to was presented and discussed.

Development Co-operation Context

Papua New Guinea's (PNG) topography is rugged and mountainous. Rural communities, remaining isolated from each other and from urban centre, form the great majority of the 5.9 Million inhabitants. The country's natural resources include gold, copper, oil, gas, timber and fish. 30% of land is suitable for agriculture; fertile soils and sufficient rainfall support the cultivation of a wide range of crops. The economy is extremely dualistic. An export-oriented, capital-intensive minerals sector is operating in parallel to traditional rural subsistence, on which 87% of the population relies. Despite significant wealth generated from mineral exploitation over the last 20 years, the formal economy has provided few jobs.

Following several years of disappointing performance, macroeconomic indicators improved during recent years, benefiting from rising commodity prices. PNG's real GDP grew at 2.8 per cent in 2004; continued growth is expected, but this will by far fall short of the 7% growth needed to make serious inroads into PNG's development problems. The continuing decline of physical infrastructure, ongoing law and order problems and the growing costs of transportation are severe constraints to the development of agriculture, forestry, fisheries and tourism, which have high potentials.

PNG's political system produced a large number of small political parties, leading to frequent changes of government, but ensuring political freedom, independent courts and a vigorous press. The present government appreciates the need for wide ranging reforms. Translating policies and strategies into consistent action remains a challenge, though. Observers describe the political situation as still fluid and government institutions remain weak.

A nine-year secessionist revolt in the island of Bougainville claimed some 20,000 lives. A ceasefire in 1998 was followed by a peace agreement in 2001, which led to successfully held elections for an autonomous provincial government in April 2005.

The majority of communities in PNG is largely unaffected by modern ways of life, earning hardly any cash income and trading very little. The traditional "wantok" system provides social insurance to the members via intra-clan transfers of resources and sharing of responsibilities for the care of the needy. Wealth has not traditionally been accumulated for its own sake, but for the purpose of giving it away, creating prestige for the giver and placing obligations on the receiver.

The divide between the rich and the poor in PNG is substantial. The country's Gini coefficient is the lowest in the Asia-Pacific region. The World Bank estimates, that 39% of the PNG population live on less than 1 US$ a day. The country's Human Development Index (HDI) is the second lowest in the Asia-Pacific Region. 61% of the population has no sustainable access to safe water, and density of physicians is among the lowest in the world. HIV infection rates, though still low in comparison to African and other Asian countries, are increasing at a pace that causes serious concern. Breakdown
of law and order in PNG, linked to poor human development outcomes, has become a serious development constraint.

The Medium Term Development Strategy (MTDS) of the GoPNG sets the wider development framework. The 1997 - 2002 MTDS, on which the EC country strategy is based, gives priority to elementary and primary education and primary health care, while the 2005 - 2010 MTDS places higher emphasis on maintaining the infrastructure and on economic growth. Resource mobilisation through public sector reform and expenditure management is an intrinsic element of the MTDS.

Per capita flow of international aid to PNG is approximately 40 US $. About 1/3 of the PNG's total budget is planned for development purposes, and roughly 2/3 of this is financed through concessional project loans and donor grants. Australia is by far the largest bilateral donor. Other cooperation programmes are implemented with assistance from Japan, the EU, New Zealand, Peoples Republic of China, the UNDP, the ADB, the IMF and the World Bank. The World Bank and the ADB have signalled the need for better governance and transparency through the cancellation of loans.

EC Country Strategy

The EC response strategy to PNG's requirements is defined in the Country Strategy Paper (CSP). It was elaborated through a joint consultation process between the GoPNG and the EC. The participatory process for the current CSP was well prepared and well received. However, frustrations occurred in the process when trying to match the different needs of the EC and the GoPNG. One issue was time pressure, another one the EC's insistence on a sector policy on which to base the cooperation strategy.

The EDF 9 strategy is directed at strengthening education and improving the quality of rural life, and at fostering good governance. Programmes under EDF 9 are fewer and typically larger than those under EDF 8. Rural development projects under EDF 8 have a focus on improving cash income, while the priority of the EDF 9 is on the well being of rural people. The introduction of non-state actors (NSAs) as implementing agents and the inclusion of governance as a key issue to development in EDF 9, are significant shifts of emphasis, which followed from the evaluation of EDF 8.

EDF 8 had a volume of € 50 million. 40 % of this was allocated to HR development, 50% to rural development and approx. 10 % to non-focal support activities including HIV/AIDS. Most of this has been committed and well over half of it has so far been disbursed. EDF 9 provides a programmable A-envelope of € 81 million, and a B-envelope of € 35 million plus € 50 million of SYSMIN funds transferred on the basis of PNG's eligibility under the 8th EDF. € 35 million are programmed for Education, Training and HRD (ETHRD), € 25 million for Rural Water Supply and Sanitation (RWSS), and € 21 million for Institutional Capacity Building and Governance (ICBG).

Following a Mid-Term Review in 2004, the A-envelope was reduced by € 10 million and the B-envelope by € 9 million, funds for ETHRD were increased by € 4 million and RWSS by €5 million. At the beginning of 2005, PNG became eligible for € 22.4 million FLEX (fluctuations of export earnings) funds. These were mobilised from the B-envelope, and transferred to the A-envelope. The implementation of EDF 9 has been slower than foreseen, however, the funds allocated to the programmes in the focal sectors will most likely be fully committed by the end of this year. The FA for the ETHRD is about to be signed, RWSS has been tendered and is expected to start at the beginning of 2006, while projects under ICBG are being identified.

Evaluation Questions and Answers

The evaluation questions (EQ) were to analyse whether the main direction of EC involvement in PNG is adequate, given the context of the country's social and economic situation and its declared development objectives.

**EQ 1: Relevance**

The EQ aimed at assessing the conformity of the EC's assistance with national strategies, its appropriateness with regard to promoting equitable growth, and the adequacy of the planning process in view of the partners' priorities and capacities.

The analysis found that the programmes and projects planned under EDF 9 address genuine needs of the people of PNG, in particular poor people in rural areas. As such, they are in line with the policies of the GoPNG, for which the reduction of poverty and the well-being of its people (education, health) are top priorities. EDF 9 is further in line with the MTDS and the MDGs. In accordance with the Cotonou Agreement, the planning of the CSP followed a participatory approach. Not all requirements of the PNG side could be met; in the end, a CSP was signed that was acceptable to both sides. The focus of the CSP on rural areas and community-based activities, with NSAs being important intermediary
organisations, is well accepted by both sides. Strengths and weaknesses of organisations, which impinge on the relevance that the programmes may have with regard to achieving equitable growth and poverty reduction, were taken into account, but further monitoring appears necessary. Working with NSAs bears risks, in particular with regard to absorption capacities. However, these risks appear to be worth taking in view of the expected development benefits. The quality of planning of projects and programmes seems adequate in comparison, but leaves room for improvement.

**EQ 2: Effectiveness and Impact of HRD Programmes**

The EQ refers to improved access of children, in particular girls, to education and training and increased quality of education, training and HRD.

The assessment found that the Commission’s interventions in the focal sector of education, training and human resources development did contribute to improving access to and quality of education and training. Equitable access to education has indeed been a concern over the last two programming periods. The EC is contributing to increasing the enrolment capacity of the education system through improvement of school facilities, mainly the construction of upper secondary and tertiary institutions in urban areas under the HRDP II and the rehabilitation of primary schools and teachers’ houses in remote rural areas under the IRPEF. However, the supply of facilities is not enough, more important is the effectiveness of the teaching-learning process taking place in those facilities. The quality issues are being addressed through support to teacher training, community based management capacity development targeting School Board members and headmasters, and community awareness programmes. Quality inputs such as human resources development, including the training of female teachers specifically for rural communities, and the supply of textbooks in support of the primary curriculum reform programme will be the main focus of the anticipated ETHRDP.

**EQ 3: Effectiveness and impact of Rural Water supply and Sanitation (RWSS)**

This question is about expected improvements of access to clean water and sanitation in rural areas after successful implementation of the programme.

The programme is expected to contribute strongly to the well-being of the selected communities that participate in the programme. However, the programme cannot be replicated and extended to the majority of the rural communities without external funding, as neither NSAs dispose of the needed funds nor can communities generate the money needed to build similar RWSS schemes. Only income-generating activities can give the communities the economic means to finance social infrastructure and ensure the repair and maintenance of the RWSS scheme in the long term and, hence, their sustainability. Income generating activities should therefore complement the RWSS interventions.

**EQ 4: Rural Development under EDF 8**

The question is about interventions contributing sustainably to increased cash income, i.e. schemes being economically viable and replicable.

Both projects aim at income generation of rural communities and consequently of poverty reduction. In view of the mainly subsistence oriented economy in rural areas, these two projects provide an essential and valuable contribution to the integration of rural communities into the national and international markets. The analysis found that both the RCFDP and the Eco-Forestry projects are economically not yet fully viable, although they have now been running for six years. Especially the marketing of the products still requires to be improved in order to ensure that the products fetch cost-covering prices in the markets. Because of substantial difficulties during the first years of their implementation the projects will not achieve a state of sustainability if they are terminated as now planned, as the institutional set up is not sufficiently consolidated.

Concerning STABEX projects, little information is available. An evaluation in 2002/03 rated their performance low. Not all projects have been completed. To obtain a final view a final evaluation of the programme is recommended, assessing the impact and sustainability of a number of representative projects.

**EQ 5: Institutional Capacity Building and Governance**

The EQ examines improvements in public services as well as an enhanced role of non-state actors to be expected from EC’s interventions.

The ICBG programme is still in an early stage of planning. In principle, the preconditions for such a programme becoming successful appear good. It is in line with the policies of the GoPNG, it focuses in part on a group of actors (NSAs) that will play a more important role in PNG in the field of social and economic development in future, and it is well positioned to supply development services to the poor people. The programme entails some risks with regard to management and absorption capacities, but these appear manageable and may be worth taking (like in the case of RWSS). The programme entails substantial opportunities for the EC to contribute to the development of a conducive policy and
administrative framework that could also enhance the performance and impact of other EC programmes. The ICBG further offers opportunities of cooperation and coordination with other donors that may equally positively impact on other EC interventions.

**EQ 6: Implementation Mechanisms**
The EQ relates to the organisation and practices of the Commission’s services and the NAO contributing to designing, implementing and monitoring projects/programmes effectively, and to different funding mechanisms being efficiently used.

The analysis found that the implementation mechanisms applied support the attainment of sustainability and impact of EC interventions. Room for improvement was found in various areas. The procedures could be streamlined, and the quality of planning documents improved. Participatory planning could be improved through professional facilitation. Coordination of cooperation could be improved from the GoPNG side, which should assert its role of being in the "driving seat", according to the Cotonou Agreement.

**EQ 7: Cross Cutting Issues**
The question assesses in how far interventions in PNG have contributed to promoting the equality of men and women in all aspects of society, of human rights, the protection of the environment and to mainstreaming of issues and consequences of the HIV/Aids pandemic.

Cross cutting issues, gender, environment, human rights, peace and security and HIV/Aids were taken into account during the programming and the implementation cycles of programmes/projects, though sometimes as issues of secondary importance. Gender equality aspects are important in some projects such as the RWSS and the Sexual Health projects.; in other projects gender issues feature to a lesser degree. Gender mainstreaming should be more actively pursued. A bold and innovative attempt to improve gender equality in education is planned in the future ETHRDP through the training of female rural primary school teachers, which is expected to increase pupil enrolments, in particular of girls. Environmental aspects are often taken into consideration on a project-by-project base rather than mainstreamed as a crosscutting issue. Fundamental human rights, such as the right to education, health, shelter and food, are being addressed through EC programmes. Human rights issues do not feature prominently in EC programmes. In PNG, HIV/Aids is treated as a crosscutting issue as a result of the seriousness of the epidemic. The Sexual Health Project had some impact may become more effective now after management changes and a reviewed approach.

**EQ 8: Coordination, Complementarity and Coherence**
This EQ looks at the 3 Cs, i.e. coordination and complementarity with other donors, particularly with Member States, and the coherence with EU policies, Regional Indicative Programmes and other Programmes funded by EC budgetary lines.

The GoPNG should actively seek to enhance coordination and complementarity of all donor interventions, but this is not being done. Informal coordination between donors including the EC takes place. Coordination, complementarity and coherence of the EU programmes was not always analysed formally during planning and evaluation, but at implementation level both EDF 8 and EDF 9 are well coordinated with other donors, and complementary to their interventions. Coherence with EU policies is given, but is again not formally analysed in most of the project documents, i.e. feasibility studies or MTRs.

**EQ 9: Sustainability**
This EQ examines whether programmes and projects supported by the EC in PNG will survive and continue after the suspension of EC support and that support measures contribute to long-term improvement of capacities.

The sustainability of the results achieved through the EC’s interventions in PNG varies considerably from sector to sector and from project to project. The mission encountered a lot of scepticism regarding the management capacities at sub-national levels of government. These are, however, crucial in the day-to-day implementation of national policies and development plans. Reportedly, there are better prospects for achieving financial viability in the Eco-Forestry Programme and in the Rural Coastal Fisheries Development Programme. Long-term prospects for the improvement of sustainability of the EC’s interventions in the education sector are dependent on the development of a sector-wide approach, similar to the SWAp that is currently being put in place for the health sector. However, standards for such an approach need to be established first.

**Conclusions**
The EC has been involved in the two main directions in its cooperation with PNG - education/human resource development and rural development - for a long time and, jointly with its partners, made efforts to develop excellence in both fields. Shifts have occurred from EDF 8 to EDF 9. In education,
they entail greater attention to rural areas and to the quality of basic education. In rural development, EDF 9 softens the direct connection between education and capacity for earning income that was present in EDF 8, now linking education with basic health as facilitating factors for economic engagement. The introduction of institutional capacity building and governance may add value to the rural community development approach in that available resources and capacities (of NSAs) are mobilised to support and sustain interventions.

The observed shifts and changes of emphasis are only partly in line with the directions of GoPNG strategies, in fact, the current MTDS is placing greater emphasis on practical outcomes of rural development efforts in terms of quick returns in economic growth, while the EC is directing its emphasis from an economic growth orientation in EDF 8 towards longer term rural development in EDF 9.

Community based projects directed at improving the well being of rural communities risk not achieving their objectives without cash income being generated to sustain services, while there is potential for sustainable development through income generating projects based on available natural resources. The innovations undertaken in rural community development and the risks that have been accepted require further inputs to prove their worth. The evaluators cannot, however, conclude whether this will be met with success.

The EC seems to be at a crossroads with regard to selecting its two focal sectors. Both are important development areas, but from a practical point of view it is difficult to mix them. It appears that sooner a decision for one or the other approach needs to be made.

With regard to institutional capacity building and governance, the evaluators miss a clear strategy. ICBG interventions need to be connected to one or the other focal area, otherwise three areas would have to be supported. Again it appears that the EC has reached a crossroad where it is to decide where the emphasis of its support will be directed to.

Development interventions in PNG are constrained by various factors. Substantial technical assistance and smaller projects with a long duration, facilitating effective management and assuring the correct use of the funds are required in the PNG context. The community development approach requires structures that can deal with smaller projects and that can flexibly react to implementation issues. Designing corresponding implementation mechanisms within the framework of EC and EDF regulations requires extra efforts and a management that is committed to rural community development. If the EC decides to continue to pursue this difficult path, it must be prepared to invest into building up the required management capacities.

Reducing poverty in PNG requires a rural development approach with the objective of promoting income earning to sustain community based infrastructure like schools, water and sanitation, communication services, feeder roads, etc. Such an approach would have to be underpinned with one of creating a conducive environment for rural community development, creating an umbrella that ensures access to facilities and services, and the replication of small projects.

The evaluation team does not have a mandate to recommend such an approach for the EC and to elaborate more on how to operationalise it. Taking into account what the field work in PNG has brought out, the above would, however, be the broad guidelines along which a strategy that reduces poverty should orient itself.

Recommendations

The Cotonou Agreement emphasises participatory planning processes. At the same time, it mentions a selected number of focal areas that cooperation between ACP countries and the EC could cover. The EC also has to follow its own policies and strategies of cooperation. Preference is on channelling cooperation towards one or two focal sectors. All this means that choices must be made.

The evaluators see two different types of approaches being possible: One involving NSAs, supplying services and support directed at community based rural economic development. The other would strengthen capacities of government institutions to supply better public services to the people of PNG, in public fields like education, health, infrastructure or administration (especially at sub-national government levels). The first approach would require a multiplier system of non-state-actors, putting the onus on the programme management so as to ensure that funds are directed towards the proper use. The other would be a sector approach through government structures; in order to be effective, it would have to be implemented in close coordination with other donors. The question of which type of approach is better suited for support through the EC needs to be discussed openly and at an early stage with the GoPNG.
Government is encouraged to take on a stronger role. Clear official policies and sector development strategies, government-led donor coordination and performing government structures are conducive to interventions reaching impact and rendering projects more effective.

**Relevance**
Interventions must be "owned" by both partners. To improve the dialogue, it would be helpful to inform the GoPNG as early as possible about the policies, limits and requirements of the EC.
EC and GoPNG should improve on the quality of participatory planning. This should ensure that beneficiaries take ownership of interventions and the change that will be brought about.
In order to improve on relevance, impact oriented planning and monitoring should be introduced. Impacts must be defined in a way that they can be attributed to interventions.

**Efficiency**
Users of the EDF procedures, i.e. government organisations and NSAs, require simplified and targeted information how to apply them. Training in EDF procedures is essential; an extended learning curve should be expected.
Working with NSAs requires a strong legal and administrative framework for management contracts, allowing for the delegation of responsibilities. At the same time, projects must be well monitored against the desired impact being achieved.

**Effectiveness**
Smaller project sizes would enhance effectiveness. Management costs may be higher, but this should be considered an investment into building management capacities of NSAs.
Effectiveness should be improved through donor coordination. Building capacities of the NAO in donor coordination, training his staff and assisting to establish a functioning framework for donor coordination is emphasised.
Effectiveness can be further enhanced through building synergies between the EDF 9 programmes; interventions in the two focal sectors could be enhanced through capacity building under the ICBG programme. Synergies should also continue to be strengthened among similar projects supported by several donors (like in the SHP)

**Impact**
The reasonably achievable impact (the benefit) of interventions should be quantified, if not at the stage of initial planning than at least at a stage when the project management is in a position to reasonable judge what can be reached. Impact monitoring should become a part of interventions and be budgeted for.

**Sustainability**
Reaching sustainability may take more time than the Financing Agreement foresees for a project period. Continuity between EDFs should be encouraged, and milestones achieved during one EDF period be taken as the basis for planning a subsequent project/programme during the next.
A community development approach must look at sustainability of the support structures as well. Some support services require permanent subsidies. A dialogue with the government in this regard is essential. It would be useful if the government is as early as possible involved in the management of such subsidies, if they come from outside.
1 EVALUATION METHODOLOGY

1.1 Rationale and Objectives of the Evaluation

This evaluation analyses the Commission’s assistance to PNG during the recent years, assessing the strengths and weaknesses of its co-operation strategy and examining whether the interventions in the different focal and non-focal areas have

- produced the planned results and impacts, especially with regard to the country strategy objectives, and
- have done so in an efficient and effective manner.

Considering that the cooperation strategy needs to be the result of a dialogue between the PNG’s authorities and the EC, the evaluation looks at the extent to which the strategy corresponds to the objectives of the Commission, like, for instance, those stated in the European Community’s Development Policy. Equally, it verifies in how far the strategy reflects the objectives and policies of PNG. The results of these assessments are to provide a valuable aid both for the implementation of the current strategy and indicative programme, and for future programming.

Taking into account the results of the evaluation of the Country Strategy for PNG 1996-99, carried out in 2000, this evaluation provides a critical analysis of the current Country Strategy (CSP) and its implementation to date.

Emphasis is placed upon an assessment of

- the validity and relevance of the current strategy, its sectoral focus and its coherence with previous strategies, with the objectives of the GoPNG and the Cotonou Agreement,
- the size of the financial allocation in the 9th EDF and the revisions made following the Medium-Term Review (2004) in the light of the country’s absorption capacity,
- the design of programmes and the specific challenges facing the effective delivery of EC aid to PNG and the response of the EC to these challenges,
- the overall results achieved since the last evaluation in 2000 covering projects from the present CSP as well as previous Country Strategies.

While education and human resources development as well as rural water supply and sanitation (RWSS) form the two focal sectors of the current CSP, capacity building of governmental organisations and of non state actors (NSA) has been the main area of the EC’s non-focal sector support, which is aimed at promoting institutional capacities and good governance.

The analysis encompasses relevant overarching issues, such as participation and partnership, local ownership, gender issues, donor coordination, as well as the sustainable management of natural resources.

The evaluation also assesses the extent to which the intended outputs and results have been achieved and in how far they have contributed to the objectives within the overall national context (in economic, political, socio-cultural and environmental terms). The evaluation further assesses the coherence between actions undertaken at national level and those undertaken at relevant regional level. The latter are particularly important with regard to their impact in promoting economic integration and trade. The assessments consider the results of a monitoring mission that took place in July 2005.

Particular attention is devoted to impacts in the context of greater concentration on results-based management and of helping the Government of PNG (GoPNG) in policy design.

The main coverage of the evaluation is:
- the Commission's co-operation strategy with PNG, and its implementation over the period 1996/2002; and
- the analysis of the relevance, logic and coherence, as well as the intended impacts of the Commission's co-operation strategy for the period 2002-2007.

It consequently covers not only projects planned within the framework of EDF 9, but also projects implemented under EDF 8 and even some projects that started during EDF 7.

Programmes funded through other envelopes, in particular STABEX, SYSMIN, structural adjustment facilities, the Regional Indicative Programme (RIP), all-ACP programmes, and programmes of the European Investment Bank (EIB) that were implemented or programmed during the evaluation period were also to be considered. Attention is given to the aspects of coherence, complementarity and coordination among different instruments and sources of funding.

Finally, the evaluation was to consider the political, social and economic situation of the country and to examine the consistency of the Commission’s strategy with the country’s development plans, in particular the Mid Term Development Strategies (the MTDS of 1997-2002 and the MTDS 2005 - 2010), the PNG Poverty Reduction Strategy Paper (NPRS) for 2003-2020 and its coherence with the interventions of other donors.

The latter seems all the more important as the projects contained within the EC’s support to the country do not in principle strengthen the economic base directly or render the country less dependent on its continued function as a provider of raw materials. Raw material extraction has continued to be the basis for the GoPNG’s revenue. This has meant that revenues depend on the development of the terms of trade. The improvement of the economic situation in 2003 and 2004 with positive growth in GDP per capita, lower inflation and improved budget performance as a consequence of higher prices of key export commodities may therefore still prove too weak a basis for sustainable economic development.

An important question is therefore whether EC support has been complementary to any support by other donors that would aim at lowering the dependency on raw material exports as an income earner in order to overcome poverty or attempt to create additional income opportunities.

1.2 Methodology

1.2.1 Proceedings

The evaluation followed an approach of subsequent phases:

1. An inception phase
2. A desk research phase
3. A field research phase in PNG
4. A report elaboration phase, resulting in a presentation to the reference group

These steps were followed by a participatory workshop held in PNG before the elaboration of the Final Report.

During the inception and desk phase the study team analysed the documents provided by the EU, including the CSP, the evaluation of the EC Country Strategy 1996 - 1999, the MTDS, all available Mid-Term Reviews of projects and programmes, monitoring reports and the Joint Annual Reports 2002, 2003 and 2004. Also, some documents of multilateral donors like World Bank, ADB, UNDP were reviewed.

Based on this initial review, the evaluation methodology was elaborated, including an initial description of the principal characteristics of the development co-operation context in PNG, with a particular focus on the country’s main socio-political and economic features. The
intervention logic of EDF 8 and 9 was analysed so as to identify its main sectors and areas of intervention and to establish the hierarchy of impacts to be achieved at the different intervention levels.

1.2.2 Evaluation Questions, Judgement Criteria and Indicators

The preliminary Evaluation Questions (EQ) were based on the analysis of the intervention logic. They follow the five evaluation criteria of relevance, efficiency, effectiveness, impact and sustainability, and the transversal aspects of cross cutting issues, coordination, coherence and complementarity.

For each Evaluation Question, Judgement Criteria were defined, which are more detailed, showing the benchmarks against which the interventions are judged. Each Judgement Criterion is assessed on the basis of quantitative and qualitative indicators, which are the basis for retrieving the data and information from the programmes and projects necessary to substantiate the corresponding Judgement Criteria. Thus, each JC serves to provide a qualified answer to the EQ it refers to. The Commission’s strategy for PNG is finally assessed on the basis of the overall answers to the EQs.

The EQs, JCs and Indicators as well as charts depicting the intervention logic were then part of the Desk Phase report, which was submitted two weeks before departure to PNG.

1.2.3 Information and Data Collection

The information and data necessary to document the indicators were collected through different channels:

- Information gathered during a briefing session in Brussels before departure to PNG and in discussions with the Reference Group
- Analysis of relevant documents and statistics, provided by the EU-Delegation in PNG and/or by the Commission in Brussels
- Analysis of documents and studies collected via the internet from governmental organisations like the National Statistical Office of PNG, the various departments or ministries of the GoPNG and multilateral and bilateral donors like the World Bank, the Asian Development Bank (ADB), the UNDP or the Australian Agency for International Development (AusAID)
- Visiting the sites of various programmes and projects of the 8th and 9th EDF, STABEX, and SYSMIN in PNG (Lae, Madang, Rabaul and Buka/Bougainville) and carrying out interviews with representatives of implementing organisations and the target groups or beneficiaries
- Interviews in PNG with staff members of
  - the EU-Delegation and the National Authorizing Office (NAO),
  - governmental organisations (e.g. Fisheries Authority, Forest Authority, Department of Agriculture, Fishery & Forestry and Department of Planning),
  - other multilateral- and bilateral donors (WB, ADB, UNDP, UNEP, AusAID, New Zealand Aid, JICA), and
  - non-state actors (NSA) like NGO’s and civil society organizations, the private sector, research institutions, etc.

Some programmes and projects of the 8th and 9th EDF were analysed in more detail (studying their feasibility studies and other programme/project documents), examining their effectiveness and impacts in relation to their objectives and in view of their sustainability. This rounded the picture of their performance assessment during the project cycle, beginning with the planning phase, passing through the implementation and handing-over to the partner organisation up to the final evaluation.
1.2.4 Schedules

The five different stages, namely (i) inception phase and briefing in Brussels, (ii) desk phase (overlapping with the field phase), (iii) field phase (iv) report writing (preparing the draft final report) and (v) final discussions of the results with the relevant stakeholders and preparing the final report took place between September and December 2005. The participatory seminar, planned to take place in the beginning of December 2005, took place on the 1st of February 2006.

The inception phase resulted in the team preparing a Power Point presentation (inception note) for the briefing session in Brussels on 12th September. This included the first draft of evaluation questions and the proposed evaluation methodology. The presentation also included a reconstruction of the intervention logic, filling the gaps to the overarching goal of poverty alleviation in PNG.

Comments and observations from the Reference Group and the Delegation in PNG on the inception note were then incorporated into the Desk phase report, which was submitted on the 16th of September.

The mission to PNG took place from 2nd to 24th October, with the team arriving at Port Moresby on the 4th of October. After a thorough briefing at the Delegation and the DoRDP, the team proceeded with the in-country data collection in accordance with the various EQ, JC and Indicators. This process was discussed frequently and coordinated with the relevant staff members of the EU-Delegation and of the NAO. During the 3-weeks stay in PNG the team split for field trips from the 9th to the 13rd of October. Two evaluators went to the provinces of Morobe and Madang, and two to the provinces of East New Britain and Bougainville, visiting sites of projects of EDF 8 and 9 (Eco-Forestry Project, Rural Coastal Fisheries Project, HRDP II, as well as STABEX projects in Bougainville and the Gazelle Restoration Project). Interviews were held with project managers and their national partners and with the target groups or beneficiaries.

A debriefing note was prepared and a Power Point presentation of preliminary findings made to the staff of the EU-Delegation and to the NAO on the 24th of October, followed by a discussion. In the afternoon of the same day the team left PNG and returned to Europe.

On the 10th November, the preliminary results were presented to the Reference Group in Brussels and intensively discussed. The first Draft of the final Report was submitted on 16th November and discussed during a Reference Group meeting on 21st November.

Observations on the evaluation methodology

The methodology prescribed for this evaluation was developed for the purpose of EC country evaluations. Its architecture follows a holistic approach to development interventions, whereby identification, planning, implementation and evaluation of projects are all part of an overall system that is based on a coherent logic. Within this logic, the impact of a project is functionally linked to the interventions, which follow from the identified problems or opportunities. The evaluation questions are to be based on this logic. The methodology foresees a phased approach, entailing an intensive desk-phase, a field phase for data collection and a synthesis phase for verification and elaborating recommendations. The Reference Group has a role of support and quality control.

The clear logic of this methodology meets a reality that is complex and imperfect: other factors than the identified problems may determine the rationale for a project, objectives and indicators could be poorly defined, project implementation may just be concerned with (and monitored against) outputs rather than outcomes or impacts, project plans would not fit into the overall intervention strategy, and the documentation available at Brussels may be incomplete (in our case, less than one third out of the 110 reports studied for this evaluation was available to elaborate the desk report and the evaluation questions).

Asking the right evaluation questions is a key aspect that should in our opinion be further developed. While other donors are trying to employ a participative approach, involving partners and target groups to determine the criteria against which projects are to be evaluated, the present methodology leaves this to the evaluators and to a RG that is highly competent and knowledgeable, but not impartial.

Further development of the evaluation methodology should, in our view, focus on rendering it more flexible, so that it can take care of other variables and consider the views of other stakeholders - not just in terms of answering questions, but also in terms of refining the methods of distinguishing useful from less useful assistance.
2 DEVELOPMENT CO-OPERATION CONTEXT

2.1 Country Situation and Recent Political and Economic Developments

Papua New Guinea (PNG), the largest Pacific island nation, occupies the eastern half of the island of New Guinea and includes a series of small islands to the North and East of the main island. The topography is rugged and mountainous. PNG is prey to volcanic activity, earthquakes and tidal waves. 90% of the population of 5.9 million are rural communities that have few or no facilities and remain rather isolated from urban centres. The many tribes in the interior have little contact with each other, living in a non-monetary economy and depending on subsistence agriculture. 800 languages are spoken in PNG.

PNG is rich in natural resources. Timber and fish are abundant. Mineral deposits are extensive, including gold and copper. The country has substantial reserves of petroleum and natural gas. Mining, including oil exploitation, account presently for 72% of export earnings. Difficult terrain and inadequate infrastructure render exportation slow, though. The existing mines are estimated to run out of deposits over the next decade. Prospecting is going on and expected to lead to the discovery of substantial new finds. Two major projects, a gas pipeline to Australia and a nickel/cobalt project, are anticipated to contribute substantially to future government revenues.

The coast and island regions of PNG are warm and humid all year round, while the highlands' climate is cool and temperate. 30% of PNG's land is suitable for agriculture. Fertile soils and sufficient rainfall support the cultivation of a wide range of crops, including the important cash crops of coffee and cocoa, as well as oil palms.

PNG's economy is extremely dualistic. An export-oriented, capital intensive mineral sector is operating in parallel with a traditional rural subsistence economy, on which 87% of the population relies. Despite significant wealth having been generated through mineral exploitation over the last 20 years, the formal economy has provided little employment. Fluctuations in commodity prices - though showing a positive trend recently, render PNG's economy prone to external influence. Agricultural production, presently negatively affected by falling export prices, is greatly depending on transportation and road infrastructure, which is costly to maintain given the long distances and the difficult terrain. PNG has no own manufacturing sector worth mentioning, except some smaller industries processing its own agricultural products.

PNG's small, open economy is thus characterised by dependency on a limited number on primary commodities, vulnerability to exogenous shocks and consequent volatility in economic outcomes. In the past, poor fiscal management and expenditure choices often exacerbated this volatility. Revenues from extractive industries have not been used effectively to improve the country's physical and industrial infrastructure. This would, however, be necessary in order to create broader access to markets and income earning opportunities, add value to extracted resources or create the knowledge and skill base that would facilitate greater participation of Papua New Guineans in economic development.

PNG Basic Data (Source: World Bank, 2004)

<table>
<thead>
<tr>
<th>Population:</th>
<th>5.9 Million</th>
<th>Life expectancy at birth</th>
<th>57%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population growth rate</td>
<td>2.4%</td>
<td>Access to improved water</td>
<td>39%</td>
</tr>
<tr>
<td>% of urban population</td>
<td>13%</td>
<td>Literacy</td>
<td>57%</td>
</tr>
<tr>
<td>GDP</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agriculture</td>
<td>3.9 Bill. US$</td>
<td>Main exports Gold</td>
<td>(% of total exports): 36%</td>
</tr>
<tr>
<td>Industry</td>
<td>27.5 %</td>
<td>Copper</td>
<td>20%</td>
</tr>
<tr>
<td>Manufacture</td>
<td>40.3 %</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Services</td>
<td>9.1 %</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>28.0 %</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
The performance of PNG's economy since the 90's reflects this volatility. Benefiting from better incomes through rising commodity prices, the new government that came into power in 2002 has managed to improve the macroeconomic indicators, following several years of disappointing performance. PNG's real GDP grew at 2.8 per cent in 2004 after a negative growth for the three years up to 2002. Growth is expected to average 2.4% over the next years. However, the population growth rate has also been around 2.4% annually since independence (it is expected to decline to 1.8%)¹.

![Real GDP Growth 1995 - 2008](image)

The composition of PNG's GDP has hardly changed since independence, and the continuing decline of physical infrastructure, ongoing law and order problems and the growing costs of transportation have contributed to PNG's achieving little growth in the sustainable sectors of agriculture, forestry, fisheries and tourism. Timber exports declined, and though palm oil production has increased, exports of other agricultural crops remained stagnant over the last years. Fisheries made a short term recovery, but this declined again, apparently after politics re-entered the running of the industry. The ADB consequently cancelled an important loan for this sector, maintaining, however, its other commitments. A dispute between the PNG government and the World Bank concerning timber exploitation led to the cancellation of several substantial loans directed at this and other sectors.

Government leaders acknowledge corruption being a critical problem. Governance and commitment to reform have become high priority issues for government and donors. On the PNG's government request, the Australian cooperation programme was increased by the secondment of civil servants placed into senior government positions through the Enhanced Cooperation Programme (ECP,).

While there has been a recent turnaround in the financial management and economic performance of the country, the rebound is not considered sufficiently robust. It resulted rather from good weather and improved terms of trade than from structural change. The forecast growth figures are also comparatively small; they can not lead to significant improvements of the standards of living in the country in the medium term, as a sustained rate of growth of around 7% annually would be needed in order to make serious inroads into PNG's development problems and to get nearer to achieving the Millennium Development Goals.

PNG's political system has been that of a parliamentary democracy since the country's independence in 1975. The 'first past the post' system produced relatively small political parties, representing groups' interests. This lead to frequent changes; no government served its full term in the past, being ousted through votes of no confidence. The political system

¹ According to the UNDP Human Development Report
ensures extensive political freedom, independent courts and a vigorous press, but this does not strengthen accountability and allows short term gains for client groups often superseding greater national interests. Cases of improper use of funds are rarely brought to a conclusion in the courts. Land is traditionally owned by clans in PNG, not by the government, and conflicts may emanate from rent-seeking opportunities of land owners around minerals and other resources.

The present government of PNG came to power after a prolonged and difficult election process. Led by the founding father and first prime minister of PNG, Sir Michael Somare, it is making efforts to change election rules and has been able to thwart votes of no confidence so far. This has led to a substantial level of consolidation and stabilisation. The need for wide ranging reform is appreciated; translating this into consistent action remains a challenge, though. Observers describe the political situation as still fluid. Government institutions remain weak.

A nine-year secessionist revolt in the island of Bougainville claimed some 20,000 lives. A ceasefire in 1998 was followed by a peace agreement in 2001, which led to successfully held elections for an autonomous provincial government in April 2005.

### 2.2 The Social and Cultural Dimension in PNG

Papua New Guinea’s rich cultural diversity cannot be compared with that of any other country. More than 200 cultures, each with different traditions, are said to live in PNG. The impact of modernisation brings change to Papua New Guinea: while being strongly attached to the traditions and customs of their ethnic origin, people are also attracted by attributes and opportunities of the modern world. Rural-urban migration is substantial, though the majority of communities, living in small villages in the highlands or the coastal regions, is largely unaffected by modern ways of life. They continue to depend on subsistence farming, fishing, hunting and other practices that sustained their ancestors thousands of years ago, earning hardly any cash income and trading very little. Much of the traditional social structures have thus remained unchanged. The responsibility for the day to day work of gardening and caring for children and animals still lies with the women. Social units are based on family, clan and tribe. Ownership of material wealth is vested in the household and controlled by a male elder. Wealth has not traditionally been accumulated for its own sake, but for the purpose of giving it away, creating prestige for the giver and placing obligations on the receiver. Reciprocity and family obligations are fundamental to the social functioning of communities. Individual enrichment is directed towards the community, not the individual.

The traditional “wantok” system (wantok refers to a clan speaking the same language) provides strong support both socially and in terms of livelihoods. The system provides social insurance to the members via intra-clan transfers of resources and sharing of responsibilities for the care of the needy. When rural people move to urban areas, their urban wantoks are obliged to support them. Should urban people be unable to meet all of their wantok obligations, and forced to withhold support, the system deteriorates and pressures are felt, leading to bad relationships. A class of rich people has emerged in PNG. The divide between the rich and the poor is substantial. PNG’s Gini coefficient (50.9) is the lowest in the Asia-Pacific region.

The rural/urban dilemma is an element of the traditional/modern split that has implications on the emergence of poverty. At the heart of traditional life, modernisation has created the need for cash, which many people have difficulties attaining. The cultural dimension in PNG impinges greatly on social behaviour; this needs to be considered in the design of development projects.

Crime and the breakdown of law and order have become serious development constraints in recent years. The problems are linked to poor human development outcomes, diminishing employment and income opportunities, and weak governance. Disputes over land and resources, or ethnic rivalries, both in rural environments and in particular in informal urban
settlements, may trigger conflicts. Violence against women is prevalent. The effectiveness of
the police's responding to increasing unrest, violence and use of firearms was reported to be
in a state of decline. Inadequate resources, but also lack of police force discipline have
undermined community confidence.

2.3 Human Development and Poverty

Poverty in PNG expresses itself differently in rural and urban areas. Poverty in the isolated
rural areas is not chiefly one of people going hungry, as care for each other takes place in
communities and basic needs can be met with a minimum of cash from what the land
produces. Rural poverty expresses itself in people being unable to access basic services,
like health, education and transport. Urban poverty shows itself in the cost of living rising
beyond the means of the poor, high unemployment, school fees not being met and especially
vulnerable people - the elderly or single mothers, for example - not finding the support they
require.

The National Poverty Reduction Strategy (NPRS) defines poverty as paucity of opportunity
i.e. the lack of access to economic and financial growth opportunities and the inefficient
delivery of basic services, or lack of access to such services. Weak governance, weak social
support systems, unsustainable use of natural resources, unequal distribution of resources
and poorly maintained infrastructure networks contribute to such poverty.

Consumption poverty is also a concern. The World Bank estimates that 39% of the PNG
population lives on less than 1 US$ a day. This indicator has worsened (1990: 35%, 1996:
25%), while it has progressively improved in the Asia-Pacific region (from 29% in 1990 to
10.4% in 2003). The majority of the PNG population does not have sufficient income to pay
for basic needs and services, even if they were available. Isolation (PNG's density of land
and mobile telephone, for instance, is very low) and lack of infrastructure impact negatively
on the ability of people to earn cash income. The decline of the exchange rate during the 90's
has put increased pressure on consumer prices as many consumer goods are imported.

PNG belongs to the group of low income countries. Its Human Development Index (HDI) rank
is 136 out of 177. This is the second lowest in the Asia-Pacific Region, where many countries
with a much lower per capita income score far better. The HDI has improved little since
independence, and at a much slower rate than that of PNG's neighbours. PNG rates also low
with regard to human poverty: 61% of the population has no sustainable access to safe water
and with 5 per 100 000 people PNG has one of the lowest density of physicians in the world.
Life expectancy is the second-lowest in the Asia-Pacific region. HIV infection rates, though
still low in comparison to African and other Asian countries, are increasing at a pace that
causes serious concern; middle-income males and young females in urban and mining areas
are the most affected. Some estimates predict infection rates of 18% by 2010. HIV has the
potential to catapult a happy family into poverty in a very short period of time, because the
wantok system fails as a safety net, given the social stigma and discrimination that HIV
attracts in the PNG community. Government and donors (including the EC) are committing
substantial efforts towards curbing further infection.

PNG spends much more for health and education than for the military and is in this regard a
very positive example among developing countries. Expenditure for education is in line with
that of other developing countries in the region (2.3 % of GDP), but adult literacy rates
(57.3%) and especially net enrolment rates (73%) in PNG are comparatively very low. PNG's
Gender Development Index (GDI) is 0.52 (rank 103 of 140); notably more men are literate
than women and the enrolment ratio for boys is significantly higher than that for girls (44 : 37).
Women earn considerably less on average, and are greatly underrepresented in
Parliament.

2 A recent report on the Police Force commissioned by the GoPNG
PNG has committed itself to the UN Millennium Development Goals. It has been realised that the official MDGs can not be met by 2015, and less ambitious targets have been set. The PNG MDG report states that disparities in most MDG related indices at provincial and sub-provincial levels are very large by any standards and in some cases gaps are even widening.

Per capita flow of international aid to PNG is approximately 40 US$. This is much more than, for instance, Indonesia, but far less than what other island states in the Pacific receive. About 1/3 of PNG’s total budget is planned for development purposes. Roughly 2/3 of the development budget is financed through concessional project loans and donor grants (2001 figures).

Being dependent on valuable primary commodities, PNG is an important international trading and investment partner. While mining is mainly carried out through joint ventures and concessions awarded to Australian, Canadian and US firms (which are regarded as being not corrupt), much of the logging of PNG’s timber is in Malaysian hands, and industrial fishery is equally foreign dominated. The latter two sectors are reported to be particularly prone to corruptive practices.

PNG exports gold, crude oil, copper, timber, agricultural products (mainly cocoa, palm oil and also coffee) and fish. It is an active member of Pacific regional organisations, including the Asia Pacific Economic Cooperation (APEC), the Melanesian Spearhead Group (a preferential trading agreement between Papua New Guinea, Solomon Islands, Fiji, and Vanuatu), the Pacific Islands Country Trade Agreement (PICTA) and the Pacific Agreement on Closer Economic Relations (PACER), which includes New Zealand and Australia.

PNG belongs to the APC group of countries and is as such a signatory to the Cotonou Agreement. Further to development measures agreed upon in the National Indicative Programmes (NIP) financed through the EDFs, the Cotonou and previous Lomé conventions have been the source of substantial additional funding. Being vulnerable to price fluctuations and weather, PNG had become eligible for STABEX (a total of 245 Mill Euro over the last 10 years) and SYSMIN (50 Mill Euro) funds.

The Pacific Countries will be negotiating the EPA (Economic Partnership Agreement) with the EU jointly. Representing 80% of the population of this group, PNG will be leading negotiations in the agricultural, mining and forestry sectors.

2.4 Development Strategies of the PNG Government

Two documents establish the framework for PNG’s development strategies: the Medium Term Development Strategy (MTDS) and the National Poverty Reduction Strategy (NPRS). The MTDS is the overall strategy, of which poverty reduction is key element.

The NPRS, published in 2003, was developed by a special task force under the direction of the Department of National Planning and Rural Development (DoPRD). It is based on participatory poverty assessment workshops, which defined poverty reduction priorities. A parliamentary committee is to provide strategic direction and oversight. The NPRS encompasses the period 2003 - 2020 and is meant to be an agenda for growth and redistribution: growth is mainly to be achieved through the removal of impediments to entrepreneurial activity. The dividends of such growth are then to be used to fund basic provisions for the wider community. The NPRS has thus set the following core strategies for poverty reduction:

1. Improved and strengthened governance
2. Development of land and natural resources
3. Improved capacity and management of transport and physical infrastructure
4. Expanded economic growth opportunities
5. Strengthened and expanded social services
Further to being based on a participatory methodology, the NPRS is underpinned by practical knowledge and experience from the affected people themselves. Being long term by nature, the NPRS provides principal directions without specifying them in more detail or costing. The implementation of its recommendations is the task of the MTDS.

The MTDS 2005 - 2010 lays out the overall development priorities for PNG for the period 2005 - 2010. It follows the previous MTDS, which covered the 1997 - 2002 period. The MTDS identifies the wider policy framework in which the development strategies are to be implemented, and sets the guidelines of PNG's public expenditure management.

The MTDS is directed at export driven growth, rural development and poverty reduction through good governance and the promotion of agriculture, forestry, fisheries and tourism on a sustainable basis. Empowerment is a basic element of the MTDS, especially of Papua New Guineans in rural areas, so as to mobilise their own resources for higher living standards. The following main development areas have been identified in the 2005 - 2010 MTDS, for which it sets priorities in terms of budget allocations. The priorities of the 1997 - 2002 MTDS, which were relevant for the EC country strategy for EDF 9, are also listed for purposes of comparison:

<table>
<thead>
<tr>
<th>2005 - 2010 MTDS</th>
<th>1997 - 2002 MTDS</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Rehabilitation and maintenance of transport infrastructure,</td>
<td>- Elementary and primary education</td>
</tr>
<tr>
<td>- Promotion of income earning opportunities</td>
<td>- Primary health care</td>
</tr>
<tr>
<td>- Basic education</td>
<td>- Transport infrastructure and maintenance</td>
</tr>
<tr>
<td>- Development oriented informal adult education</td>
<td>- Law and order</td>
</tr>
<tr>
<td>- Primary health care</td>
<td>- Promotion of income earning opportunities for local entrepreneurs</td>
</tr>
<tr>
<td>- HIV/AIDS prevention and</td>
<td></td>
</tr>
<tr>
<td>- Law and justice</td>
<td></td>
</tr>
</tbody>
</table>

The 1997 - 2002 MTDS seems to place greater emphasis on investing into the human factors of skills and good health, being preconditions for economic engagement. The 2005 - 2010 MTDS places higher priority on maintaining the infrastructure as the main means to provide access, apparently assuming that economic activities, better education and social services can reasonably only develop once the infrastructural conditions are in place. The 2005 - 2010 MTDS seems thus more practically oriented and aiming at shorter term gains. It also appears to be more entrepreneurial, trusting that potentials will develop once opportunities can be accessed.

Both plans have a clear orientation towards the development of the disadvantaged parts of the population, i.e. the people in rural areas. The development of economic sectors in both MTDS is clearly based on the principle of people participating in the exploitation of the country's natural resources in a sustainable way. Both plans say little about larger scale private sector development and international investments.

The 2005 - 2010 MTDS draws lessons from the 1997 - 2002 MTDS, realising that the latter had little impact on the development objectives "because it was poorly implemented". Hence the more practical approach of the new MTDS, which outlines new possibilities of strategic alliances and partnerships. The 2005 - 2010 MTDS is consequently based on intensive consultation with key stakeholders and sub-national government structures. Churches, community based organisations and non-government organisations, being at the forefront of service delivery in particular in remote rural areas, are important partners in implementing the 2005 - 2010 MTDS.
Resource mobilisation, through public sector reform as well as expenditure management are intrinsic elements of the strategies put forward in the 2005 - 2010 MTDS. The MTDS itself postulates linkages between its strategies and annual budgets. Donors (e.g. AusAID) have criticised that this link and the government's commitment to implementation are inadequately developed.

The GoPNG has since 1990 developed and updated strategies and guidelines to modernise and adapt its education system (see also chapter 4.3.2). The development of a government strategy for the rural sector has not been as comprehensive, however, a sector policy was outlined (see also chapter 4.4.1) and is being further developed.

The Organic Law on Provincial Governments and Local-level Governments came into effect in 1995, designed to decentralise responsibilities from the central to the local levels and to improve the delivery of services in the rural areas. Grants to fund selected provincial projects were increased and a new rural development programme (RDP) introduced.

Realising that the PNG Government currently supports a wide range of programmes that are not affordable within current budget limits, the Public Expenditure Review and Rationalisation Reform (PERR) aims at macroeconomic stability and the improvement of effective government expenditure in accordance with the set development objectives. A PERR Implementation Committee is directing measures at improving budget stability, controlling payroll spending, improving prioritisation of spending and enhancing budgetary control of statutory bodies.

The Financial Management and Improvement Programme (FMIP) is implemented at national, provincial and local government levels. Part of the FMIP is an Integrated Financial Management System that encompasses, among others, project proposals, budgeting, procurement and inventory control.

Both the PERR and the FMIP are supported through substantial donor programmes. AusAID (including the ECP) supports PERR jointly with the ADB and WB. The FIMP is supported by AusAID, ADB and UNDP. Both programmes entail the integration of assistance programmes and their monitoring. At present, discussions on the extent of donors' participation are ongoing. GoPNG is concerned that it controls the scope and outcomes of these programmes.

As a large part of the development budget of PNG is financed through donor funds, government led donor coordination should be an important part of government strategies, as such coordination impinges on the coherent implementation of such strategies. Such coordination does not take place. Coordination among donors themselves, and the quality of such co-ordination, equally impinges on the effectiveness of government strategies supported through donors. At present, informal coordination takes place, which seems to work well at implementation level. However, formal coordination does not take place.

2.5 Interventions of Other Donors
Australia is by far the largest bilateral donor to PNG. Other major cooperation programmes with PNG are implemented with assistance from Japan, the EU, New Zealand, the People's Republic of China, the UNDP, the ADB, the IMF and the World Bank. Volunteers from a number of countries and mission church workers also provide education, health, and development assistance throughout the country.
**AusAID**

AusAID has been supporting PNG since independence. Budgetary support was phased out in 2000 and replaced with development programmes. The Enhanced Cooperation Programme (ECP), started in 2004, provides direct line management assistance to government institutions through the secondment of experts, including to the police. The aim of the ECP is to build capacity and to strengthen local systems. The ECP met with initial success. Court decisions concerning Australian police officers' immunity interrupted it in May 2005. GoPNG and Australia are now negotiating on a scaled-down version of the ECP.

Developing a secure and prosperous PNG is a priority for the Australian government. The goal for AusAID's cooperation programme is thus aimed at building a secure nation and reducing the incidence and severity of poverty within PNG. AusAID's assistance to PNG over the 2005 - 2006 period totals approximately 500 million Aus$.

AusAID's development cooperation programme in PNG encompasses a large number of programmes in a wide range of sectors. Education is regarded as an important sector and supported through substantial interventions in the fields of teacher training, capacity building, supply of textbooks and at the policy level. Health is key sector, assistance being directed towards the areas of HIV/Aids, women's and children's health, medical school support, among others. The law and justice sector is supported through various programmes. Agriculture, infrastructure development, institutional and capacity development, public sector reform and support of the civil society are all areas of interventions. The main objectives of the AusAID assistance are:

- protect the vulnerable and create the preconditions for growth to occur by providing health and education services, an effective and robust law and justice system and serviceable transport infrastructure;
- create an environment conducive to private sector growth;
- support democratic change through promoting debate on PNG's development choices, building the capacity of non-government agencies and regulatory frameworks, and supporting a free and fair electoral system.

In response to the nature and depth of PNG's development challenges, AusAID's strategy is to work closely with other major donors in developing a new medium-term strategy for engagement with PNG. The size and breadth of AusAID's assistance to PNG is such that it leaves limited room for programmes of other donors, and little opportunity for alternative approaches. AusAID is, however, keen for the GoPNG to take ownership of donor programmes and to assume the steering role in their coordination.

**NZAID**

New Zealand's cooperation programme with Papua New Guinea totals about NZ $30 million. NZAID's objectives follow those of the GoPNG and focus on primary health care, basic education and good governance. The cooperation includes programmes in the areas of public sector reform, law and justice, strengthening of the civil society and rural economic development.

**Japan**

Japan finances several cooperation programmes in selected fields. JICA supports the building of bridges for roads constructed with the assistance of other donors. It also supports long distance learning through TV and radio, upgrading of broadcasting, rice development and water and sewerage projects. Japan also finances loans supporting the PNG Structural Adjustment Programme, the Trans Island Highway and a Rural Bank credit facility.
The People's Republic of China

PNG is the largest recipient country for China's Economic and Technical Cooperation Programme in the Pacific region. The total value of assistance since 1976 amounts to US $ 66 Mill. The overall objective of China's aid policy is based on an open door foreign policy, enhancing self reliance and economic development. Assistance is mainly directed towards agriculture; infrastructure projects are supported, too.

World Bank

The Bank's relationship with Papua New Guinea should, in view of the Bank itself, be seen as that of adviser, co-ordinator of donor assistance, facilitator of aid mobilisation and a source of programme financing. The World Bank has suspended major loans in the field of forestry conservation and Highland Highway rehabilitation following a disagreement over the application of forestry conservation. Other loans are continuing, like the Mining Sector Institutional Strengthening Project, the Gazelle Restoration Project (where the WB is taking the lead in a joint effort of various donors including the EC), and a road maintenance and rehabilitation project. The World Bank operations in PNG are limited compared to other development countries.

ADB

The ADB's strategy in Papua New Guinea is directed towards the agriculture sector, forestry and fisheries, labour development and training, strengthening of financial management and industrial development in Papua New Guinea. Strengthening the export development base, increasing employment opportunities and raising the per capita income in the rural sector are key objectives. Jointly with AusAID and UNDP, the ADB is supporting the FIMP. The ADB cancelled an important loan for fishery development because of differences of opinion about the suitability of a director to be appointed.

United Nations Development Programme

The UNDP's programmes are directed towards:
- MDG achievement
- Fostering good governance
- Support to Parliament
- Support to financial management (FIMP)
- Planning and donor coordination through government support

The UNDP is partner in the FIMP. It will increasingly direct its support towards local government levels, mobilising local community groups. UNDP is engaged in supporting the "2020" envisioning process.

UNDP engages in projects and dialogue on conflict prevention, governance, fight against corruption, and gender and violence issues. UNDP also supports a large HIV/AIDS programme.

2.6 EC Development Policy in PNG

Being a signatory to the Lomé II, III and IV Conventions as well as the Cotonou Agreement, PNG is eligible to support through the EDF. It can also draw on special funds under these agreements to balance off major drops in revenues for export commodities (STABEX, SYSMIN under Lomé or FLEX under Cotonou).
Development cooperation financed through the EU must follow the three objectives defined in Article 130 of the Maastricht Agreement, i.e.

- Reduction of poverty
- Sustainable economic and social development, and
- Integration of developing countries into the world economy

The EU's legal obligation to its members includes the need to take account of development objectives in all activities likely to affect developing countries, i.e. coherence within EU policies has to be assured at several policy levels.

Cooperation must also be in line with the stated purpose of the Cotonou Agreement of 2000, which is "to promote and expedite the economic, cultural and social development of the ACP States, with a view to contributing to peace and security and to promoting a stable and democratic political environment."

Article 19 of the Cotonou Agreement states that "the central objective of ACP-EC cooperation is poverty reduction and ultimately its eradication, sustainable development and progressive integration of the ACP countries into the world economy". In this context, cooperation frameworks and orientations shall be tailored to the individual circumstances of each ACP country, shall promote local ownership of economic and social reforms and the integration of the private sector and civil society actors into the development process".

Important pillars of the Cotonou Agreement are the agreements on trade and private sector development. From 2008 onwards, trade agreements between ACP countries and the EU will have to be based on WTO-compatible agreements. EPAs, Economic Partnership Agreements, based on the principle of reciprocity, are therefore to be negotiated before 2008.

The Council of the European Union and the European Commission determined a limited number of focal areas for cooperation, among them sustainable rural development and institutional capacity-building, particularly in the area of good governance and the rule of law. It is also specified that the EC must continue support in social sectors (health and education). Further, systematic account shall be taken of mainstreaming cross-cutting themes into all areas of co-operation: gender issues, environmental issues, as well as institutional development and capacity building.

The EC response strategy to PNG's requirements, defined in Country Strategy Paper (CSP) and the NIP, emerges from the analysis of the country's political, economic and social situation. It aims at fostering good governance, strengthening education, and improving the quality of rural life where the majority of the poor subsist.

The CSP took into account the results of an evaluation of the EC Country Strategy in 2000. This evaluation covered projects of EDF 7 and EDF 8 (though actual implementation of EDF 8 projects has not yet started at that time). The evaluation strongly recommended that governance and collaboration with non-state actors should be the focus of future EC cooperation with PNG. As regards rural development, the evaluation recommended a more focused approach, highlighting agriculture being key to poverty reduction. Education programmes should be directed towards primary education.

The strategy of cooperation of the EC in PNG is described in the CSP, which is the objective of this evaluation report. It was signed and came into effect in April 2002.
3 THE COUNTRY STRATEGY PAPER

3.1 Process of Strategy Development and Formulation for EDF 8 and EDF 9

The Country Strategy Paper (CSP) is the document in which a beneficiary country of the ACP countries and the EC agree on the focus of their cooperation during a five-year period. Development funds need to be committed within this period, though implementation can extend beyond it. The allocation of assistance to ACP countries is governed by the Cotonou Agreement.

The cooperation programmes under EDF 8 and EDF 9 for PNG were developed and formulated in different contexts. The country strategy for EDF 8 was based on a programming strategy paper prepared by the EC. Only a National Indicative Programme was formulated and agreed upon by both parties, but no joint CSP was elaborated. For EDF 9, a CSP was elaborated through a joint consultation process between the GoPNG and the EC, in accordance with the Cotonou Agreement.

The participatory process for the current CSP was well prepared. All major stakeholders - GoPNG, donors, civil society - were invited to participate in the consultation process, which included a 2-day participatory stakeholder workshop. The approach was well received and participation was apparently intensive (the participation of NSAs was, however, not evident from the documentation). Frustrations occurred in the process when trying to match the different needs of the EC and the GoPNG. One issue was time pressure, as the consultations and preparation took considerably longer (lasting almost two years) than originally planned (approximately one year), and deadlines needed to be met. Another item of disaccord was the EC’s insistence on a partner country’s sector policy on which to base the EC’s cooperation (or “response”, or “support”) strategy, in line with the new thinking on sector policy support programmes that was being developed at that time in Brussels. A GoPNG sector policy for education and human resources development was available, readily offering opportunities for an EC support programme. However, the absence of a coherent GoPNG agriculture sector policy became a major obstacle. The broader approach to rural development proposed by the GoPNG was consequently focused towards the rural water supply and sanitation project in the CSP. This was in line with the priorities of the 1997 - 2002 MTDS, which defined education and health as the first two priorities. The Ministry of Health supported the focus on water and sanitation. However, strong disappointments with regard to the process as it finally went remained.

3.2 Results of Reviews/Evaluations of EDF 8 and EDF 9

An evaluation of the Commission’s country strategy in the 1996-1999 period was conducted early in the year 2000. The main purpose was to draw conclusions and lessons for use as inputs into the EDF 9 country strategy programming process. The NIP assistance reviewed fell within the operational span of EDF 7 and EDF 8, under which € 46.2 million and € 50 million, respectively, were committed.

---


6 “The new Agreement requires that the programming process should be completed “within the shortest possible time” and at the latest within 12 months of the signing of the Financing Protocol.” In that context, the aim was to have an initial draft 9th EDF Country Support Strategy, including its related indicative programme available for approval by early 2001. (Working Document from the Commission: the 9th EDF Programming Process)

The evaluation of 2000 found that the primary focus on infrastructure of EDF 7 projects was not adequately balanced with capacity building interventions. Two micro projects, directed at the supply of water, schooling and health in rural areas, were found having too little support at community level. In particular the following points were brought out:

- Governance issues are crucial to PNG’s development;
- The EC’s strategy was prepared in consultation with the GoPNG and lead donors, but not with civil society;
- Regarding poverty reduction, the focus on tertiary rather than primary education had restricted impact, but the Bougainville rehabilitations programme is showing promise;
- Regarding environmental protection, the eco-forestry programme is showing some success;
- Analysis of gender issues had been limited;
- Donor co-ordination had succeeded more at project level than at national level;
- The complexity of the EC’s procedures and the weak capacity of Government services have slowed down the project cycle.

The evaluation strongly recommended that governance and collaboration with non-state actors should be the focus of future EC cooperation with PNG. As regards rural development, the evaluation recommended a more focused approach, highlighting agriculture being the key to poverty reduction. In particular it was recommended that:

- Participation of civil society in EC interventions should increase;
- Institutions should be strengthened, in particular the capacity of the department of planning to coordinate all donor support;
- There should be fewer areas of cooperation, with a concentration on forestry and education, and possibly agriculture. The EC has a long-standing involvement in education and a further shift should be made towards primary education so as to increase the impact on poverty alleviation.

A Mid-Term Review of the CSP/NIP 2002-2007 was conducted in 2004. This helped identify delays in commitments of EDF 9 and led to reductions of financial envelopes, in line with the actual absorption capacities of the country (see also chapter 3.5).

3.3 Intervention Logic of EDF 8 and EDF 9

No intervention logic was available for EDF 8. As required in the ToR, the evaluation team tried to re-constitute the intervention logic, based on the programme components described in the EDF 8 Strategy Paper and the NIP. This is shown in Annex 2. The NIP defined the main focal areas (HR Development and Development of the Rural Environment), but did not clearly identify a common objective of the country cooperation. The documents suggest that the impacts to be achieved at higher level are improvements of standards of living, in particular for women and people in rural areas and as an outcome of this the reduction of poverty. These goals are quite broad and were formulated in a rather non-committing way. The focus of a NIP suffers when objectives are not defined in terms of what impact should be achieved as a result of the interventions, and it will be difficult for an evaluation to make a fair assessment, comparing achievements against plans. The intervention logic reflects the lack of focus of the HR and the Rural Environment intervention areas, both containing a number of separate projects without clearly visible common denominators.

The CSP/NIP 2002-2007 includes log-frames for each of the three programme components - the two “focal sectors” and one “non-focal sector”. The log-frames are mostly, but not always logically developed. It is not in all cases clear how the interventions will lead to the projected outcomes and impacts; objectives could be more clearly formulated (e.g. “to promote the development of Papua New Guinea’s human resources” describes an activity, not an
objective). The CSP/NIP had problem and objective "trees" annexed to them, showing differently formulated objectives compared to those of the log-frames (e.g. a skilled workforce apparently as an outcome of the HR component), leading to proposed impacts (dynamic private sector) that are again rather disconnected from the programme interventions (no activities to direct skills towards the private sector are foreseen in the programme itself). The team undertook an effort to re-constitute the intervention logic in a way that it matched as much as possible with the interventions and projected outcomes.

3.4 Comparative Analysis: Priorities and Focal Areas of Intervention

The EDF 8 strategy was directed at sustainable social and economic development in rural areas and at human resource development. Emphasis of the rural development component was on improving income earning possibilities for villagers. The human resource component had a broad approach covering elementary, secondary and tertiary education, with the major share being allocated to buildings. Substantial STABEX funds (approx. € 50 Mill) were also allocated towards rural areas. The Gazelle and Bougainville restoration projects benefited from these funds, among others.

The EDF 9 strategy is directed at strengthening education and improving the quality of rural life, and at fostering good governance. Its two focal sectors are Education, Training and Human Resource Development and Rural Water Supply and Sanitation (RWSS). Institutional Capacity Building and Governance is the non-focal sector under which special attention is being paid to the capacity building of non-state actors. SYSMIN funds, reallocated from EDF 8, finance a large (€ 50 million) programme that provides extensive support to geological surveys that will facilitate investments and also promote environmental policies and training of small-scale miners.

Programmes under EDF 9 are fewer and typically larger than those under EDF 8. EDF 8 contains two human resource development projects: HRDP II focuses on secondary and tertiary education with substantial funding for the building and renovation of facilities in urban areas, while the Improvement of Rural Primary Education Facilities (IRPEF) project aims at improving primary education in remote and poor rural areas. The ETHRDP under EDF 9 has a strong emphasis on basic education and training (primary schooling and adult literacy), establishing a connection between the development of skills and creating greater opportunities for the economic engagement of beneficiaries. With regard to rural development, EDF 8 and EDF 9 are both directed towards poverty reduction. The EDF 8 rural development projects have a focus on improving cash income, while the priority of the EDF 9 is on the well being of rural people.

Introducing of non-state actors (NSAs) as implementing agents and including governance as a key issue to development in EDF 9 are significant shifts of emphasis, which followed from the evaluation of EDF 8. The apparent link between the institutional capacity building and governance programme on the one hand and the HR and rural development programmes on the other is that NSAs will play a more prominent role in the implementation of HR Development and RWSS. Already, the common denominator of the IRPEF and the RWSS programmes is that communities will play a greater role, not only in the organisation of the management of education and water supply, but also in ensuring that cash contributions of communities are made towards maintenance (both of schools and of water supply systems). The approaches are practical, realising that government funds take time to arrive and are usually far less than sufficient. The Institutional Capacity Building and Governance (ICBG) programme could very well complement HRD and RWSS in that it builds an umbrella that provides capacities, which transfer know-how underpinning these community-based approaches (and in addition assist the government to direct essential resources towards education and health).

EDF 9 understands poverty reduction in a broader sense, looking at all Millennium goals. In addition to Goal 1 (reducing income poverty) EDF 9 looks at the Goals 2 (universal primary
education) and Goal 7 (access to safe water), which, in the PNG context, is closely connected to Goal 3 (gender equality) and also Goals 4 and 5 (reducing mother and child mortality). In this regard, the achievement of MDGs is much more visible in EDF 9 than in EDF 8 (though the MDGs were not formulated at that time yet). One might, however, argue that reducing income poverty is a precondition to improving the well-being of rural people, as without cash income the maintenance of the infrastructure for well being can not be assured; it would actually break down. It needs to be closely monitored during the implementation of EDF 9 how the goals of ensuring cash income and well-being are intertwined, and whether the one can be sustainably achieved without the other.

3.5 Financial Envelopes

Under EDF 8, Papua New Guinea was allocated € 50 million. The NIP allocates approximately 40 % of this to human resources development, approximately 50% to rural development and approx. 10 % to non-focal support activities including HIV/AIDS. Most of this has been committed and well over half of it has so far been disbursed.

The CSP/NIP 2002-2007 funded under EDF 9 provides for a programmable A-envelope of € 81 million, and a B-envelope of € 35 million plus € 50 million of SYSMIN funds transferred on the basis of PNG’s eligibility under EDF 8. The A-envelope was programmed as follows: € 35 million for the focal sector Education, Training and HRD, € 25 million for the focal sector of Rural Water Supply and Sanitation, and € 21 million for the non-focal sector of Institutional Capacity Building and Governance.

Following the 2004 Mid-Term Review of the CSP/NIP 2002-2007, the A-envelope was reduced by € 10 million and the B-envelope by € 9 million, reflecting doubts over the absorption capacity of the country. The Mid-Term Review also proposed to increase funding for ETHRD by € 4 million and RWSS by €5 million. At the beginning of 2005, PNG became eligible to € 22.4 million FLEX (fluctuations of export earnings) funds. These were mobilised from the B-envelope, and that transferred to the A-envelope.

The implementation of the 9th EDF has been slower than foreseen, however the funds allocated to the programmes in the focal sectors will most likely be fully committed by the end of this year.

The present situation of allocation of funds under EDF 9, including the recommended adjustments of the Medium Term Review is the following:

<table>
<thead>
<tr>
<th>Source of funds</th>
<th>Million €</th>
<th>Planned use of funds</th>
<th>Million €</th>
</tr>
</thead>
<tbody>
<tr>
<td>Original A-envelope</td>
<td>81.0</td>
<td>TCF and NAOPS III</td>
<td>6.2</td>
</tr>
<tr>
<td>Deduction MTR</td>
<td>-10.0</td>
<td>ETHRD (35 + 4)</td>
<td>39.0</td>
</tr>
<tr>
<td>Flex 2003, mobilised from B-envelope</td>
<td>+22.4</td>
<td>RWSS (25 + 5)</td>
<td>25.0</td>
</tr>
<tr>
<td>Decommitments 6,7,8th EDF</td>
<td>ca. 6</td>
<td>GRA</td>
<td>3.4</td>
</tr>
<tr>
<td>Governance, Capacity Building</td>
<td></td>
<td></td>
<td>25.8</td>
</tr>
<tr>
<td>Total</td>
<td>99.4</td>
<td>Total</td>
<td>99.4</td>
</tr>
</tbody>
</table>
The status for the individual projects can be summarised as follows:

- ETHRD (HRDP III), € 39 million Euro. The FA has been drafted. It is to be presented to the EDF Committee in November and planned to be signed before the end of 2005.

- RWSS, € 25 million. Implementation of the project will be in two phases, each with its own FA of € 8 mill. and € 17 mill., respectively. The first FA has been signed and the project has been tendered. Implementation is expected to start in early 2006.

- Gazelle Restoration, € 3.4 million. The FA has been signed in August 2005.

- Institutional Capacity Building and Governance, € 20 million. A draft PIF was sent for comments. Short term expertise has been mobilised for project formulation. The feasibility study is planned for December 2005/January 2006.

- TRA - Trade Related technical Assistance to the Department of Trade and Industry, € 2 million. As a part of the Governance Programme, support to DTI has been foreseen, to assist in building capacities for EPA negotiations. The feasibility Study is foreseen for the end of 2005/beginning of 2006.
4 EVALUATION QUESTIONS AND ANSWERS

4.1 Selection and Rationale for Evaluation Questions

The ToR required evaluation questions to be proposed as part of the inception note (submitted and presented on 9th September 2005) and to be formulated as part of the Desk Study that was submitted before starting the field work in PNG. The evaluation questions were to be directed at analysing whether the main direction of EC involvement in PNG is adequate, given the context of the country’s social and economic situation and its declared development objectives.

Each evaluation question (EQ) was to be justified. Judgement Criteria (JC) were to be formulated for each EQ, and qualitative and quantitative indicators for each JC. The Desk Study was also to contain logical diagrams depicting the hierarchy of results, outcomes and impacts. These were to be drawn in accordance with the log-frames of each programme of the NIPs of which they were part. The EQs were hence to reflect the logical diagrams, and the indicators for the JCs would be in accordance with the indicators contained in the log-frames of the programmes.

This framework for the evaluation assumes that the Desk Study phase would result in a reasonably complete picture of what was happening on the ground, providing a solid basis of information and data on which to base judgements. In practice, the team did not have access to and could not take into account all the necessary information before departing to PNG. In fact, only a fraction of the required reports were available before departing to PNG. The evaluation questions proposed in the inception note could not be verified, and the EQs contained in the Desk Study had to be reviewed during the mission, as information and documents became available to the team that shed light on the various evaluation issues. Being new to PNG, the team also needed time to develop a feeling for the specific social, economic, political and cultural context into which development work in PNG is set.

The quality of the available planning documents was further not such that the logical link between outputs, outcomes and impacts was always apparent. The NIP for EDF 8 contains no objectives but rather headlines for the focal areas. The team thus had to verify in the field what the logical hierarchy of the programmes and their contribution to poverty reduction was to be. This was found difficult in the absence of a better understanding of the socio-economic situation of the country, which the team could only develop during the field work.

The evaluation questions are based on the five basic evaluation criteria (relevance, efficiency, effectiveness, impact, sustainability) stated in the European Commission’s evaluation guidelines, on cross cutting issues (gender, environment, human rights, HIV/AIDS) and on the 3 Cs (coherence, co-ordination, complementarity). They aim at analysing the current EC country strategy CSP, in particular the broad options adopted by the EC regarding the priority sectors for its cooperation with PNG, as well as the implementation of the CSP through the various programmes and projects. That analysis will encompass governance, ownership, participation and partnership, donor coordination as well as cross cutting issues.

The evaluation questions were finally chosen taking into account the information gathered from the documentation supplied for the desk Phase and the field phase. The questions comply with the ToR for the evaluation, which specify that for each evaluation question at

---


10 Terms of Reference, Evaluation of the Commission’s Support to Papua New Guinea, Country Level Evaluation, par. 4.1.1 (b) and 5.
least one evaluation criterion and for each criterion appropriate quantitative and qualitative indicators should be identified. The indicators relate to the Millennium Development Goals.11

While EQ 1, on relevance, refers mainly to the programmes planned under EDF 9, the EQ 2, 3 and 4 refer to programmes under EDF 8 and 9. The latter questions are mainly directed towards effectiveness and impact, less on efficiency, which is more an issue for monitoring and the evaluation of individual projects, and less for a country strategy evaluation. EQ 5 refers to the expected impact of the governance programme that is still in its planning stage. EQ 6 (implementation mechanisms), EQ 7 (cross cutting issues), EQ 8 (3 Cs) and 9 (sustainability) refer mainly to programmes under EDF 8, discussing EDF 9 only as far as the planning documents and discussions permit. The RWSS project is just about to be implemented and the programme on the non-focal area of Institutional Capacity Building and Governance is still in a very early stage of design.

4.2 EQ 1: Relevance

EQ 1: To what extent is the current CSP relevant to the objectives of equitable development and poverty reduction of PNG?

4.2.1 Justification and Coverage

The first evaluation question is on relevance: Was the EC assistance adequately conceptualised, in such a way that interventions can make a difference with regard to the development of the country in line with its priorities? This needs to be analysed in view of the choice of sectors, the geographical and social focus of measures and the choice of suitable implementation mechanisms. The question also examines whether suitable assumptions were made, i.e. whether the risks under which the assistance was delivered were manageable.

The constraints to development in PNG are complex. The dualistic economy has resulted in large parts of the population still being isolated and poor, despite wealth being created from the exploitation of the country's natural resources. The EQ aims at assessing whether the overall and specific objectives of the EC co-operation programmes with PNG reflect the priorities of the country and are likely to contribute to resolving the constraints leading to poverty. The focus on basic sectors like education, water supply and sanitation, directed towards the poorer segments of the population is rural areas, is a long term approach, the success of which depends to a great extent on the capacities and contributions of government, non-government organisations and community structures. Whether the development approach can succeed depends on planning that carefully takes the constraints of partners and the system - and, more importantly even, the existing inherent strengths - into consideration.

The questions cover the programmes and projects under EDF 9, referring to interventions under EDF 8. Programmes under EDF 9 are under various stages of planning (see chapter 3.5), but not yet implementation. With regard to these, the EQ is therefore answered with reference to the planning documents, taking into account informed opinions from stakeholders that were canvassed during the field work.

11 Id., par. 4.1.1.d).
4.2.2 Analysis and Assessments

The first Judgement Criterion for EQ 1 is:

| JC 1.1 | The Commission’s assistance is in line with national strategies and priorities |

**Indicator 1: Degree of convergence of CSP objectives and those stated in government strategy papers**

The EC’s assistance formulated in the CSP and in the Financial Proposals/Financial Agreements for Programmes/Projects planned under EDF 9 - as far as the planning has progressed to that stage - is in line with the objectives stated in government strategy papers. In fact, the two focal sectors match exactly with the top two priorities formulated in the 1997 - 2002 MTDS, namely elementary/primary education and primary health care. The CSP also follows the spirit of the 1997 - 2002 MTDS, which emphasises the supply of basic services to the population as a precondition for economic development and includes education as one of its priorities. Law and order, but not governance is mentioned as a priority in the 1997 - 2003 MTDS. It was clear from the discussions with the responsible officers at the office of the NAO and with representatives of other donors that governance has, however, become a priority for the GoPNG. Institutional strengthening, public sector reform, expenditure management and increased cooperation with NSAs are underlined in the 2005 - 2010 MTDS. Capacity building for NSAs and Governance are therefore fully line with the GoPNG’s priorities expressed in the current MTDS.

The 2005 - 2010 MTDS differs from the previous one in that it is more practical and has a stronger orientation towards income generation as a means to reduce poverty. This is not contrary to the CSP, but constitutes a difference of emphasis. In fact, one may observe that in one way the shift of accent of EDF 8 to 9 and the change of direction of the previous to the current MTDS are in opposite direction (i.e. well being vs. income earning). In another area (shift towards NSAs as actors, i.e. less government at implementation level), CSP and MTDS follow the same path. The emphasis of the new MTDS would have to be born in mind for future planning.

**Indicator 2: The level of consultation and participatory planning during the preparation phase**

The GoPNG and the EC were both serious adopting the requirements of participatory planning, involving NSAs. These requirements are an essential element of the Cotonou Agreement. Indeed, the evaluation team learnt that the Delegation and the NAO were quite enthusiastic to follow the participatory approach, ensuring that NSAs were invited to a 2-day planning workshop in which the basic directions of the CSP were discussed and agreed. NSAs apparently took part (though the documents did not show). It appears from the outcome documents of the planning sessions that more professional facilitation could have improved the quality of planning, as the participatory approach was a new experience, in particular for the PNG side. The process was frustrated when a new requirement of the EC at that time was introduced into the process, namely to base interventions on existing government strategies. The PNG side, with a strong interest to direct broad-based support towards the productive potentials of the rural sector, could not match this requirement.

**Indicator 3: The choices of sectors and urban vs. rural distribution in the context with national priorities, and their coherence with previous assistance strategies and activities of other donors**
Choosing the sectors of education, training and HR development, as well as rural water supply, both strongly directed towards the rural areas, is fully in conformity with national priorities. 87% of the PNG population live in rural areas; the focus is therefore correct.

The current CSP does not fully follow from EDF8, but there is also no break of continuity. The accumulation of experience of the EC in the field of education and human resources and of community development in rural areas (including water supply) is substantial and an important advantage for EDF 9 programmes. The activities of other donors were taken into account in planning (see also EQ 8, chapter 4.9). In fact, the EC is the only donor in PNG active at the planned scale in RWSS.

**JC 1.2** The sectoral distribution and the rural vs. urban focus of the Commission’s assistance is appropriate to promote equitable growth

**Indicator 1:** Evidence/data showing that the urban vs. rural focus is in response to clearly identified needs and opportunities

The introductory chapter 2.3 and 2.4 contain more information with regard to the statistics supporting that an orientation towards rural areas would indeed be in response to the most urgent needs. The assessment of the Coastal Fisheries and Eco-Forestry projects, and the information obtained about projects of other donors (like the agricultural extension service project of the ADB), show that rural areas offer substantial opportunities for development that can be sustainable and thus lead to equitable growth. Projects outside the area of income earning, i.e. direct growth generation, like the IRPEF, also show that much opportunity exists to achieve genuine development in rural areas.

**Indicator 2:** The view of opinion leaders and actors that the measures are adequate with regard to the absorption capacity of participating organisations and institutions

One main requirement when directing assistance towards rural areas is that suitable multiplier structures are available, which have the capacity of actually getting the assistance to the final beneficiaries. They should also be able to do that within cost structures that ensure the necessary level of sustainability. Only then can equitable growth be expected. The EC, taking into account lessons learnt from previous projects in rural areas, considered this essential point when designing its RWSS and also the ETHRD programmes. It is too early to estimate whether the programmes will succeed in attaining their objectives within the foreseen multiplier and support structures. Working with NSAs in rural areas in a way that these take over complex management functions (including mastering EDF procedures) is new in PNG and not free of risks. A longer learning period should be anticipated. However, if the EC succeeds in working effectively with organisations that do reach the rural areas, a strong pillar ensuring growth in rural areas would have been built. Success can not be guaranteed now. The preparatory measures foreseen in the planning documents appear promising, though.

The evaluation team discussed with representatives of other donors and with persons knowing NSAs and their activities, as well as representatives of a few NSAs themselves to assess their management capacity and their absorption capacity for capacity building measures. The ADB is carrying out an interesting project that facilitates extension services to village communities on a private basis, with encouraging results. The UNDP, having MDG achievement as one of its priority areas of interventions, will be emphasising on community level projects. AusAID has a large programme - Community Development Scheme, CDS, and a programme working with church groups. These programmes provide cautiously optimistic opinions that NSAs, CBOs and NGOs in PNG have basic management capacities and absorption capacities for capacity building measures to improve their management performance. On a practical note, the Chamber of Commerce and Industry in Port Morseby,
being offered a substantial ADB financed assistance programme, feels that it can not easily absorb larger support measured ("it scares us").

**JC 1.3** The planning process has taken into account the priorities of the PNG side, and the capacities and constraints of the government institutions and NSAs

**Indicator 1: The intensity and level of initial participatory planning**

This indicator looks at the quality and method of participatory planning. It was observed that the approach to problem analysis (problem tree) and goal analysis (goal tree), which were outcomes of the planning workshop for the CSP, did not really bring out specific areas of intervention. It should be expected that an audience of stakeholders that is requested to write down the development problems it perceives will almost certainly produce an nearly universal "shopping list" of issues that need to be addressed. Methods of participatory planning have developed over time. Some organisations active in development cooperation no longer consider it best practice to start planning with a "problem tree". Before problems are analysed, clearer specific goals are first identified, and then the constraining factors identified that need to be addressed to reach such specific goals. It is strongly suggested that experienced facilitators are contracted to support the process of participatory planning. The interest and intensity of participation of participants would improve, and with proper facilitation the planning process could extend well beyond the initial lower level of problems and goal analysis.

**Indicator 2: The quality of institutional strengths and weaknesses assessments**

Institutional strength and weakness analysis is a key requirement for programmes that rely to a great deal on the performance of such institutions for their success. The feasibility study for the RWSS, the programme that relies most on the strengths of institutions (NSA, church organisations), analysed the strengths and weaknesses of these organisations, but in the opinion of the evaluation team a more thorough assessment should still be made. NSAs should be properly selected for participation in the programme, based on a clear assessment of qualities needed for successful performance. This would also include assessing their capacity to (learn how to) master EDF 9 procedures.

**Indicator 3: The level of involvement of partner organisations in the feasibility analysis and planning of the measures**

As far as the participatory planning of the programmes under EDF 9 is concerned, the views of beneficiaries and intermediary organisations like NSAs were canvassed and taken into account. The feasibility studies of HRDP III and RWSS revealed that participatory planning took place, but to a limited degree. The design process of the ICBG already foresees an assessment of partner organisations. Involving beneficiaries and intermediary organisation in the identification and formulation of programmes would ensure that their strengths are well taken into account. This would enhance relevance and sustainability.

**Indicator 4: The quality of the design of monitoring and evaluation instruments**

Monitoring of programmes under the CSP is particularly important as NSAs are becoming key actors and little experience of working with them exists. The efficiency and effectiveness of their being partners needs to be regularly assessed. Programmes under EDF 8 are regularly monitored; and mid-term reviews are also undertaken. Monitoring reports follow a concise structure, discussing relevance, efficiency, effectiveness, impact and sustainability.
as well as issues relating to the implementation. The reports made available to the evaluation team were well written and brought out interesting observations.

Monitoring and evaluation can only be as good as the information and data made available from the programmes/projects. If the log-frames include quantified indicators for outputs and their sources of verification, these can be measured. The log-frames for programmes and projects do not usually contain quantified outcome and impact indicators, which are both essential for evaluation. Consequently, these important aspects can only be verified in terms of quality, i.e. opinions, not data-based information. Some log-frames are very well designed (e.g. Gazelle Restoration), some lack consistency and contain indicators that are unrealistic (for example the Sexual Health Project).

**Answer to EQ 1:** – The programmes and projects planned under EDF 9 are relevant in that they address genuine needs of the people of PNG, in particular poor people in rural areas. As such, they are also in line with the policies of the GoPNG, for which the reduction of poverty and the well-being of its people (education, health) are top priorities. EDF 9 is in line with the priorities of the 1997-2002 MTDS and with the MDGs. In accordance with the Cotonou Agreement, the planning of the CSP followed a participatory approach, which met with frustration on the PNG side when it could not satisfy the EC’s need to base response strategies on existing government strategies. In the end, a CSP that was acceptable to both sides was signed. The focus of the CSP on rural areas and community-based activities, with NSAs being important intermediary organisations, is well accepted by both sides. Strengths and weaknesses of organisations, which impinge on the relevance that the programmes may have with regard to achieving equitable growth and poverty reduction, were taken into account, but further monitoring appears necessary. Working with NSAs bears risks, in particular with regard to absorption capacities. However, these risks appear to be worth taking in view of the expected development benefits. The quality of planning of projects and programmes seems adequate in comparison but leaves room for improvement.

### 4.3 EQ 2: Effectiveness and Impact of HRD Programmes

**EQ 2:** To what extent are the Commission’s interventions in the focal sector of education, training and human resources development contributing to improving education and training (in particular for girls and the poorer segments of the population)?

#### 4.3.1 Justification and Coverage

One of the priorities the GoPNG’s development policies is education, training and human resources development. The EC’s response strategy has been to make human resources development one of the focal areas of cooperation with the GoPNG and to support education sector policies through specific and targeted interventions complementing the efforts of other donors. The evaluation question deals with the effectiveness in achieving the planned results, the programme/project purpose and with the impact on the overall objective to which the programme/project is to contribute. It focuses on the EDF 8 education projects that are currently being implemented. These are the second Human Resources Development Project (HRDP II) and the Improvement of Rural Primary Education Facilities Project (IRPEF). It also includes the planned education, training and human resources development programme (ETHRDP) under EDF 9. It aims to assess the extent to which the Commission’s interventions have contributed and are likely to contribute to improve (i) the access of children, in particular girls, to education and training, and (ii) the quality of education, training and HRD for the poorer segments of the population.
4.3.2 Strategies and Programmes

GoPNG Strategies

The high priority that the GoPNG allocates to education and training is reflected in overall strategies and plans covering all the sectors of development of PNG, for instance in the Papua New Guinea Public Expenditure and Service Delivery (PESD), the PNG Poverty Reduction Strategy 2003-2020 and in the GoPG Millennium Development Goals Progress Report for Papua New Guinea 2004, and they are confirmed in the Medium Term Development Strategy 2005-2010. The GoPNG also highlighted the importance attached to achieving education objectives through the elaboration and publication of education sector development plans such as the National Education Plan 1995-2004, the Education for All PNG National Action Plan 2004-2015 of 2002 and the recent National Plan for Education 2005-2014. The objectives contained in these documents are quite comprehensive and include not only expanding the geographical coverage of the school network, but also improving the relevance, quality and gender equity of the education system. A lot remains to be done to develop access to and quality of education (for instance, around 50 % of adults are functionally illiterate, in primary schools girls make up only 45 percent of enrolments, and only 53 percent of children who enrolled in Grade1 completed Grade 6). In addition to the sector-wide plans, more specific policy papers such as the Gender Equity in Education Policy, the HIV/AIDS Policy for the National Education System, the National Policy for the Procurement of Curriculum Materials and the Technical and Vocational Education and Training Policy were presented.

EC Strategies

The European Commission’s response to those GoPNG strategies was to support human resources development as a focal sector of cooperation with PNG, which is consistent with the Regional Indicative Programme for the Pacific ACP Region (Fourth Lome Convention second financial protocol). In this RIP, the Pacific ACP States including PNG, and the EC had agreed that human resources development is one of the priority areas of their cooperation - next to sustainable natural resources management and environmental management and protection - and that those priorities should also be reflected at the national levels, ensuring coherence with the NIPs. Consequently, the NIP for Co-operation under the Second Financial Protocol of the Fourth Lome Convention between PNG and the EC identifies human resources development, and the development of rural environment, as areas of concentration. In the EDF 8 Programming Strategy Paper and NIP it was proposed that the focal sectors of European Community cooperation would be the development of the rural environment and human resource development. For EDF 9, the CSP/NIP 2002-2007 also put education, training and human resources development as major focal sector of cooperation, next to rural communities’ water supply and sanitation and a non-focal area supporting institutional capacity building and governance.

The focus on human resources development in the Pacific regional and PNG country programmes is consistent with the broader EU policy documents such as the April 2000 Communication on the EC development policy and Joint Commission and Council Declaration of 10 November 2000 and the 2002 Communication on education and training in the context of policy reduction, as well as with international commitments such as the Education for All (EFA) agreements at Jomtien (1990) and Dakar (2000) and the goals agreed in the Millennium Declaration.


Support Programmes

The European Commission supports PNG’s education, training and human resources development through specific interventions in support of various components of the GoPNG education sector development policy, strategies and plans. A variety of activities include the construction of educational facilities, the provision of scholarships, financing of training of teachers and education sector managers (in government departments at various levels and in school boards), and technical assistance. The projects implementing EDF 8 strategy in the sector of human resources development are mainly the HRDP II, signed in 1999, with a maximum commitment fixed at € 24 million and the IRPEF project, signed in 2003, with a maximum fund commitment fixed at € 5 million. There is also some school facilities construction and renovation under the Bougainville and Gazelle restoration projects. For the implementation of the HRD component of the current PNG - EC strategy, the channel of implementation is a vast support programme, the “Education, Training and Human Resources Development Programme” (ETHRDP), with an EC contribution of € 39 million. The financing proposal and the financing agreement had been drafted at the time of the mission, and will be presented at the November EDF Committee meeting.

4.3.3 Analysis and Assessment

JC 2.1 The Commission’s interventions in the area of education and training have contributed and are likely to contribute to improve the access of children, in particular girls, to education and training.

What follows shows that support to equitable access to education has indeed been a concern over the last two programming periods.

Indicator 1: The increment of capacities of schools and the improvement in terms of facilities they offer

The EC’s support is contributing to increasing the enrolment capacity of the education system through the improvement of school facilities. Under the HRDP II facilities have been improved at three upper secondary schools, at three vocational centres, and at a primary teacher training institution, while a building programme is under way to increase the enrolment capacity of the University of Technology by 170 students per year. The IRPEF project is contributing to improving primary school facilities in remote rural areas. To gain a first hand view, the mission visited the impressive construction programme that is being implemented at the University of Technology at Lae, comprising lecture theatres and various other rooms, female and male boarding facilities, it observed the facilities renovation being carried out by the IRPEF project in an area rarely visited by local government authorities about an hour off the Medang-Lae highway. Within the scope and time constraints of the mission it was not possible to travel to more remote schools, but a slide show at the IRPEF project office in Medang illustrated the work going on in more remote areas that can only be reached by boat or small aircraft. It included not only expansion and rehabilitation of facilities but also community mobilisation and training of school board members, who are essential to increase enrolment of rural children. Though the IRPEF substantially contributes to improve conditions in the areas covered by the project, those target areas - only 30 rural schools in three disadvantages rural districts - are quite modest compared to the size of the country - but they complement areas covered by other donors, in particular AusAID. Therefore, one can conclude that the EC’s contribution has a positive impact on the schooling of children, in particular girls, in those remote villages covered by the IRPEF.

Though indicator 1 refers to school facilities, it should be noted that under the anticipated ETHRDP, the EC support to the education sector will shift away from infrastructure development to quality inputs such as support elementary and primary schools leadership and management training programmes in pilot provinces, to textbooks and school libraries,
as well as to community based and community driven non-formal education for literacy and skills development. This is bound to positively impact on school attendance (indeed, substantial evidence has shown that literate parents tend to send their children to school more readily than illiterate ones).

**Indicator 2: The expected impact of improved policies with regard to spread of education in rural areas**

At the national level, the IRPEF is expected to impact on improved policy making through the sponsoring of doctoral students carrying out research into issues related to remote schooling and support to the National Department of Education to develop a National Policy on Remote Schooling. The evaluation mission met the two PhD students supported by the IRPEF at the Devine Word University in Medang, but it is too soon to assess how effectively they will later on be able to impact on national policies improving the access of rural children to schooling. One of those students was a civil servant with the Department of Education but regrettably she had to resign from her position in order to pursue her PhD research. One would have expected the Department to keep her on as a staff member on leave of absence, to ensure her return to government service after graduation.

**Indicator 3: The expected impact of improved facilities on the regular attendance, in particular of girls**

The improved facilities, classrooms, toilet facilities for both girls and boys, and local teacher houses, as well as the provision of water supply to the school and the teachers’ houses, all impact directly on the effective presence of teachers in those remote villages, and hence on the regular school attendance by girls. Indeed, parents are very reluctant to send girls to school when there is no adequate supervision by teachers and if toilet facilities, water supply and sanitation are very poor or non-existent.

Though Indicator 3 refers to the impact of school facilities on attendance, it should be noted that under the planned ETHRDP an innovative approach will be piloted to promote rural schooling, not by building school facilities but through the training and deployment of rural teachers. The Commission will fund a domestic scholarship programme to encourage women living in remote rural areas to train as primary teachers on condition that after graduating they return to their communities as teachers. Lessons learnt from a similar project - the Project to Motivate, Train and Employ Female Teachers in Rural Areas (“PROMOTE Project”) - launched by the EC in Bangladesh a decade ago has taught that, though serious challenges will undoubtedly need to be overcome, such a programme can have a significant impact on gender equity in education in rural areas.

**Indicator 4: The expected impact of improved community based management capacities and practices on attendance**

Communities gradually realise that they own the school and have a say in the supervision of teachers’ attendance and performance, in decisions with regard to school fees and the provision of text books, and ultimately on the school registration and effective attendance of their children. Thus the Commission’s support to improved community based management capacities and practices also have a positive impact on school attendance. Community mobilisation and awareness programmes are essential to encourage rural communities - where illiteracy is often prevailing - and the IRPEF project rightly conducts such programmes in conjunction with the development of the skills of Headmasters and School Board members. The ETHRDP is also designed with a strong emphasis on community participation in school management.
The Commission’s interventions have contributed and are likely to contribute to a significant increase in quality of education, training and HRD for the poorer segments of the population.

Indicator 1: The expected impact of improved facilities on teacher and student retention, in particular of girls

The Commission’s funding of improved facilities positively impacts on the retention of teachers and students, in particular girls. Whereas the HRDP II focused on secondary and tertiary level education facilities, including primary teacher training colleges, the primary school and teacher housing rehabilitation in rural areas conducted by the IRPEF project makes the rural environment more acceptable for the teachers (many of whom have spent years in secondary schools and teacher training colleges in urban environments) and this has had a direct impact on the retention of teachers in remote communities. In addition, the future ETHRDP will train a professional cadre at district level to act as mentors to improve the capacity of school inspectors, trainers and education advisors to support elementary and primary schools and this can be expected to contribute to the quality of education in rural areas.

Next to the competence of teachers, textbooks are a second important quality factor. Through the ETHRDP the Commission will contribute to funding the provision of books for primary schools in support of the primary education curriculum reform process.

Obviously, this is a long term approach and it will take time to produce results and measure them; at this stage one can only assume that the inputs into quality factors will eventually produce qualitative outputs and outcomes, even if it will be hard to quantify them.

Indicator 2: The expected impact of improved community based management capacities and practices on the quality of teaching

Teachers are probably the most important factor affecting the quality of education; hence, the recruitment of sufficient numbers of teachers for rural primary schools, and their effective classroom attendance, is of utmost importance. The IRPEF project contributes to this through community awareness programmes and improved community based management capacities, in particular with the School Boards, creating a more stimulating environment for the teachers and their families in the rural communities where they are posted, resulting in decreased teacher absenteeism. This approach will be continued under the ETHRDP programme, which has a strong emphasis on community participation.

Indicator 3: The expected impact of improved policies with regard to the quality of rural education

The EC’s impact on improving policies with regard to the quality of education in rural areas cannot be assessed as yet. The HRDP II funded mainly secondary and tertiary facilities in urban areas, but the IRPEF project is expected to impact at the national level on quality improvements in remote schools through various activities such as primary inspector training in relation with remote schooling, sponsorship of two PhD students - one of whom is doing research on the development of curricula that are relevant to the rural environment, the development of a module for primary teacher training colleges on remote schooling and the design and piloting of a programme to upgrade teachers in remote primary schools to diploma status. The ETHRDP’s funding of a domestic scholarship programme that encourages women living in remote rural areas to train as primary teachers on condition that after graduating they return to their communities as qualified teachers will contribute to improved presence of qualified teaching staff.
**Answer to the EQ:** – The Commission’s interventions in the focal sector of education, training and human resources development contributed to improving access to and quality of education and training. Support to equitable access to education has indeed been a concern over the last two programming periods. The EC is contributing to increasing the enrolment capacity of the education system through improvement of school facilities, mainly the construction of upper secondary and tertiary institutions in urban areas under the HRDP II and the rehabilitation of primary schools and teachers’ houses in remote rural areas under the IRPEF. However, the supply of facilities is not enough, more important is the effectiveness of the teaching-learning process taking place in those facilities. The quality issues are being addressed through support to teacher training, community based management capacity development targeting School Board members and Headmasters, and community awareness programmes. Quality inputs such as human resources development, including the training of female teachers specifically for rural communities, and the supply of textbooks in support of the primary curriculum reform programme will be the main focus of the anticipated ETHRDP.

### 4.4 EQ 3: Effectiveness and impact of Rural Water Supply and Sanitation (RWSS)

**EQ 3:** To what extent are the Commission’s interventions in the focal sector of rural water supply and sanitation likely to contribute to improved health and reduced drudgery of woman, particularly in the most deprived rural areas of PNG?

#### 4.4.1 Justification and Coverage

The global objective of the Commission’s intervention strategy in PNG is poverty reduction. Poverty reduction is supported by the general objective of achieving economically and socially sustainable growth.

Poverty reduction is a viable objective, as more than 80% of the population of PNG lives in rural areas and World Bank (1999) data for PNG indicate a poverty headcount ratio (% of the population living on less than US $1 per day) of 39% for the country as a whole. The ratio is highest in the rural areas with 41.3%. In contrast, only 16.1% of the population in urban areas lives below this poverty line. Different studies indicate the long-term nature of rural poverty in PNG and that the current poorest districts have held that status for the last 30 years. For these reasons EDF 8 and EDF 9 have directed their interventions to the rural areas.

However, while the Commission’s strategy within EDF 8 is based on the hypothesis that growth is the main engine of poverty reduction, the RWSS programme (EDF 9) focuses on the well-being of people in rural areas as an important contribution to achieve poverty reduction.

Improving the living standards of the rural population is key to addressing the country’s constraints and promoting poverty reduction. The evaluation question aims at assessing the extent to which the planned interventions of the RWSS programme contribute to improvements in access to safe water and sanitation, to improved health and reduced drudgery, mainly of women.

Implementation of the RWSS programme is scheduled to begin in the near future (the tender procedure will be finalised in November and the contract is expected to be awarded before the end of 2005). The evaluation team could thus not measure the effectiveness, impact or sustainability of this project. The assessment of the judgement criteria and indicators is therefore based on the project planning documents, particularly the project’s feasibility study.
4.4.2 Strategies of the Programme

The water supply of provincial and district urban areas are under the responsibility of the PNG Water Board. In rural areas the responsibility of water supply was delegated to the Departement of Health, but only in terms of promotion as Local Level Governments (LLGs), through the Local Government Technical Services (LGTS), are responsible for implementation of new RWSS schemes under the new Organic Law. Consequently, policy is the responsibility of the NDOH, while implementation is the responsibility of the Districts and LLGs. A national strategy of the GoPNG of RWSS does not exist, but currently the national Water Supply and Sanitation Committee (WASCOM) is preparing a National Water Sector Policy document.

The Rural Water Sector was neglected in the past due to lack of funds for the LLGs and/or other priorities of the local Government.

Even in the absence of a national strategy the evaluation team considers improvement in this sector as relevant for rural communities. Its meets the needs of the rural population and will have a considerable impact on their health and well being.

The objective of the RWSS programme is to increase the living standard of the rural population through promotion of access to water and basic sanitation. The programme will provide improved water supplies and sanitation facilities to rural communities throughout PNG. It is expected to provide significant health benefits plus socio-economic advantages, including a reduction of the time and drudgery involved in fetching water for women and children, which would constitute a marked improvement of the quality of life.

The implementation will rest with Non State Actors (mainly NGOs and church organisations). Their involvement is to ensure that projects are implemented on a sustainable basis. The main focus will be on a community development approach aimed at creating community ownership. The approach includes the provision of essential training in health/hygiene, gender awareness, and people and technical skills to support the installation and maintenance of the RWSS schemes.

4.4.3 Analysis and Assessment

The feasibility study pointed out the following important factors determining the design of the programme:

- Every province of the country needs improved RWSS. It is estimated that 80% of rural households are still in need of improved rural water supplies and sanitation facilities;
- Women as primary users of water should play an important role in implementation;
- Education on health and hygiene behaviour is essential;
- Most communities live on a subsistence economy with little cash income. RWSS technologies with regular recurrent costs will be inappropriate;
- Government has some capacity to provide technical expertise, and health and hygiene training at local level;
- Overall capacity of NSAs to implement a large RWSS programme is used close to its limits at present.
- Most CDS\textsuperscript{14} core groups could become implementers in the programme;
- Gender aspects need to be included at all levels and all times;

\textsuperscript{14} CDS (Community Development Scheme) is a project supported by AusAID that has assisted the development of various community groups
- Improved sanitation procedures need to be driven by community demand to ensure sustainability. Health and hygiene training, as well as providing appropriate latrines must be part of the RWSS projects and include rural schools;
- The RWSS is linked to the educational sector through training in health/hygiene and other skills transfers.

These factors explain that the programme is relevant for the improvement of the livelihood of the rural population. This is in particular so for women, who are responsible to fetch water for the family from often faraway creeks or rivers. Water is often polluted by animals (e.g. pigs) and may therefore be a hazard.

The relevant judgement criterion of the EQ was defined as:

| JC 3.1 The Commission’s interventions are likely to contribute to improved access to clean water and sanitation in rural areas”. After successful implementation and achieving the project purpose “Sustainable community RWSS schemes implemented in selected rural areas” |

It can be expected that the programme contributes significantly to improved access to clean water and sanitation in those communities where a RWSS scheme is implemented.

**Indicator 1: Number of communities to be connected to safe water**

It is planned that a RWSS scheme will be implemented in about 600 communities by NSAs throughout the two planned 3-year phases of the programme. The team carrying out the feasibility study assumed that there are on average 450 dwellers per community, so about 270,000 people will benefit from the programme.

The total cost of the programme is estimated at € 25 million, of which

- € 16 million are planned for the implementation of the RWSS schemes (contracts with NSAs implementing the schemes),
- € 5.4 million are related to Technical Assistance (TA) and the costs of the PMU,
- € 740,000 are scheduled for training,
- € 600,000 are needed for vehicles, costs of evaluations, audits and studies, and
- € 2.5 million are budgeted for contingencies.

Assuming that 600 communities will be benefiting from the programme, the average total costs per community are about € 40,000. Calculating only the implementation costs of the RWSS scheme, costs per community will amount to about € 26,700. Taking into consideration that mainly schemes with gravity water supply shall be implemented the average cost per community seems to be rather high\(^{15}\). The efficiency of the water schemes should therefore be monitored closely during implementation with the objective of reducing the costs and expanding the number of communities benefiting from the programme.

Assuming that about 4.4 million people (80% of a total population of 5.5 million) are living in rural areas, the programme will reach about 6% of the rural population. Assuming further that 80% of the rural population do not have access to safe and clean water, under the assumptions made in the feasibility study an amount of € 325 million would be necessary to cover the whole rural population.

Achieving the desired impact in terms of health improvements requires the dissemination of knowledge about right hygiene measures in the communities, which requires behaviour change as well.

\(^{15}\) The Water scheme implemented under EDF 7 resulted in average costs of water supply schemes of € 18,000. The scheme included some capital intensive schemes, run with solar electricity.
Training in health and hygiene, community organisation (people skills), and technical aspects needs to be included from the beginning in RWSS projects. Basic capacities of NSAs and specialised service providers, women's groups, schools and vocational training centres are available. However, these need to be extended through further inputs of the programme.

**Indicator 2: Expected sustainability of water supply systems and functioning of maintenance and repair services**

The main types of RWS systems will be gravity-fed piped water systems, water harvesting for either individual households or rural schools, and using simple, locally made and maintained rope-and-washer hand pumps for shallow wells. In this way, maintenance and repair will require mainly labour only and not the procurement of expensive spare parts. In addition to this, the communities

- will be involved from the very beginning in the planning and design of RWSS schemes until implementation,
- will be trained in maintenance and repair of these systems, and
- will have to contribute in cash and kind (mainly labour) to the schemes.

It is expected that because of this they will develop strong ownership of the schemes and will also take care of their maintenance.

The sustainability of the programme rests, however, on the selection of communities that have the ability to raise sufficient cash for maintenance and repair. Many communities do not have this ability.

**Indicator 3: Absorption and management capacities of NSAs with regard to planning and implementing of the schemes**

Because of insufficient capacities of the governmental organisations in PNG, the RWSS schemes shall be implemented by NSAs. The appraisal mission team identified about 50 NSAs - mainly NGOs and church organisations, which are active in Community Development. About 20 of these NSAs are already actively undertaking RWSS projects. The mission emphasised that it could not carry out an in-depth assessment but used “impressions gained from relatively short visits”.

Although institution-building activities for the NSAs are planned, doubts remain whether they will be able to plan, design and implement RWSS schemes in about 600 communities in an efficient way during the planned 6-year duration of the project. This concern was also expressed by other donors and stakeholders that the evaluation team interviewed.

The programme's success will therefore largely depend on the basic assumption that capacity and interest of NSAs to venture into implementing water supply projects will be sufficient to absorb the allocated programme funds. Absorption capacity of NSAs might become a constraint during implementation in view of the large amount of funds (€ 25 million), although the project is planned for this reason in two phases of three years each. Weighing the different information received, the evaluation team still perceives the absorption capacity of NSAs being a substantial risk for the success of the project.

**Indicator 4: Evidence emanating from interviews with key persons and documents indicating that communities will contribute and participate in the water supply schemes.**

This indicator can only be commented on on the basis on limited information. During the appraisal phase many communities voiced high interests in RWSS. However, the success of implementation depends on the realisation of a cash contribution by the communities. The programme expects this contribution to cover about 10% of the materials cost. In the
examples calculated in the feasibility study, this contribution amounts to between 4000 K (gravity fed piped water system) and 11,000 K (rainwater collection system) for a clan of 15 household groups of 30 people each, i.e. 450 persons in total. If a household/family comprises 7 persons, about 64 families have to bear these costs. This is an amount of about 60 K to 170 K per family.

Since many communities, in particular in remote areas, rely nearly completely on subsistence production and do not earn any cash income, this required cash contribution can be an impediment to fulfilling this condition, especially in the case of the poorest communities.

To prevent their exclusion, the project should consider the possibility that such communities may generate their contribution in kind, e.g. in the form of labour. Otherwise there is a risk that exactly the poorest communities are excluded from the project.

Participatory procedures are foreseen throughout the planning process. It can be expected that this will further encourage communities to actively participate in the programme.

Answer to the EQ: – The evaluation team considers the risks as limited and expects that the programme will contribute strongly to the well-being of the selected communities. However, the programme cannot be replicated and extended to the majority of the rural communities without external funding, as neither the NSAs dispose of the needed funds nor can communities generate the money needed to build similar RWSS schemes.

The RWSS project will surely improve the well-being of dwellers of those communities that participate in the programme. Still, as the programme does not help to generate cash income in the communities it does not meet a main need identified by rural communities, i.e. the creation of income-generating activities. This was frequently stated by provincial authorities and NGOs. Only income-generating activities can give the communities the economic means to finance social infrastructures and ensure the repair and maintenance of the RWSS scheme in the long term and, hence, their sustainability. Income generating activities should therefore complement the RWSS interventions.

4.5 Rural Development under EDF 8

EQ 4: To what extent are the Commission’s interventions in rural development contributing to income generation in rural communities?

Under the EDF 8 two programmes were planned with the overall goal of generating income based on the sustainable use of the existing natural resources, thus helping to reduce poverty in rural communities, namely

- the Rural Coastal Fisheries Development Programme (RCFDP), and
- the Eco-Forestry Programme (EFP).

Both programme are still ongoing. The RCFDP will end in October 2007, whereas the EFP will terminate in March 2006 already. Two members of the team visited some sites of both projects in and near Lei and Madang during their field trip and had interviews with project managers, staff members, private sector partners and representatives of the beneficiaries. A Mid Term Review (MTR) took place in both projects in 2004. The assessment of the evaluation team is based on the findings of the MTR and on the impressions gained during the field trip.
4.5.1 Justification and Coverage

The rural communities in PNG are mainly subsistence-oriented and so far suffer from the lack of development of income generating activities based on the existing natural resources. While far from the coast, agriculture and forestry are the only resources generally available, coastal communities can in addition also exploit marine resources. The sustainable use of these resources can lead to the creation of cash income and contribute significantly to poverty alleviation.

75% of the land area of PNG is covered by forest. A large part still is primary forest. At the present time rural communities use these forest resources only marginally for their own subsistence needs by cutting some lumber or collecting fire wood. The presently still very wide margin between actual use on one hand and potentially sustainable take-off that would still guarantee the forests' long-term integrity on the other provides an opportunity for generating income through intensified use of this resource. Thus, the communities should be supported to exploit the forests in a sustainable way, e.g. by felling selected trees only and in limited numbers. They should transform the felled trees to lumber for national and international markets and thus create sufficient long-term income for the dwellers of these communities without endangering the forests' survival.

The objectives of both projects correctly adresses the main problem and the actual needs of rural communities in PNG, i.e. the lack of cash income. In view of this, both projects are relevant in respect to both aspects i.e. sustainable increase of cash income and sustainable use of natural resources.

4.5.2 Strategies of the Projects

The project purpose of the RCFDP is to “increase family incomes through greater participation in sustainable commercial production and improved marketing of marine products”.

For this purpose the project aims

- to increase landings of coastal fish and under-exploited marine resources,
- to increase earnings by improved marketing and processing and
- improve management of marine resources by linking to the private sector.

To achieve the latter, the project links the communities to private sector partners, which deliver important inputs like ice and which buy the catch of the fishermen groups, or the fish raised through aquaculture activities.

The project also enables to rural communities to obtain bank credits for investments in fishing boats or processing equipment, and to invest in aquaculture, not least by providing the collateral which the banks require.

The Eco-Forestry project encompasses three components:

- Community development by making credits available to buy small-scale mobile sawmills and by providing training on the use and repair & maintenance of the saw mills;
- A policy component, which has the objective of raising awareness of eco-forestry within the Forest Authority (FA), of formulating an eco-forestry policy, and of setting up an eco-forestry division and to amend the overall National Forest Policy to take account of eco-forestry;
- Giving marketing support to rural communities, which is essential for the success of the project, since the communities do not yet have access to national or international markets and do not have access to the needed market information.
Both projects are in line with government policies aimed at improving the income situation of rural communities through sustainable economic activities. These policies are not detailed into strategies and do not fall into defined government development programmes, as an institutional support framework for community based income generation in the fisheries and forestry sector does not exist. The value added of the projects is hence not their supporting or being an integral part of a government programme, but the experience to be gained from implementation from them for possible multiplication, and the direct impact derived from them in terms of sustainable income generation.

4.5.3 Analysis and Assessments

The Judgement Criterion for the two projects was defined as:

| JC 4: | The Commission’s interventions are contributing to sustainable increase of cash income in rural communities. |

Indicator 1: *The schemes appear economically viable*

RCFDP

The Evaluation team visited three communities near Madang, two of which invested in a “standard banana boat” each with a 30 hp outboard engine. This technology is not innovative and the scheme seems to be not viable for two reasons:

1. The engine has a high fuel consumption and with the rapidly increasing fuel prices this leads to high operating costs;
2. The groups are obliged to sell the fish to private sector partners and it seems that those are paying a price well below the market prices.

Both factors lead to marginal incomes of the groups and even to net losses when full cost accounting is done, and costs such as depreciation for the boats are included in the calculation. In that case the groups are unable to reinvest if an engine or a boat itself needs to be replaced and consequently the project cannot be termed economically sustainable.

In the short run an improvement of the economic situation could already be achieved if the project supported the marketing of the fish. To facilitate this, the project could help to strengthen the groups’ negotiating skills with the private sector partners and thus enable them to obtain better prices, i.e. prices that are derived from the market prices in Madang or other potential target markets like Goroka. Alternatively, the project should drop the requirement of the groups having to deliver their fish to the private sector partners, and support them to market the fish on their own in the targeted markets. The marketing could be done by the Fishery Association in Madang, with the project acting as a guarantor for the repayment of the loans obtained through the Association.

In the long run, the bigger Ela inboard dories with a length of 8.2 m and a fuel efficient 40 hp diesel engine, which the project helped some groups in Lei obtain, seem a better choice under economic considerations.

While the fishing activities face the mentioned difficulties, the aquaculture component, too, still has to overcome some major difficulties. The main problem faced by the 10 groups that obtained support to acquire pontoons in 2003 is that the feed has to be imported from Australia. This not only creates administrative difficulties, but the prospective private-sector partner also proved unable to finance the pontoons and to deliver the feed on credit basis. For these reasons, 8 pontoons are not yet in operation (it is said that they will begin soon). However, representatives of some groups have hinted that some families have lost hope. In addition, the economic viability of the scheme is not ensured if based on the actual price of the imported feed, which is required to produce the chosen fish variety Baramundi. Up to now all efforts of the project to find a national feed producer have failed. Negotiations are still ongoing. It should be possible to produce at least a feed supplement nationally at a lower
price. Only in this case will the aquaculture groups be able to make a profit producing Baramundi fish in their pontoons.

The aquaculture component faces the same marketing problems as the fish Leke in the Coastal Fishery component of the project. The fishermen groups are obliged to sell the fish to the private sector partner, who therefore has a monopolistic position. Some groups are complaining about the low price they receive.

The team was not able to check whether the present margin that the private project partner claims is justified or not. The project should carry out a detailed financial analysis in order to minimise the costs and, if necessary, renegotiate the marketing contract with the private sector partner. Alternatively, the groups should be allowed to market the fish through the fishery association, if they can obtain a significantly higher price there.

According to the MTR, some difficulties emerge with the construction of retail markets. Four sites were planned: one seems too expensive and "nobody can agree on the site in Port Moresby". The team could not follow up investigating these problems. It could also not visit the other project locations - which are spread over the whole country - during the available time.

Eco-Forestry

Communities that have the possibility to sell timber on the national or international market seem ensured to obtain a good price. According to the calculations of the MTR (corrected), the scheme is economically viable with assumed opportunity costs of capital of 18 %. After all wages are paid, the profit would be in the order of 64 K/m³ of lumber. With an assumed amount of 10 m³ of timber harvested and sawn per month, this yields a total cash income of about 1500 K/month for a community employing about 8 to 10 persons.

This is correct for communities located close to a feeder-road, i.e. having transport costs that are not too high. More remotely located communities must overcome the difficulty of transporting the lumber to a road (possibly using bullocks or buffaloes), from where it can be transported to the point of export. Economically they would not be able to finance the rehabilitation or construction of a road in order to transport the lumber. For such an investment the timber sales are too small even if three or four communities cooperated.

Indicator 2: The beneficiaries in the communities derive significant increase of cash income from the schemes.

RCFDP

Because of the mentioned difficulties, the communities operating the standard boat and the aquaculture scheme did not experience an increase of their cash income yet. If the project succeeds in organising the production of supplementary feed in PNG at a correspondingly lower price, and if marketing can be improved, then the aquaculturalists and the fishery groups will obtain considerably profits. The team learned that this is indeed the case in other communities, which operate the bigger diesel-equipped boats (Ela inboard dories). Quantitative information on their income was, however, not available.

In any case the groups are able to increase their catch and in this way able to improve the supply of fish to their own communities.

Eco-Forestry

If the communities are to manage their forests in a sustainable way, they may harvest the same plot again after about 40 years. The communities own 2000 ha to 5,000 ha of forest each on average. This means they could run 4 to 10 sawmills, and this could create employment for 30 to 80 persons and a total cash income of about 6,000 - 15,000 K/month per community. This would mean a significant improvement in comparison to the present
situation and could be the basis for the development of a cash economy in many communities. It would also signify the beginning of the integration of these communities into the national and international market.

**Indicator 3: The schemes are replicable**

**RCFDP**

There are doubts that the scheme of the "standard banana boats" will be economical in the long run, particularly because of rising prices of fuel. Therefore, it cannot be recommended to replicate this scheme. In contrast, the scheme based on using Ela inboard dories seems to be viable. If a bank can be found that is willing to cede credit to fishery groups, then this scheme can be replicated.

The aquaculture scheme can be replicated as well in cooperation with the private sector partner

- if supplementary feed can be made available at a price that is substantially lower than that of imported feed. This is as well in the interest of the private sector partner and of the fish-processing factory, since feed production can make use of their waste if it is transformed into fish flour. This adds value to the processing chain and, in addition helps to avoid polluting the environment, and

- if demand in the national market is big enough to absorb the aquaculture production at an acceptable price or, alternatively, if the production of Baramundi can compete on international markets, mainly in Australia.

**Eco-Forestry**

The Eco-Forestry scheme can theoretically be replicated to many new communities as well within those communities that already own a sawmill by expanding production of lumber up to the limits posed by the requirements of keeping within take-off levels that do not endanger sustainable forestry. In practice, some preconditions must be fulfilled:

- Since up to now most of the rural communities have almost no cash income, credits must be made available to the communities to buy a mobile saw mill, a chain saw and other equipment;

- Roads must be available so that small trucks or pick-ups can transport the lumber to the national markets or to the places of exportation;

- Training must be provided for those communities that get a saw mill for the first time, in order to instruct forest workers regarding the proper use of the equipment and to create awareness about sustainable forest management. Such training can be provided by the Forest Authority, the private sector (e. g. by the importer and seller of the sawmills), by a NGO like "Forcert" or by the association of communities running such mobile sawmills;

- The marketing must be organised in such a way that communities receive a fair share of the price, particularly of the high-value timber destined for export. Demand, especially on international markets, requires large amounts of lumber of the same species and the same quality and at a certain date of delivery. Such criteria can only be met

  - if communities in a region owning a sawmill cooperate closely and organise supply of lumber in bulk. Bulking can also minimise the transport costs, and
- if a national market organisation is involved that can obtain the necessary market information and serve as a link between the partner on the international markets and the communities wanting to sell timber;

- Road access must be available, so that the transport can be organised and carried out at competitive prices.

If these preconditions can be fulfilled, the scheme can be replicated hundredfold and numerous communities running sawmills can become the nucleus of a market-oriented economy in the rural area. It is recommended to aim for FSC-certification as early as possible, in order to ensure sustainable forest management from the beginning.

**Indicator 4: The institutional setup supports replicability and sustainability**

In both the RCFDP and the Eco-Forestry project, the institutional set up for continued support of the activities after the termination of the TA and the external contributions are not implemented and consolidated up to now. The responsible governmental organisations, i.e. the Fisheries Authority and the Forest Authority, are too weak to continue the activities of the projects effectively on their own. As much as possible, the projects should therefore entrust the communities themselves or NSAs with the responsibility of running the schemes on a self-help basis.

As an example, the Fisheries Association could assume the marketing on behalf of the fisheries groups as well as of the aquaculturalists. Communities with a saw mill could form an association and sell the lumber through their association to exporters.

However, such solutions require intensive institution-building. Since the two projects will terminate soon (the Eco-Forestry Project in March 2006 and the RCFDP in October 2007), there are doubts whether the institutional set up of these two projects will be able to furnish the necessary support to the communities in the remaining period of time. It cannot be expected that the schemes can be replicated by other communities without such support, and even the sustainability of the schemes initiated by the projects would then not be ensured.

For these reasons, the EC should definitely consider extending the Eco-Forestry project by at least two years, and the RCFDP should put very high priority on institution-building activities during remaining time.

**Answer to the EQ:** Although the projects have now been running for six years, both the RCFDP and the Eco-Forestry project are economically not yet fully viable. Especially the marketing of the products still requires to be improved in order to ensure that the products fetch cost-covering prices in the markets.

Because of substantial difficulties during the first years of their implementation the projects will not achieve a state of sustainability if they are terminated as now planned, as the institutional set up is not sufficiently consolidated. Both projects, the RCFDP and the Eco-forestry project, aim at income generation of rural communities and consequently of poverty reduction. In view of the mainly subsistence oriented economy in rural areas, these two projects make an essential und valuable contribution to the integration of rural communities into the national and international markets. Therefore from the mission’s point of view the right things were done.
4.5.5 STABEX

4.5.5.1 Objective of STABEX

Whereas STABEX funds were all in the form of interest-free loans during Lomé I-III, such funds were made available to ACP states in form of grants under the Lomé Convention IV (1990-2000). The objective of STABEX was to stabilise earnings of agricultural commodities’ exports, particularly for countries that depend heavily on such exports.

In the case of PNG, the overall goal was to compensate by direct aid for losses of export earnings as a result of shortfalls of commodity prices or loss of crops due to natural disasters. Since 1975 PNG has received about € 260 million and therefore STABEX is financially the most important instrument in PNG-EC development cooperation.

During EDF 8 about € 53 million was made available. These funds were invested in about 70 projects of different size. The following graph shows the main sectors for which the funds were used.

As can be seen, the largest part (21%) was used for rehabilitation projects on Bougainville. 28 projects were supported, of which the major part were rural infrastructure projects.

About 17% of the funds to PNG were used for debt relief. Production of important export commodities like forestry and fishery, palm oil, cocoa, coconut and coffee were supported as well.

4.5.5.2 Evaluation of the STABEX Programme

An impact assessment of the STABEX programme was carried out in 2002/2003. During this assessment, 10 projects were analysed thoroughly. Progress monitoring was introduced, but not monitoring of impacts. The results of the assessment are presented below. The evaluation team could only visit very few of the projects in Bougainville and North East Britain.

Relevance: According to the assessment report the projects were generally highly relevant. The results and activities were found to be consistent with the overall goal and meeting the needs of the target groups.

Effectiveness: Since no indicators were defined, the effectiveness of the projects was difficult to judge. According to the assessment the effectiveness was weak.

Efficiency: There was no clear timeframe for the projects’ implementation. For this reason huge delays took place in implementation and, consequently, the projects’ costs have escalated dramatically. Consequently, the most efficient way to achieve the intended results was not always used.

Impact: Since most of the projects were not finalized at the time of the assessment, the impact was difficult to assess. It is reported that at that time the level of impact was generally medium. A more recent assessment is not available.
Sustainability: The sustainability of the projects was rated very low, mainly because of the absence of ownership of the implementing agencies.

Summarizing these results the following conclusions were drawn:

- The project design was poor, due to the lack of setting time frames, the lack of indicators and of benchmarks;
- The lack of monitoring during project implementation was leading to delays in implementation and to an escalation of the costs;
- The lack of knowledge of the procedures required by the EC the implementing agencies led to delays in the release of funds;
- The absence of technical checks prior to the design of projects led to the overestimation of costs or not receiving value for money.

In addition, the following observations were noted:

- Absence of technical assessment of the projects at their end;
- Poor project reporting, including lack of use of a standard format for reporting, no definition of indicators to measure the level of implementation and achievements,
- No proper consultation with beneficiaries, top down approaches, beneficiaries’ interest not clearly stated,
- Conditions for sustainability not sufficiently known at the projects’ start.

Considering that the evaluation team 2002/03 rated the performance of the selected 10 STABEX-projects 12 points on a scale of 20 points, the achievements cannot be termed satisfactory.

Not all projects have been completed, as the last ones will only terminate by the end of December 2005. STABEX funds will not be available any more under the 10th EDF. Still, in order to obtain a final view of the usefulness of the entire STABEX Programme, we recommend a final evaluation of the programme after its end, assessing the impact and sustainability of a number of representative projects more fully after the projects terminating in 2005 have been completed.

4.6 EQ 5: Institutional Capacity Building and Governance

EQ 5: To what extent are the Commission’s interventions in institutional capacity building and governance likely to contribute to enhanced good governance and a more sustainable socio-economic framework?

4.6.1 Justification and Coverage

Institutional Capacity Building and Governance (ICBG) is a new area for the EC in PNG. ICBG may encompass various areas of intervention, including capacity building measures for government institutions, capacity building for non-state actors, or interventions strengthening the role of civil society organisations. The latter may include organisations rendering services, organisations representing the interest of groups of the society, or "watchdog" organisations, fighting against corruption or supporting human rights issues. ICBG is directed both at improving services to people and at strengthening democracy, equal opportunities and eradicating discrimination. ICBG is directed towards the goal of "sustainable economic development", a key objective of Article 19 of the Cotonou Agreement. Good Governance stretches across many sectors. It is therefore both an area of intervention as well as a cross-cutting theme, setting criteria and standards for sustainable development.
It is stated in the 2005 - 2010 MTDS that "Good governance is one of the Government’s three foundation stones for recovery and development. Over the past decade in particular, the erosion of many of the processes of governance has been a central factor underpinning PNG’s disappointing economic and social performance". Good governance; export-driven economic growth; and rural development, poverty reduction and empowerment through human resource development are the key pillars of recovery and development. Fiscal governance and public sector reform are key elements of the MTDS. The MTDS specifically recognises the importance of the linkages between civil society and government to deliver the aims of the MTDS, as well as the actual and potential roles that NSAs play in this regard.

The GoPNG is particularly open for support in the field of institutional strengthening. Institutional capacity building is important to strengthen the absorption capacities of both government and non-government organisations. Many donors are active in the field of public sector reform and governance. PERR (Public Expenditure Review and Rationalisation) and FMIP (Financial Management and Improvement Programme) are large initiatives supported by various donors (AusAID, ADB, WB, UNDP). The FMIP in particular offers substantial opportunities for additional involvement of donors, especially at provincial and district levels. It appears that EC support in line with the FMIP would be particularly welcome, as the EC seems to have an image of an unprejudiced player.

The evaluation report for the previous EC country strategy, assessing the programmes/projects under EDF 7 and EDF 8, strongly recommended that Governance and Capacity Building for NSAs should be a focal orientation of EDF 9. Including NSAs among the actors and beneficiaries of EC intervention strategies is also in line with the objectives of the Cotonou Agreement.

4.6.2 Strategies of Programme

The Institutional Capacity Building and Governance (ICBG) programme has not been formulated yet and has no strategy yet. Preparations are ongoing. These will define the possible points of departure for interventions and their strategies. Various ideas are being discussed. These include support for GoPNG reform programmes (FMIP, public sector reform monitoring), support for public sector "watchdog" organisations, like the ombudsman or the public accounts committee, support to local level government, support to research institutions and support to civil society organisations.

Entering the area of governance and capacity building has various advantages for the development cooperation of the EC in PNG. The area would offer different modalities of operation and cooperation. In operational terms, supporting interventions at decision making levels for reform would accord a certain level of influence for the EC that could be helpful to improve the effectiveness of its other programmes. Governance interventions could also open greater opportunities for cooperation with other donors and the GoPNG, again providing leverage to improve the success factors for the EC's other development programmes. There is also a possibility of the EC joining other donors in institutional capacity building and governance programmes, by way of funding interventions managed by other donors or are actively managing such programmes.

Planning for the Institutional Capacity Building and Governance Programme is in an early stage. Ideas have been collected and preparatory work has started to be undertaken. ToR have been written for the identification and formulation of an Institutional Capacity Building and Governance programme, and a baseline study for the governance programme. The areas of emphasis of the ICBG programme, and the weight and budgets that interventions will receive will only be decided upon the completion of these studies. It is also not yet known whether the ICBG will support defined government strategies (e.g. PERR, FMIP) or concentrate more on NSAs, where only broad policies for support exist from the government side. A trade related assistance project is being formulated, financed from the funds available for ICBG, based on a Project Identification Fiche. The already ongoing support programme to the NAO is also financed from funds available for ICBG.
4.6.3 Analysis and Assessments

**JC 5.1** The Commission's interventions in the area of institutional capacity building and governance are likely to contribute to improving public services.

**Indicator 1:** The views of stakeholders, actors and donors active in the field are that improvement in service delivery and greater consideration of actual needs are likely to occur.

As the MTDS has already mentioned NSAs and is taking aboard issues of transparency and improved decision making process, it should be expected that interventions will also be supported by GoPNG and other actors, which should lead to improvements. The discussions that the team had with representatives of donors active in governance and capacity building programmes brought out clear opinions that it is worth directing assistance to this area, though results are not yet available with regard to the impact in terms of improved service delivery. The determination of donors like UNDP and also ADB and AusAID to direct more support towards community and social development in rural areas is a signal that NSA based rural community development will improve service delivery in rural areas in response to the actual needs. The need for support of NSAs and building up their capacities is clear from greater responsibilities that they are likely to play in civil society and in project work of the EC. The RWSS project provides a good opportunity to involve NSAs in service supply, with a perspective of them taking up opportunities themselves.

**Indicator 2:** Evidence that there is room for EC involvement in the areas

The evaluation team had discussions with the ADB, the UNDP, and AusAID, who are active in institutional capacity building and governance programmes. They clearly stated that there is enough room for additional donor support in the field of capacity building and governance, especially and sub-national and local government levels. The GoPNG supported this view. Interest has been expressed that the EC should support the second phase of the FMIP, for instance. At present, the donors concerned are still contemplating whether to continue being involved in this programme or not, hence the government's interest in EC support. According to the UNDP, the sub-national levels of the FMIP require substantial additional support that is not covered through the present activities.

AusAID is financing a substantial programme to support civil society and community development. The programme includes the CDS (community development scheme) as well as interventions directed, for instance, at media development and strengthening of church partnerships. AusAID is also co-financing civil society programmes of the UNDP. According to AusAID, there is room for additional donor interventions, though absorption capacities need to be taken into account.

**JC 5.2** The Commission's interventions in the area of institutional capacity building and governance are going to contribute to improved public finance management and equitable public resource allocation.

It is too early to come to a conclusion with regard to this JC, as the programmes have not been defined yet, and it is not known whether the EC's support will go into the direction suggested by this JC.
The Commission’s interventions in the area of institutional capacity building and governance will recognise, support and enhance the role of non-state actors.

**Indicator 1:** The views of stakeholders and NSAs that support from the EC is relevant, can be absorbed and will lead to an enhanced role of NSAs

A clear picture did not evolve. The evaluators had opportunity to talk to only a few representatives of NSAs, though repeated efforts were made to talk to more of them. Indications from one opinion leader were that the rules of the EC are slow, which has already led to disappointments. There were cautious remarks regarding absorption capacities, too, depending on the role that NSAs are expected to play and in which way support is delivered. It should be expected that the learning process (with regard to EDF rules, for instance) will be long. If the management on the side of both the EC and NSAs is pro-active, leaving room for explaining and understanding procedures, the experience may well be a good one. The involvement of NSAs in such a large programme as RWSS will then certainly enhance their role. This project provides NSAs with an important opportunity to extend their activities and take over additional essential functions that have an impact on poverty reduction.

**Answer to the EQ:** The ICBG programme is still in an early stage of planning. In principle, the preconditions for such a programme becoming successful seem to be good. It is in line with the policies of the GoPNG, it focuses in part on a group on actors (NSAs) that will play a more important role in PNG in the field of social and economic development in future, and it is well positioned to supply development services to the poor people. The programme entails some risks with regard to management and absorption capacities, which appear manageable and may be worth taking (like in the case of RWSS).

The programme entails substantial opportunities for the EC to contribute to the development of a conducive policy and administrative framework that could also enhance the performance and impact of other EC programmes. The ICBG further offers opportunities of cooperation and coordination with other donors, which may equally positively impact on other EC interventions.

### 4.7 EQ 6: Implementation Mechanisms

**EQ 6:** To what extent will the implementation mechanisms facilitate the attainment of the objectives of EC supported programmes?

---

The organisation and practices of the Commission’s services contribute to designing and implementing projects/programmes that effectively facilitate the attainment of their objectives.

**Indicator 1:** The time delay in elaborating high quality Financial Proposals, Financial Agreements, contracting procedures in view of expectations and the urgency attached to programmes

The evaluation team received different signals: The records of the proceedings leading to the elaboration of the CSP evidence that there was great time pressure and indeed a delay of almost one year, on the other hand the press release concerning the CSP suggested that PNG was among the first countries to present such a paper. The elaboration of an FP for a programme or project usually follows a feasibility study, which is based on ToR that ideally originates from the cooperation partners (i.e. the government), and must in any case be
agreed upon between the EC and the government. The FP would have to be approved through various levels, including the EU member states, before a FA between government and EC can be signed. All this is time consuming, but partly due to the structure of the EC. Bi-lateral donors can usually identify and disburse their funds through easier and hence shorter procedures. Time delays were frequently mentioned. The Delegation is apparently undertaking substantial efforts to expedite matters.

The evaluation team heard various complaints about how complicated EDF procedures were, and several cases in which difficulties occurred. The team was also cautioned not to make void statements with regard to EDF procedures but support them with facts. It may be of some use to document each case of complication, but there must be a constructive approach from both sides wanting to improve matters. The evaluation team can only appeal to the Commission to ensure that its procedures are as simple and understandable as possible. The reality is that projects do not work as planned, and that potential partners no longer seek cooperation with the EC. The procedures may be wrongly quoted as reasons for such failures, but this how they are perceived.

**Indicator 2:** The quality of programme identification, i.e. the proper assessment of needs, institutional capacities, involvement of NSAs and government, definition of realistic goals and results, and choice of implementation instruments

The quality of the feasibility studies that the evaluation team saw was good. The involvement of NSAs and the role of government partners are well described. The feasibility analysis included need and institutional analysis. The experts assessing this had, however, limits with regard to how thoroughly such assessment could be carried out, and in the critical areas, like that of NSA involvement, room for a more thorough assessment would have been useful. The FPs and FAs are well written. Log-frames in the FPs/FAs have a better quality than those attached to the CSP. Still, improvement could be made. Objectives should be correctly formulated (describing a positive, intended development impact as a result of an intervention). The impacts need to be defined in relation to the programme interventions, i.e. in a way that the programme/project can be held responsible for achieving them. One can still observe a habit of ambitious goals and impacts appearing in log-frames, which are then not defined with quantitative indicators. Log-frames should contain realistic, small impact steps that are achievable and have quantified indicators. This would facilitate meaningful monitoring and management of programmes.

**Indicator 3:** The views of cooperation partners, in particular the NAO, that the objectives of support programmes have been or are likely to be met, and with what delay

The cooperation of the EC with the GoPNG is regularly reviewed and thoroughly described in annual joint reports. These reports describe in detail the implementation of programmes and projects, pointing out causes for delays, if any. The reports also contain opinions about the success of interventions, including opinions of stakeholders. There are no apparent diverging opinions contained in the reports. One should assume that the reports correctly reflect the overall positive view of the NAO of the cooperation programmes with the EC.

**Indicator 4:** The suitability of assumptions made in implementation plans.

The assumptions made in log-frames are, all in all, well formulated. It should be noted that assumption should relate to possible events outside the control of the programme/project. These constitute risks that connected to the environment in which programmes/projects work, on which the interventions have no influence. Events that are within control of the
programme cannot be listed under assumptions. They should become activities of the programme itself (example: ETHRDP\textsuperscript{16}), and be budgeted for.

| JC 6.2 | The organisation and practices of the NAO and the GoPNG services contribute to designing, implementing and monitoring projects/programmes that facilitate the attainment of their objectives. |

**Indicator 1:** The time delay in assessing and commenting on Financial Proposals, the quality of monitoring mechanisms, the time delay and reaction to monitoring reports and project/programme reviews

**Indicator 2:** The frequency and intensity of dialogue and interaction with the NAO and counterpart agencies

Both indicators are commented upon jointly. The cooperation between the EC Delegation and the NAO is very good and intensive. The head of the EU PMU within the NAO’s office is a dynamic and competent young officer who underwent special training for his function. However, he only took over this function some months ago. The EU PMU is supported through TA, the experts having taken up their assignment very recently.

Initiating projects (i.e. ventilating ideas, drafting ToR etc.) could be with the EC Delegation or the EU PMU, ideally it should be with the NAO. The evaluators heard different accounts of the reasons for delays, in the cases where they occurred. It is possibly a matter of reciprocal learning and accepting different work styles. The evaluators appeal to both parties to work on this, understanding and appreciating their different roles. The EU PMU is encouraged to assert its role of ventilating ideas and initiating programmes/projects.

**Indicator 3:** Quality and frequency of donor coordination

Please also refer to the analysis of EQ 8 on coordination. There is no government led donor coordination in PNG, and no formal coordination among donors, though informal coordination among donors takes place. The latter is apparently sufficiently effective as far as the EC is concerned that EC supported programmes are not in competition with others donor programmes. Coordination at programme/project level takes place, actually leading to interaction and reciprocal support in several cases (SHP, GRA, Bougainville, IRPEF)

**Indicator 4:** The level of a pro-active approach of government partners

The evaluation team heard several times that the approach of government partners could be more pro-active. This can not be substantiated through documentation, but is the reflection of opinions of various stakeholders and donor organisations, including the EU Delegation. The evaluators could not form their own opinion on this.

**Indicator 5:** The effective use by the NAO of resources provided by the EC

The evaluation team discussed this with the PMU in the NAO’s office, and formed an opinion that there are substantial opportunities to make better use of the resources made available. The PMU can draw on short term expertise to help it elaborate ideas for programmes/projects. In particular, participatory planning could be underpinned through the contracting of specialised facilitators (see also 4.2)

\textsuperscript{16} Assumptions in the ETHRD include issues like coordination with other donors, application of lessons learned and liaison with other EDF programmes, which are management issues of the ETHRD programme and hence cannot be assumptions.
Indicator 1: The awareness about the different funding mechanisms among those responsible for project planning

The NAO and the EC are aware of the different funding mechanism available. So far, interventions are financed through EDF and managed through PMUs. SWAPs (Sector Wide Approaches) are not carried out, as the EC considers that the required standards for such an approach are not yet in place. The EC has facilitated training on sector approaches in education and plans to hold a seminar on sector approaches early next year. The EC also does not provide budget support. Joint funding takes place (e.g. in the case of GRA), but on a basis of separate projects being funded in a wider programme supported by a group of donors. The EC has a framework agreement with the WB and the UN organisations on pool funding. Such funding was proposed by the UNDP with regard to governance programmes. SPSPs (Sector Policy Support Programmes) are the preferred modality for the EC, in particular in the education sector. Efforts should be continued to help the GoPNG create the conditions that must be in place before the EC (and other donors) can support a SPSPs. SPSP mode offers opportunity for more substantial funding than projects.

Alternative funding mechanisms are particularly relevant for government led programmes. The trend shown in the EDF 9 of moving from programmes relying on government structures to those depending on NSAs as main partners may hence have implications on the choice of funding mechanism.

The horizontal instruments of the EU for private sector development in ACP countries, financed through the EDF of the Cotonou Agreement (CDE, PromInvest, the new Private Sector Environment Facility, the Micro Credit Facility) are little known in PNG, no funding of projects has so far taken place, though workshops on tourism were held and PNG companies took part in international trade fairs.

Thematic Budget Lines, financed from the general budget of the EC, complement the EDF for ACP countries. The lines finance a wide range of thematic priorities, among them human rights and democracy, reproductive and sexual health, poverty-related diseases, food security, gender, environment, tropical forests, etc. PNG so far benefited marginally from these lines. Projects financed under Thematic Budget Lines are selected through Calls for Proposals to be made by international NGOs.

Indicator 2: The application of funding mechanisms corresponds to sustainability and impact requirements

The present mode of funding corresponds to the requirements of achieving sustainability and impact. As no other funding mechanisms are being applied, they can not be compared with alternative mechanisms.

Answer to the EQ: The implementation mechanisms applied support the attainment of sustainability and impact of EC interventions. Room for improvement was found in various areas. The procedures could be streamlined, and the quality of planning documents improved. Participatory planning could be improved through professional facilitation. Coordination of cooperation could be improved from the GoPNG side, which should assert its role of being in the "driving seat", according to the Cotonou Agreement.
4.8 EQ 7: Cross Cutting Issues

**EQ 7:** To what extent were crosscutting issues, gender, environment, human rights, peace and security and HIV/Aids taken into account during the programming and the implementation cycles of projects, and in how far were they integrated into other interventions of the Commission’s support to PNG?

### 4.8.1 Justification and Coverage

Crosscutting issues such as gender equity, environmental impact and good governance are identified in the EC Evaluation Guide of March 2001 as issues that should be taken into consideration when carrying out an evaluation and in particular when assessing sustainability. In addition, the necessity of mainstreaming crosscutting issues into all areas of cooperation is also required according to the Cotonou Agreement (Art. 20). In PNG, HIV/Aids is also treated as a crosscutting issue as a result of the seriousness of the epidemic and the Government having adopted a multi-sectoral approach to arrest it. The evaluation question attempts to assess whether the interventions supported by the EC in PNG were designed and implemented so as to mainstream the crosscutting issues related to gender, environment, human rights, peace and security and HIV/Aids.

### 4.8.2 Brief Description of Interventions

Gender equality is a crosscutting issue in all education projects under review in this report, i.e. the HRDP II and the IRPEF under EDF 8 and the planned ETHRDP under EDF 9 promote gender equity, in particular regarding the enrolment and retention of female students. Environmental issues concern all EC interventions and in particular EDF 8 Eco-Forestry Project and EDF 9 RWSS Sanitation Project and the Mining Sector Support Programme. Human rights, peace and security issues will be addressed through the EC’s support to non-State actors under EDF.9. The Sexual Health Project (EDF 8) in support of the National Aids Council is the Commission’s contribution to addressing the HIV/Aids epidemic.

### 4.8.3 Analysis and Assessments

The following Judgement Criteria were formulated:

| JC 7.1 | The Commission’s interventions in PNG have contributed to promoting the equality of men and women in all aspects of society. |

**Indicator 1:** *The degree to which gender equality aspects have been taken into account during formulation and implementation phases*

In the education sector gender equity is a critical issue. In PNG, as in many other countries, gender disparities effectively persist at all levels of education in spite of the theoretical principles of equality of opportunities for boys and girls. Some interventions to address the situation are timid but nevertheless effective, such as for instance the building of two dormitories, one for male students and one for an equal number of female students at the University of Technology. Other interventions are bolder, such as the innovative female teacher training scholarship programme under the anticipated ETHRDP, which intends to reduce the gender imbalance in both the primary teacher corps and in pupil enrolments. In the current IRPEF project, management and facilities supervisors are well aware of the impact of community mobilisation initiatives, gender awareness building within School Boards, as well as the provision of adequate toilet facilities and water supply to the schools on the enrolment and attendance of girls. Another area of EC support where gender is an
important aspect is the RWSS Project (fetching water for the household is predominantly a task for girls and women), and also the Mining Sector Support Project (MSSP), which has targeted women as trainees of its small scale mining training centre, connecting them to a micro credit programme.

**Indicator 2: The analysis of gender issues in project progress, monitoring reports and reviews**

Gender analysis should be an integral part of all the EC’s project monitoring and evaluation reviews, and most monitoring reports at lest mention impact of interventions on women. However, most EC interventions promote gender equality while putting other objectives first and relegating gender issues to a secondary rank. Reports should continue to stress the importance of girls’ education and its benefits as regards population growth and family planning, child nutrition and health, and the schooling of their children. Indeed, investing in girls’ education helps break the vicious circle of poverty, as explained by the World Bank in its policy paper on poverty reduction. Reports should further highlight the role of women in and for economic activities, as well as their contribution to structures that ensure the delivery of basic services, like water and health in rural areas.

**JC 7.2** The Commission’s interventions in PNG have contributed to promoting the protection of the environment.

**Indicator 1: The degree to which environmental aspects have been taken into account during formulation and implementation phases**

Environmental aspects are often taken into consideration on a project-by-project base rather than mainstreamed as a crosscutting issue. For instance, the original building plans for additional facilities for the University of Technology under the HRDP II were substantially modified in order to avoid the danger of environmental pollution from a science laboratory. This is certainly laudable, but at the same time other lecture theatres being built on that campus appear to be highly energy dependent (permanent air condition will be required, which could have been avoided with a less sophisticated building design making adequate provision for cross ventilation). Climatic conditions were not always duly taken into account in building design. During visits to rural primary schools, including one being rehabilitated under the IRPEF project, the heat in the classrooms roofed with metal sheets struck the mission. In many developing countries classrooms are covered with corrugated iron sheets, resulting in excessive heat inside the classroom when the sun shines and a deafening noise making teaching impossible when it rains. Thatched roofs, as used to cover rural houses, would help avoid heat and noise. If, however, it is decided that corrugated iron sheets must be used, the budget should also provide for a wooden ceiling, and there should be sufficient space between the roof and the ceiling and adequate openings in the sidewalls to allow cross ventilation.

The Eco-Forestry Programme effectively promotes the sustainable use of forest resources. However, a visit to an eco-forestry site by the mission revealed that beneficiary communities also allow companies to do commercial logging in the same forest areas as those covered.

Environmental aspects are relevant for the RWSS Programme. They were adequately discussed in the feasibility study, leading to proposed designs of water supply schemes that take adequate regard to environmental concerns. Training programmes proposed under the RWSS will equally include environmental aspects.

The MSSP has a very strong element of environmental protection, financing studies and supporting the formulation of policies that ensure mining in an environmentally sound way.
It should be expected that the ICBG programme offers opportunities to mainstream environmental issues into the capacity building of government organisations and NSAs as well as into the policy and strategy discussions, especially at local government level where environmental requirements are more often neglected.

**Indicator 2: The analysis of environmental issues in project progress, monitoring reports and reviews**

In the report of the mid-term review of the HRDP II, the education facilities expert (architect) points out that most school buildings are of the international type, heavily dependent on electric energy for air conditioning and/or water supply, and regrets the opportunities missed to design buildings suited for the tropical climate of PNG. Other monitoring discuss environmental issues, but not adequately as a cross cutting issue.

**JC 7.3 The Commission’s interventions in PNG have contributed to promoting human rights**

Formulation and implementation of past EC interventions have not specifically targeted human rights issues. The supply of basic needs, like education, shelter, water and sanitation are fundamental human rights, which the EC supports through its interventions in education, RWSS and, for instance, the Gazelle and Bougainville restoration programmes. The future Good Governance component of EDF 9 is perceived by all parties as highly relevant with regard to its potential to contribute to the promotion of human rights.

**JC 7.4 The Commission’s interventions in PNG have contributed to promoting the mainstreaming of issues and consequences of the HIV/Aids pandemic.**

**Indicator 1: The degree to which HIV/Aids aspects have been taken into account during formulation and implementation phases**

The EC funded Sexual Health project was designed to contribute to a larger programme supported by several donors and aiming to address the pressing issues associated with the rapidly spreading HIV/Aids epidemic in PNG. The SHP was to play an important role in sensitising local peer groups, in close cooperation with the National Aids Council. At the specific request of the Department of Education the ETHRD programme also refers to HIV/Aids issues in education.

**Indicator 2: The analysis of the impact of HIV/Aids in project progress, monitoring reports and reviews**

Reports indicate that the implementation of the SHP has encountered considerable difficulties and achieved little impact. This is well documented and it is not the purpose of this CAS evaluation to remake the SHP project evaluation. However, the mission was pleased to notice that the project has recently taken a promising start under a new technical assistance leadership. Team building efforts are now actively pursued, the intervention log-frame has been revised, and collaboration with the National Aids Council is rapidly improving.

The HIV/Aids issue should more regularly be discussed in monitoring reports, as interventions of the EC have the potential to relate to HIV issues in their respective project environments.
Answer to EQ 7 - Cross cutting issues, gender, environment, human rights, peace and security and HIV/AIDS were taken into account during the programming and the implementation cycles of programmes/projects, though sometimes as issues of secondary importance. Gender equality aspects are important in some projects such as the Rural Water Supply and Sanitation Project and the Sexual Health Project. Gender mainstreaming should be more actively pursued. A bold and innovative attempt to improve gender equality in education is planned in the future ETHRDP through the training of female rural primary school teachers, which is expected to increase pupil enrolments, in particular of girls. In all other EC funded programmes Environmental aspects are often taken into consideration on a project-by-project base rather than mainstreamed as a crosscutting issue. Fundamental human rights, such as the right to education, health, shelter and food, are being addressed through EC programmes. In PNG, HIV/AIDS is treated as a crosscutting issue as a result of the seriousness of the epidemic. The SHP has had some impact, but may become more effective now after management changes and a reviewed approach.

4.9 EQ 8: Coordination, Complementarity and Coherence

EQ 8: To what extent has the EC’s cooperation strategy been designated to complement other donors’ programmes? How effective are the coordination mechanisms, and to what extent have the EC’s strategies and interventions been affected by EU policies?

This EQ refers to the 3 Cs, i.e. coordination and complementarity with other donors, particularly with Member States, and the coherence with EU policies, Regional Indicative Programmes and other Programmes funded by EC budgetary lines.

4.9.1 Justification and Coverage

The most important donor in PNG is the Australian Agency for International Development (AusAID). After signing the Enhanced Cooperation Programme (ECP) in December 2003 the total amount of the annual Australian assistance to PNG increased from about €165 million to €275 million, corresponding to about 80% of expected grants to the country. AusAID has thus a dominant position in the total TA supplied to PNG. This creates challenges for other donors wanting to avoid that their programmes overlap with those of AusAID.

The second most important donor is the EU with an annual disbursement of about €12 to 15 million. New Zealand, Japan (JICA) and China, as well as multilateral organizations like the ADB, the WB, UNEP and UNDP also provide substantial assistance. International NGO’s are active in PNG, too. EU-member countries do not at present provide bilateral TA to PNG.

In order to maximise the benefits of the TA of the different donors and of the total of the donor contributions, and in order to use synergies of the different contributions, these should be well coordinated and complement each other.

This coordination is in the interest of the GoPNG, and GoPNG should actively seek to enhance it. The donors should cooperate with the GoPNG and should programme their contributions in a way that ensured complementarity with other donors’ programmes. Synergy effects could thus be realised and critical intervention levels be reached in the chosen sectors that enable the surpassing of take-off thresholds.
4.9.2 Analysis and Assessment

The first Judgement Criterion to EQ 8 is:

**JC 8.1** Activities implemented under the Commission’s support to PNG are complementary to and coordinated with interventions of other donors at programme and implementation levels.

**Indicator 1:** Financial agreements and feasibility studies of EC programmes have duly assessed the activities of other donors (in particular AusAID) and analysed possibilities of coordination and cooperation.

**RWSS**

As regards the RWSS programme, the complementary to other donors was analysed thoroughly in the feasibility study. It is stated that there will not be an overlapping with other donors’ activities. On the contrary, the programme is complementary to the interventions of the PNG Incentive Fund and the CDS financed by AusAID, which aims at CD in general.

One of four components of the PNG Incentive Fund is planned to be water and sanitation, implemented by different NSAs, including, for instance, World Vision. The CDS support of community development is much broader than only water and sanitation. The NSAs involved in this programme can use the EU funds from the RWSS to implement the water and/or sanitation projects. With respect to this programme, RWSS is therefore highly complementary.

The feasibility study stated as well that the RWSS is complementary to interventions of the EU within the education sector, since the RWSS aims at improving the water supply and sanitation within primary schools in rural areas as well.

**Education and HRD**

The Financing Agreements do not provide an overview of the activities of other donors, which is understandable since they concern agreements between the EC and PNG. However, the log-frame of the HRDP II explicitly refers to AusAID’s continued assistance to the education sector as one of the assumptions. The mid-term review report (2005) points out that an education sector mission in April/May 1996 formed the basis for HRDP II\(^{17}\), which was conceived as a continuation of the first HRDP. The 1996 education sector mission report suggested that the main thrust of HRDP II should continue to be in construction and buildings and that this fitted in well with both the policy of the GoPNG and the contributions of other donors.

The annexes to the FA of the IRPEF project describe linkages with related interventions of AusAID, JICA, the World Bank and the French Development Agency, confirming that full consultation has occurred to ensure complementarity and coordination between donors.

The ETHRDP feasibility study (2004) constantly refers to activities undertaken or planned by other donors, in particular AusAID, who is a major actor in the education sector. The FP, describing the rationale of the programme, refers to “complementary actions” by other donors and “donor coordination”.

The designs of each of the EC education projects show that coordination with other donors’ programmes and avoidance of overlapping activities were major concerns during identification and formulation of the interventions.

---

\(^{17}\) Education Sector Mission 1996, a consultancy report for the European Union
Institutional Capacity Building and Governance Programme

The Institutional Capacity Building and Governance (ICBG) programme of the non-focal area has not started. A feasibility study is planned to be carried out at the end of 2005 or the beginning of 2006. Because the Australian Enhanced Cooperation Programme has a governance focus, the question of donor coordination and complementarity with other donors is crucial for the ICBG programme, as niches of interventions in which AusAID is not active need to be identified. Because of the long time frame of programming within the EU procedures - often more than one year from appraisal to the start of implementation - it might happen that niches being identified during the appraisal will already be covered by other donors active in this field, including AusAID, at the beginning of implementation. The appraisal mission should identify several partner organisations that need strengthening, and the implementation team should choose those among them that do not receive technical assistance from other donors at the time of implementation.

Analysing the draft ToR of the feasibility study for this programme reveals that it covers the aspect of donor coordination. Following the appraisal mission the EU-Delegation should keep close contact with AusAID, ensuring that others do not cover niches that the EC is to occupy under its agreements with the GoPNG.

EDF 8, RCFDP and Eco-Forestry

Donor coordination within the programmes of EDF 8 was done satisfactorily. There was no overlapping with other donors but instead some complementary activities were realised by donors, i.e. in the fishery sector which receives support from the ADB.

The MTR of the RCFDP analysed coordination with other donors, while the MTR of the Eco-Forestry project does not deal with coordination and complementarity. This evaluation found that no other donor is involved in Eco-Forestry. The EC found a genuine niche with this programme and made important conceptual contributions

- Community development
- Income generating opportunities
- Sustainable use of forest resources
- Policy development and institution building.

The programme was complementary to the planned interventions of the WB in the forestry sector (which has meanwhile been cancelled).

Bougainville and the Gazelle Restoration Authority Project

Good coordination with other donors took place in Bougainville and within the Gazelle Restoration Authority project. The GRA efforts have mobilised multi donor support from the World Bank (taking the lead), EC, AusAID, ADB and JICA. All interventions follow the Medium Term Restoration Plan of GRA and are thus coordinated and complementary to each other.

Indicator 2: Regular exchange of information and meetings with other donors take place at programme and implementation levels, a sharing of responsibilities for selected sectors has been agreed upon among donors.

A formal and/or regular exchange of information with other donors does not take place - not at country level nor at programme or implementation levels. There are in particular no regular formal meetings with written agendas or minutes taken that could be distributed. The evaluation team learnt, however, that informal coordination and cooperation takes place, on an irregular basis with varying intensity. Although an optimal coordination cannot be
expected in this way, there seems to be effectively no overlapping of the EU-programmes with the interventions of other donors up to now.

To share responsibilities for a sector, formal cooperation has to take place with written agreements and regular and formal meetings. Such a close cooperation needs the active coordination of the GoPNG. This does not take place. It can therefore be assumed that synergies of different donor contributions are not used up to desired levels and that the benefits for PNG are sub-optimal.

**Indicator 3:** Project progress and monitoring reports include the analysis of cooperation and complementarity.

Project progress and monitoring reports should include the analysis of cooperation and complementarity. As there is no formal and regular coordination between donors, such reporting can not take place.

**Indicator 4:** Government is actively pursuing and taking part in donor coordination, ensuring complementarity

The GoPNG is obviously not assuming the task of actively coordinating donor cooperation. It seems GONPG tries to obtain higher benefits by negotiating with the donors individually. Some donors reported that GoPNG perceived their coordinating interventions as "ganging-up". There are advantages and the potential benefits for all in efficient donor coordination.

The second Judgement Criterion of EQ 8 is:

| JC 8.2 Activities implemented under the Commission’s support to PNG are coherent with aid strategies adopted by the Commission and EU policies. |

**Indicators 1:** Financial Agreements and feasibility studies of EC Programmes have analysed the compatibility of EC programmes in PNG with strategies adopted by the Commission and EU policies.

Poverty alleviation of the EU is a key strategy according to the Cotonou Agreement. Although all the projects of EDF 8 and 9 are in line with this overarching goal, the compatibility with these strategies is not thoroughly analysed in the project documents. Even though the overall goal of poverty alleviation is frequently mentioned in the documents, references to the EU Policies and the Cotonou Agreement are missing.

This is true for the feasibility study of the RWSS programme, the ToR for the ICBG Programme or the MTRs for the RCFDP and the Eco-Forestry projects.

The Annexes to the FA for the IRPEF project explicitly refer to the linkages with the HRDP II, and the FP for the ETHRDP devotes a chapter to complementary EC actions and linkages with the HRDP II, the IRPEF, the Pacific Regional Initiative for the Delivery of Basic Education, the RWSSP, HIV/Aids awareness training and the future Capacity Building and Governance Programme.

**Indicator 2:** Horizontal instruments and regional programmes have been taken into account in planning and implementation

This was apparently not the case. However, regional programmes focus integration and on regional trade which is only of marginal importance for PNG, which offers products that are of relevance to other than countries, but not its Pacific neighbours. The horizontal instruments of private sector development were apparently not greatly considered in planning, as they can only have little impact in a country that has a very small formal SME sector. PNG has access to Global Initiatives, like the ACP-EU Water Initiative, on a matching grant basis. An expert visited PNG during the time of the mission, assessing possibilities.
Answer to EQ 8: GoPNG should actively seek to enhance coordination and complementarity of all donor interventions, but this is not done. Informal coordination between donors including the EC takes place. Coordination, complementarity and coherence of the EU programmes was not always analysed formally during planning and evaluation, but at implementation level both EDF 8 and EDF 9 are well coordinated with other donors and complementary to their interventions. Coherence with EU policies is given, but again not analysed formally in most of the projects documents, i.e. feasibility studies or MTRs.

4.10 EQ 9: Sustainability

EQ 9: To what extent are the results achieved through the EC’s interventions in PNG likely to be sustained without further EC support?

4.10.1 Justification and Coverage

By sustainability of the results of the interventions we understand the extent to which the results are being, or are likely to be, maintained over time after official development assistance (ODA) has come to an end. The evaluation question aims at assessing the extent to which results achieved by interventions in the focal sectors of EC assistance can be sustained after the termination of support. Analysis covers different aspects such as management capacity, financial viability, partner organisations’ commitment and sense of ownership, but is largely limited to EDF 8 programmes since no judgment is possible at this stage on the sustainability of EDF 9 interventions.

4.10.2 Analysis and Assessments

JC 9.1 Programmes and projects supported by the EC in PNG directed at target groups in rural areas will survive and continue after the suspension of EC support

Indicator 1: Management capacities established with EC support are competent and have the capacity to continue with the measures, according to independent opinion leader and spot checks through the evaluation team

Interviewing stakeholder, both in public service and in civil society, the mission encountered a lot of scepticism regarding the management capacities that are available (or, more often, lacking) at sub-national levels of government. The roles of those levels of government are however crucial in the day-to-day management of the school system. The weakness of the Provincial and District Departments of Education is a serious constraint for the further development of the education sector. Indeed, the national government’s role and competence is in essence limited to overall policy issues, curriculum development, inspection, sector planning and financing, and donor coordination, while policy implementation is the responsibility of Provincial and District Departments of Education. In rural schools visited by the evaluation mission it was reported that for many years no local government official had visited the community, except when accompanying staff of the IRPEF project. That was due to lack of staff, time, means of transportation, and sometimes also lack of commitment. Unless this situation is reversed and the sub-national levels of government are strengthened, it is therefore doubtful whether any local government officer will carry out supervision, monitoring and counselling visits to rural schools after the project has ended.

Two aspects determine the sustainability of the Eco Forestry Project:
1. The ability of communities involved in the programme to continue harvesting trees in their forests, and to produce and market their timber after the external contribution of the EC has ended;

2. The continuation of support of communities, and the replication of the scheme in a considerable number of others communities.

The scheme is economically viable for communities that have access to basic transport and communication infrastructure. If the responsible families or forest workers carry out their forest activities properly, they will be able to save enough money to maintain and replace their saw mills. In this regard the activity is sustainable.

However, since there are hardly any private dealers of timber who actively develop the national market and export according to the demand of the international markets, doubts remain whether the communities will be able to sell the produced timber at an attractive price. So far, the project supports marketing. Handing over this support activity requires additional efforts.

Because of lack of funds and lack of qualified human resources and management capacities, the Forest Authority, at the sub-national level, is and will most likely be unable to deliver efficient support services in respect to marketing, training, forest certification, sustainable forest management and financial management, which communities need. Replication of the scheme to a large number of communities cannot be expected. The impact therefore will be limited to the communities being supported now, and is not likely to extend significantly to the regional or national level without additional support.

The RCFDP will terminate in 2007. In view of the present shortcomings regarding some of the project's components (i.e. lack of economic viability of aquaculture activities, problems with the use of boats with outboard engine, marketing of fish) the sustainability of this project is uncertain. Achieving sustainability depends mainly on the capacity of the NFA and its structures at sub-national level to deliver necessary services to the communities. The evaluation team came to the conclusion that the NFA is at present not in a position to render the required support without external expertise and external financial resources.

It is the evaluation team's opinion that the sustainability problems of both projects can be resolved. The projects should be extended by another phase of two to three years in order to resolve the crucial problems and to consolidate the achieved results. Without this the EC would risk that both projects fail to reach sustainability, and that the already achieved results and outcomes are lost. The Eco Forestry project lost substantial time at its beginning which should be added back to it.

The RWSS programme has not commenced. Sustainability can only be reached if the targeted communities, clans and families have enough cash income to maintain and repair the water schemes. Especially in remote areas this is not the case. It is doubted that this programme will ever reach sustainability.

Another crucial area where capacity development is essential is the fight to arrest the still increasing rates of HIV/Aids infection. Capacities of the National Aids Council are being strengthened with the support of the Sexual Health Project - and of other donors -, but at present the NAC is not sufficiently equipped to deal with the magnitude of the situation.

**Indicator 2:** Projects conceptualised to generate their own funds to continue are in a position to do so, according to the records of the programmes, or existing national resources have been mobilised to subsidise measures on a long-term basis

Funding of schools comes from several sources: the district’s grant from the National Government is the most important source, but it does not cover the entire cost of running a school and it needs to be supplemented by school fees, voluntary contributions through the School Management Board, and in many instances also financial support from church organisations. For the interventions in the education sector, serious doubts were expressed
regarding the availability of adequate funds for maintenance of facilities at all levels of the system, from top level institutions, such as for instance the University of Technology, to grass-root level elementary and primary schools. Doubts were also expressed on the prospects for financial sustainability of the textbook procurement component of the future ETHRDP. This is largely due to the enrolment of more children from disadvantaged families in remote rural areas, where communities often survive in a non-monetary economy. The parents of those children are often unable or unwilling to pay school fees.

In the Eco-Forestry Programme income generation is sufficient to allow re-investment of revenue earned by the communities supported by the project. These communities therefore can continue with the small scale logging and processing of timber in the long run if access to marketing and transportation of the timber is assured. Some components of the Rural Coastal Fisheries Development Programme lack financial viability. The sustainability of these components is in doubt if problems are not rectified. Further, sustainability is only assured if the private sector partners are willing and able to cooperate and to deliver the needed services to the involved communities. The dependence of the communities on the private sector partners is even stronger in remote areas far from regional or national markets.

The RWSS programme design does not include components for mobilising villagers’ own resources in order to create funds for maintaining and repairing the water or sanitation schemes, without which the programme can not be sustained.

**Indicator 3:** Partner organisations have convincingly declared that they are committed to continue to follow the objectives of the programmes

In the national education department, commitment and capacities exist for policy preparation and formulation. Evidence for this is the adoption during recent years of several policy papers on various issues such as HIV/Aids, the procurement of textbooks and curriculum materials, gender equity in education, the Education for All initiative, technical and vocational education and training. In addition, a long-lasting result of the IRPEF will be the national policy on remote education that is expected to be developed with support of the project.

The National Forest Authority expressed its interest to continue with the activities of the Eco Forestry Project. But the organisational structure at sub-national level is weak. Commercial logging is of greater interest to the Forest Departement than the project, considering the contribution to the governmental budget and to export earnings. Although the GoPNG declares its interest in Eco Forestry, there are indications that the priorities of development of that department are set in favour of such projects and community development.

**JC9.2** The EC support measures contribute to long-term improvement of capacities

**Indicator:** The assessment of the framework conditions results in a reasonably optimistic outlook for stability and further improvement

Conditions for a sector-wide approach (“SWAp”), as is currently being developed in the health sector, they are not yet in place in other sectors. For the education sector, a coherent education sector policy and budgeting system already exist for sometime, but a medium term expenditure framework and effective Government led donor coordination remain to be developed before an EC Sector Policy Support Programme (SPSP) can effectively be put in place. It is now generally acknowledged that the project modality offers weaker prospects for sustainability than a sector-wide approach. Lessons learnt in various countries where SPSPs are operational lead us to believe that when the SPSP cooperation modality will be put in place, there will be better prospects for achieving sustainability than under the current project implementation modalities, with Project Implementation Units and with EC procedures distinct from the mainstream procedures adopted by the government departments.

The Eco Forestry Project included measures for capacity building activities within the National Department of Forestry, both at national and sub-national levels. With the support of...
the EC project, the Forestry Authority built up a unit for eco forestry to develop relevant policies and legislation. Training was carried out at the sub-national level. The sub-national forest administration remains weak because most of the forests in PNG are owned by communities and not by the government - contrary to other countries like Indonesia.

A similar situation is met with the National Fisheries Authority. Government pays much more attention to commercial and industrial fishery than to community-based fishery. This is understandable because small-scale fishery contributes little to export earnings and economic growth, and almost nothing to governmental budgets, while large scale fishery is an important economic sector in PNG that contributes considerably to the GDP.

Answer to EQ 10: The sustainability of the results achieved through the EC's interventions in PNG varies considerably from sector to sector and from project to project. The mission encountered a lot of scepticism regarding the management capacities at sub-national levels of government. These are, however, crucial in the day-to-day implementation of national policies and development plans. Reportedly, there are better prospects for achieving financial viability in the Eco-Forestry Programme and in the Rural Coastal Fisheries Development Programme. Long-term prospects for the improvement of sustainability of the EC's interventions in the education sector are dependent on the development of a sector-wide approach, like the SWAp that is currently being put in place for the health sector. However, the required standards for such an approach are not yet in place.
5 CONCLUSIONS

5.1 Changing Approaches to Poverty Reduction

5.1.1 Conceptual Shift from EDF 8 to EDF 9

The EC followed two main directions in its cooperation with PNG: education and human resource development, and rural development. Both areas are prominent in EDF 8 and EDF 9. EDF 9 includes a third "non-focal" area, namely institutional capacity building and governance.

The choice of these support areas follows from the priorities of the PNG government and the requirements of the country. They are based on an analysis of the country's political, economic and social situation. The overarching objective of the EC cooperation through EDF 8 and EDF 9 is poverty alleviation. This is in line with the EU policy and with the Millennium Development Goals (MDGs). The CSP for EDF 9 defines poverty in terms of well being of the rural population and improvement of quality of life, to be achieved through better primary education and access to water and sanitation, while EDF 8, focussing on HRD and rural development, gives priority to the creation of cash income opportunities to reduce poverty.

The EC has been involved in the education sector and in rural development for a long time. Together with its partners, it has made efforts to develop excellence in both fields. Rural community development has become a common denominator for both focal areas. Both areas support communities in initiating and getting involved in self-help projects that improve their well being and open paths for a better future. This is clearly visible in RWSS and IRPEF, and also in ETHRD. The EC support for human resource development and rural development is linked through the common theme of achieving change in communities through development programmes that take regard to and build on community structures. This is a strong point that distinguishes EC support from interventions of other donors.

Education and HR development being focal sectors of cooperation is consistent with the priorities stated in PNG’s development plans and poverty reduction strategy, with international commitments endorsed by the GoPNG and the EU, and with regional agreements signed between Pacific countries and the EU. All these policies put HRD as a priority area.

In the EC’s support to HRD, interesting shifts have occurred from EDF 8 to EDF 9:

- from support to tertiary and secondary education to primary and non-formal education,
- from the construction of physical facilities to the improvement of teaching learning strategies (like training of qualified teachers, supply of books, capacity development in education management and supervision at local and school level),
- from investments in urban areas (tertiary and secondary institutions) to development of rural areas (primary school facilities, training of local teachers from rural areas).

These shifts increasingly direct the EC’s support towards contributing to the MDGs, and in particular the MDS indicators relative to education and gender equity.

Regarding implementation modalities, there is a shift from projects (one of which - the HRDP II - consists of a variety of components that are not always related) to support through a programme approach addressing critical issues of PNG’s education, training and HRD sector in areas not covered by other donors. This may lead to improved relevance and sustainability of investments in HRD, which could further contribute to the achievement of MDGs. For example, the IRPEF project’s activities to improve primary education facilities as well as the quality of teaching and of school management in rural communities have an impact on the schooling of children and on gender equity in education, and the HRDP also contributes to the training of teachers and education sector managers.
The excellence of the EC support in education seems to be the innovative approach of harnessing the interest and contribution of communities to building a stronger basis for the structures that support education in rural areas (e.g. working with management committees), and in making teaching in rural areas a more attractive profession (IRPEF and ETHRD).

In the area of rural development, clear shifts between the EDF 8 and EDF 9 occurred, too. While the emphasis of EDF 8 support was on the generation of cash income for rural people, the emphasis of EDF 9 is on the well being of the rural population. The RCFDP project supports communities with advanced equipment and knowledge for coastal fishery and aquaculture, marketing the fish through private sector partners, and using the available marine resources in a sustainable way. The Eco-forestry project enables rural communities to earn cash income through sustainable management of their forests, and supporting them to produce and sell timber on the national and international markets.

While EDF 8 emphasises on earning income, the RWSS requires spending rural income for the well being of rural dwellers. While HRDP II of EDF 8 connects education to the labour market through an indicator saying that 200 vocational trainees should enter the labour market every year, EDF 9, though still saying that training must be relevant to labour market needs, does not entail such a direct link between education and economic engagement. EDF 9 thus softened this link and sought a new one, which is to be found in rural community development supporting both education and well being.

In EDF 9, interventions directed towards basic health and education are planned to be complementary to each other, meant to enable people to read and write and have good health, which is a precondition for successful economic engagement. The excellence of the EC support in rural development lies in the experience that has been gained in working with rural communities, in education and training as well as in social and economic development. The interventions in rural areas include lessons learnt from the EDF 7 water development project, where it was realised that community involvement must be improved to sustain such projects, and the experience with the Eco Forestry and the Coastal Fishery projects, which showed that change can be achieved within rural communities that can lead to sustainable income generation.

The EC’s attention to community structures is innovative in the PNG context. The attention to rural communities is supported through an apparent shift of approach that other donors are following. The ADB has been supporting a rural development project based on community structures, the UNDP is planning to direct interventions towards community levels, and AusAID is increasing activities in community work as well.

Another interesting shift is the one implied through the third non-focal sector, i.e. institutional capacity building and governance. The introduction of this sector is based on the recommendation of the evaluation of EDF 8 and includes an orientation towards non-government actors (while government structures are also planned to be strengthened). The added value of this shift with regard to poverty reduction is that available resources and capacities (of NSAs) are mobilised to support and sustain interventions that are highly relevant for rural community development and poverty reduction.

5.1.2 Strategy Developments of the GoPNG

The observed changes of emphasis are only partly in line with the directions of GoPNG strategies. While the new MTDS clearly foresees the involvement of NSA, which is fully in line with the strategy shifts of EDF 9, the shift of focus from cash income earning opportunities that was prominent in EDF 8 towards supporting the well being of the rural population that is apparent EDF 9 is opposite to the strategic changes that can be observed comparing the 1997 - 2002 MTDS with the 2005 - 2010 MTDS: The latter is placing greater emphasis on

MTDS 2005-2010: The overarching development strategy is defined as export-driven economic growth, rural development and poverty reduction, including through good governance and the promotion of agriculture, forestry, fisheries and tourism on a sustainable basis. The strategy will be realised by empowering Papuans and New Guineans, especially those in rural areas, to mobilise their own resources for higher living standards.
practical outcomes of rural development efforts in terms of quick returns in economic growth (see box), while the EC is reversing its emphasis from economic growth orientation in EDF 8 towards longer term rural development in EDF 9.

The GoPNG is aware of these opposed directions of shifts of emphasis. It is clear from the discussions with government representatives that the economic growth path is preferred, which is given priority in the 2005 - 2010 MTDS. While the EC is free to negotiate any support programmes with the GoPNG, following a path that differs from the directions of government strategies will in the medium and long term not be an effective one, as ownership of partners is likely to recede, and with this the sustainability of the measures.

5.2 Observations on Approaches for EC Interventions

5.2.1 Lessons Learnt: Factors Contributing to Sustainable Development

When the evaluation team recommends following the economic growth path, then such a recommendation is made as a conclusion from the following lessons learnt that may are derived from the analysis of EDF 8 and EDF 9 programmes and projects:

- RCFDP and Eco-forestry projects have shown that there is substantial potential within rural communities to create income opportunities and to achieve economic sustainability through rural development. The ADB project of promoting the cultivation of new crops like vegetables is another example of successful income generation in rural communities.

- PNG has a high potential to derive substantial income in an environmentally and ecologically sound way from fishery, forestry and agriculture. The production of most of the communities in rural areas in PNG is subsistence oriented. Consequently, the natural resources in agriculture, fisheries and forestry remain underexploited. The sustainable use and management of these natural resources can be used to generate cash income.

- The community based projects supporting education (IRPEF) and water and sanitation (RWSS) risk not achieving their objectives without cash income being generated to sustain these services, be it education or water supply and sanitation. This can partly already be seen from the previous EU water and sanitation project. Many communities did not have the financial resources or technical skills to maintain the equipment. A survey revealed that only about 50% of these schemes are still working.

- The rural community structures in PNG appear suitable to support income-generating activities. The social structure in rural areas of PNG is very traditional, oriented towards the collective well being of family, clan and community. This can be an important factor of sustainability and therefore a strength. It is easier to achieve sustainability if development projects are able to make use these traditional structures for their objectives. The structures can, for example, be used to reduce the risks of credits. The Eco-Forestry and the RCFDP projects, where clan based credits for fishing boats or mobile saw mills are successfully extended, have shown this. Direct beneficiaries of credits are all members of the clan (5 to 10 families). All members bear the risk and are responsibility for the repayment of the credit, while income is equally distributed to all.

- Donors show growing interest to support community development. This is combined with the efforts to direct support of the Financial Management and Improvement Programme (FMIP) towards the local level. The planning and implementation capacity of some governmental organisations at national level are weak. Still weaker are the governmental organisations at provincial, district or local levels. Some governmental programmes therefore hardly reach the target groups at local or community level. For instance, the implementation mechanism foreseen for the
RWSS project was designed as a consequence of this weakness, basing the implementation on NSAs. This implementation mechanism could serve as an example to implement community-based income generating projects, too.

The main point is, however, that the EDF 9 approach directed at improving the well being of rural communities - both in education and in rural development - will not be sustainable without sufficient cash being generated at community levels, and thus be an unsustainable approach to rural development and largely ineffective in reducing the poverty of rural dwellers.

5.2.2 Choices of Main Areas of Interventions

In a different perspective, the EC seems to be at a crossroads with regard to selecting its focal sectors. It has tried to follow a programme approach addressing critical issues of PNG’s education, training and HRD sector in areas not covered by other donors. Various donors, in particular AusAID, support the HR development and education sector extensively. Already, the EC is closely cooperating with AusAID in the area of education. To be effective, future support in this sector would increasingly have to be planned in a sector approach involving other donors. The GoPNG would be the main partner of such a sector approach. Institutional capacity building would have to be an important element of such an approach, directed mainly at government structures.

The rural community development approach, on the other hand, looks for NSAs as the main partners, in terms of service delivery (directed at achieving sustainability) and in terms of implementation. There are no strong government structures that would support interventions directed at income generation, hence the need to work with NSAs. This is fully in line with government policy, which also sees NSA in the role of service delivery. (NSAs, in particular churches, are major actors and service providers also in the education and health sectors).

While the present CSP is building a conceptual bridge that links rural education and rural community development, there is no functioning corresponding link between the two within government structures (even though the Organic Law was meant to provide such a link). Sooner, sustainability requirements would demand that stronger links with the respective support organisations - government for education, sector planning and quality control, NSAs for the community development - be established. Both are important development areas, but from a practical point of view it is difficult to mix them. It appears that sooner a decision for one or the other approach needs to be made.

The evaluators believe that the achievements made in rural community development require further support. The innovations undertaken and the risks that have been accepted require further inputs to prove their worth. The evaluators cannot, however, conclude whether this will be met with success.

With regard to institutional capacity building and governance, the evaluators miss a clear strategy on the EC’s side. While the GoPNG has placed greater emphasis on governance, the rationale of introducing Institutional Capacity Building and Governance (ICBG) in the CSP is not strongly developed, and the recommendations contained in the previous country strategy evaluation are not adequately substantiated by specific needs.

The evaluators do not query the general requirement of having this non-focal area (the rationale is clearly explained in the 2005 - 2010 MTDS), but the EC must find a specific justification. One possibility would be that ICBG becomes an intervention area of its own, supporting, for instance, PERR and FMIP. In order to be effective, this would have to be a joint approach with other donors (which are already expressing interest), and it would be primarily directed at supporting government structures. The other alternative is that ICBG would support rural community development (e.g. RWSS), in which case the emphasis of ICBG would be on supporting NSAs. The ICBG offers a possibility of building the bridge between community development and institutional capacity building of government structures at local level.
The question is whether the EC should do this, because building this bridge would make sense only if the EC would want pursue interventions in the fields that are being bridged: education, being a sector depending on government structures, and rural development, which depends on NSA structures. This would result in three areas having to be supported. It appears that the EC has again reached a crossroad where it is to decide where the emphasis of its support will be directed to.

5.2.3 Sustaining Suitable Intervention Approaches

Feasibility studies, reviews and reports of all donors describe the capacity of PNG organisations to implement development programmes, particularly governmental institutions, as limited for several reasons:

- The political situation is still undergoing a consolidation process;
- Lack of professional skills and poor management practices;
- A weaker sense of identity of decision makers with national issues compared to their responsibilities to clan and community.

Long term institution and capacity building activities are required to overcome weaknesses of governmental organisations. In the meantime, donors are considering using NSAs as an institutional framework for their intervention in the coming years - as the EC in the case of the RWSS.

The absorption capacity of the potential implementing agencies is, however, limited. Further, the absorption capacity of the target groups or beneficiaries at community level is limited, too: The “wantok” system, which obliges individuals to share property and income with the members of the extended family, is not conducive to accumulating capital that could support long term investments. About half of the adult population in rural areas is not able to read and write. Infrastructure like roads, communication and access to mass media are also weak. All these constraints render efficient implementation difficult.

In order to overcome these constraints, substantial technical assistance and a long duration or interventions are needed if sustainability is to be achieved. The RCFDP and the Eco-Forestry project are cases in point. Both projects are useful role models for other communities and are worth replicating, but the projects have not yet been able to demonstrate that activities will continue on a self-help basis after the termination of funding.

There are neither government nor non-state partner organisations that are able to manage large rural development projects with an acceptable level of efficiency. The RWSS programme is based on an innovative design that will manage a number of small sub-projects at community level, using NSAs for implementation. Although there is a risk of limited management and absorption capacity of NSAs, this implementation concept is promising in view of the difficult organisational and institutional framework in PNG. This concept requires to be followed up closely and needs a strong M&E system in place. The evaluation team believes that in the field of community development smaller projects with a long duration, facilitating effective management and assuring the correct use of funds are required in the PNG context.

The community development approach requires structures that can deal with smaller projects and that can flexibly react to implementation issues. Focusing on community development demands a lot from a large and complex organisation like the EC, which is better structured to disburse relative large amounts in a given period of three to five years. Being effective with a rural community oriented approach requires substantial efforts in adapting implementation mechanisms. Finding and designing such implementation mechanisms within the framework of EC and EDF regulations requires extra efforts and a management that is committed to rural community development. The EC would have to decide whether to follow this difficult path, which offers the chance to achieve change and reach impact in poverty reduction, or to
pursue an approach of larger programmes, which will also be in line with the MDGs, but may reach less in terms of tangible impact.

Though the evaluators believe that is worth the effort to adapt implementation mechanisms to the very needs of the country, it might just not be practical to go that way for a donor like the EC. The evaluators are of the opinion that the difficult approach is feasible. If the EC decides to continue to pursue it, it must be prepared to solve problems that may occur in implementation, and ready to invest into management capacity at the Delegation and building up capacity at the EU PMU and with NSAs.

5.2.4 Achieving Poverty Reduction

As it is assumed in the CSP, primary education is a long term and indirect solution to creating a skilled workforce, which will only develop if there are employment opportunities. A skilled workforce is unlikely to develop if the dwellers of rural communities remain in subsistence production without access to markets and without market oriented production. Greater skills will lead to higher productivity and consequently to higher income.

The majority of the rural dwellers have very limited cash income. For many families this severely impedes access to social services. A study of UNEP revealed that many families can hardly afford paying school fees, with the consequence that they do not send their children, particularly girls, to primary schools. According to this survey this is the main reason for the low enrolment rate of girls in rural areas. This is why donors need to jointly continue a policy dialogue insisting that the GoPNG should honour its international commitment (within the global EFA initiative) to make basic education fee free.

A more sustainable result appears to come from the Eco-Forestry project, where some communities that acquired a saw mill repaired or rehabilitated houses and schools with the timber they produced out of their forest.

While efforts to improve the well being of rural communities will improve access to water and better sanitation and thus help to achieve MDGs, these strategies do not enable the communities to start self-help activities, but leave them in a position dependent on external aid and outside interventions.

The short-term objective of a poverty reduction approach should be the initiation of market oriented production and the creation of nuclei of a cash economy in rural areas, as the RCFDP and the Eco-Forestry projects have successfully demonstrated. The mid- and long-term objective is the full integration of the rural communities in the national and international markets.

One precondition is adequate access to the national markets or to the points of export for the export products, through the improvement of infrastructure (transport, electricity, communication). Only if roads are built, rehabilitated and maintained can the products be transported at reasonable costs to the points of sale. Lower transport costs will lead directly to higher farm-gate or producer prices and vice versa. The rural communities are therefore the main beneficiaries of improved infrastructure.

A concept directed at reducing poverty in PNG would require the following elements:

- Rural development, with the main objective of:
  - Exploiting the natural resources (agriculture, fishery and forestry) in a sustainable way
  - Increasing agricultural production to assure food security
  - Creation and/or increasing the community based market production in order to generate cash income for the poor rural dwellers
  - Developing forward and backward linkages to value chains, i.e. the integration of rural communities into national and international markets
- Enabling rural communities to sustain community based infrastructure like schools, water and sanitation communication services feeder roads
- Supporting infrastructure development that connects communities to markets and facilitates their access to social services
- Establishing financing mechanisms for short terms and investment capital (in cooperation with schemes started by other donors)

- A conducive environment for rural development, creating an umbrella that ensures access to facilities, and the replication of small projects, in particular:
  - Capacity building of NSAs to supply extension and support services for agriculture and small scale processing enterprises, including financial services,
  - Capacity building for sub-national government structures at local level, in order to create the necessary framework conditions for the supply of services.

Such interventions can only take place in smaller steps, creating small development centres where connections to infrastructure are available, from where further development could occur step by step towards remoter rural areas. The financial absorption capacity for such development interventions could be higher if connected to investments in infrastructure, like road construction or rehabilitation. Such investments, carried out with a strong involvement of the private sector, would be able to absorb larger amounts of funds.

The evaluation team does not have a mandate to recommend such an approach to be followed by the EC, and does not want to elaborate more on it in a way of suggesting how to operationalise it. Taking into account what the field work in PNG has brought out, the above would, however, be the broad guidelines along which a strategy that reduces poverty should orient itself.
6 RECOMMENDATIONS

6.1 Scope of Recommendations
One main objective of the evaluation, according to the ToR, is to provide the Commission's policy makers and managers with a set of detailed recommendations, which will be a valuable tool in the implementation of the current strategy and National Indicative Programme and in the preparation of a new Country Strategy Paper.

The recommendations are hence meant to have a short and medium term character, oriented towards the planning and implementation of programmes under EDF 9. Such recommendations will not change the overall direction and approach of the EDF 9 programmes and projects, but will mainly focus on suggestions how to improve effectiveness, impact and sustainability of the CSP programmes. Longer term recommendations are directed towards the new CSP. The evaluators do not perceive their role as one of proposing the one or the other idea of what should be included under the next EDF, but rather as one of pointing out what alternative directions could in principle be followed, and what the implications of following the different alternatives would be. This is meant as an input into the dialogue between the GoPNG and the EC, hopefully providing a better basis for decisions that will have to be made.

The Cotonou Agreement emphasises participatory planning processes. At the same time, it mentions a selected number of focal areas that cooperation between ACP countries and the EC could cover. A regional planning process, of which PNG is also a partner, provides further focus on selected priority sectors. The focal sectors will also have to be chosen in the context with MDGs, and must also relate to the known cross cutting issues.

The EC has to follow its own policies and strategies of cooperation, too. Concentration on focal sectors is one of them. Preference is on channelling cooperation towards one or two focal sectors. Given that funds are limited, it is considered beneficial for both sides that cooperation interventions are not thinly spread among many areas, but directed at specific areas of clearly identified needs. Concentration on fewer areas also helps to direct more funds towards interventions, and save on costs of programme management. All this means that choices must be made.

6.2 Basic Strategic Approaches
In the case of the cooperation between PNG the EC, the evaluators see two different types of approaches being possible in the light of the analysis and conclusions made:

The first type of approach would involve NSAs and private organisations being key actors, supplying services and support directed at facilitating community based rural economic development, including cash income earning possibilities (on the basis of using available natural resources) and other services supporting the well-being of rural communities (like water supply).

The second type of approach would strengthen capacities of government institutions to supply better public services to the people of PNG, in public fields like education, health, infrastructure or administration (especially at sub-national government levels). This approach would equally be directed at improving the living conditions of rural people, building a stronger basis of knowledge, good health or access to public services, which would eventually also improve the capacities of people to earn better income.

Both approaches are linked in that the first needs - in the long term - the second to achieve sustainability (see also 6.3.5 sustainability). The fundamental difference between the two types lies in the practical approach of how to manage the work that has to be done. The first would basically work without much involvement of the state; offering returns in terms of direct
poverty alleviation and growth, while the second would strengthen the state as the major supplier of social services.

The implementation mechanisms of both approaches would be very different. The first would require a multiplier system of non-state-actors. This puts the onus on the programme management, which must ensure that funds are directed towards the proper use\textsuperscript{18}. The other would be a sector approach through government structures; in order to be effective, it would have to be implemented in close coordination with other donors.

In order to combat poverty, achieve economic growth, and supply the necessary services to improve human development, the GoPNG will need to create conducive framework conditions for the supply of support services through NSAs. It will just as well supply public development services through its own structures. The GoPNG will therefore follow both of the described principal approaches, and will cooperate with donors in each of the two. The question would then be which type of approach is better suited for support through the EC. This question needs to be openly discussed with the GoPNG.

6.3 Strengthening the Role of the GoPNG in Development Cooperation

Whatever approach is chosen, essential recommendations need to be addressed towards the GoPNG. The GoPNG is the political and often also the implementation partner of projects/programmes. These are joint undertakings, i.e. success hinges of the performance of both partners.

Clear official policies and sector development strategies are conducive to effective cooperation. Donors perceive their assistance being more effective when it is based on demand and fitting into a well defined development path, hence their reluctance to invest into ventures where such strategies are missing or not adequately developed.

With clear sector strategies better use can be made of the role of government. Clear strategies facilitate that resources available with the governments can be effectively brought in. In particular interventions in key sectors like agriculture, where government avails of important resources (like in the fields of research and training) can be designed and implemented more effectively in line with government strategies.

Innovative approaches can still be followed. The Eco Forestry and Coastal Fishery projects, the IRPEF and the RWSS are to some extent experimental projects that can help to find sustainable development opportunities, which could very well lead to relevant broader development strategies. The examples show that projects cannot be designed in isolation, but that they require an exit strategy leading to sustainability. Such strategies usually require organisations to take over functions that were provided with support of donors. Government does not necessarily have to be an active partner of such exit strategies, but it needs to create conducive framework conditions for such exit strategies, in particular with regard to the roles of NSAs, and the funding of their activities. NSAs are already carrying out a multitude of activities in PNG, rendering services that are to be considered “public goods” the costs of which can not be borne by beneficiaries themselves. Generic training, e.g. in marketing and management of agriculture or other income generating activities, is to some extent to be regarded as such a public good. Strategies must be developed how subsidies that need to flow into such services can be financed in the long term. If services are to be considered “public goods”, government has the key role to play. Government sector strategies are therefore essential to design development programmes, in particular also when NSAs will play the major role in implementation and service delivery (see also 6.3.5 sustainability).

\textsuperscript{18} The necessary financial structures required for a sustainable system based on service delivery through NSAs were not analysed in the framework of this evaluation. Micro Credit Institutions as well as financial organisations offering longer term investment credit would become necessary. Such systems are being developed in PNG (AusAID, ADB), but by and large still seem to be in their infancy.
The analysis of EC projects and the discussions with representatives of other donors shows that government-led donor coordination is conducive to sustainable development and therefore essential. This is particularly essential as such a large part of the development budget is financed through donor programmes. For instance, community development projects of one donor should be closely coordinated with interventions of other donors that impinge on the regulatory framework for community projects, like the IMFP reforms at provincial and local levels. Such coordination establishes forward and backward linkages with interventions of other donors that eventually integrate projects into overall national development structures, of which government and NSAs are part, to different degrees. Donor coordination will thus have to become an integral part of government planning. Efforts to build capacities of the GoPNG to coordinate donor activities need to continue; the GoPNG should increase efforts to assert the coordination function.

Non-performance of government structures was mentioned as a factor affecting the initiation or the performance of projects in PNG. The evaluators could not form their own thorough opinion, but would like to point out that such perceptions should be taken seriously. Good performance of government structures is conducive to interventions reaching impact, rendering projects more effective. Government is encouraged to take on a stronger role, which requires continued improvements of its performance.

6.4 Recommendation Concerning the Ongoing CSP

6.4.1 Relevance

Interventions must be "owned" by both partners in order to be relevant, effective and sustainable. The dialogue between cooperation partners leading to the identification of a suitable intervention should therefore have high priority. To improve the dialogue, it would be helpful to inform the GoPNG as early as possible about the policies, limits and requirements of the EC with regard to the main sectors to which development cooperation is directed. Intensive communication ensures that frustrations are avoided, e.g. when proposals are made that the EC can later on not meet. Possibly there will be only one, maybe two focal sectors.

With regard to the two principal approaches mentioned above, discussions should be held and decisions made soon. One could then strengthen one approach, and start phasing out the other. The principal direction taken of the Institutional Capacity Building and Governance programme should already reflect the direction decided upon. If community development and the involvement of NSAs will be the principal direction, then capacity building should be directed towards NSAs. If the principal direction will be the support of government service supply, it should be considered that SPSPs (Sector Policy Support Programmes) are a preferred modality of the EC, offering opportunities for substantial funding. Efforts should then be continued to help the GoPNG create the conditions that must be in place before the EC (and other donors) can support a SPSP.

EC and GoPNG should improve on the quality of participatory planning. Participatory planning should not only be applied for the basic direction of the CSP, but participatory planning workshops should also be held for programmes and projects, also at the point of mid term reviews. Professional facilitators should be contracted, and beneficiaries, relevant stakeholders as well as intermediary organisations involved in implementation be invited to participate. This is especially needed when programmes/projects are directed towards rural communities. Participatory planning should ensure that the strengths of beneficiaries are brought into play, and their vision. That will ensure that beneficiaries take ownership of interventions and the change that will be brought about - such ownership is a key requirement for sustainability. This approach is successfully followed in other countries (see also the latest HRD report of UNDP, which includes some examples, e.g. of rural development in Zambia).
Involving communities in planning in the described way can often not be done directly; their views need to be canvassed in suitable ways. If community development will continue to be the focus of EC interventions, consultants should be trained as part of NSA capacity building, for the purpose of planning and working with communities, facilitating the identification of strengths and their visions for their own development.

In order to improve on relevance, impact oriented planning and monitoring should be introduced. Impact should be planned as the positive change brought about through interventions, i.e. impacts must be defined in a way that they can be attributed to interventions\(^\text{19}\). Such planning may to reduce desired impacts to more modest levels, but then the achievement of impact would be measured by quantified indicators and the programmes held responsible to reach them.

Finally, relevance should be increased by involving the NAO in the planning of interventions. When suggestions and ToR for them are not forthcoming, the Delegation sometimes takes it upon itself to draft ToR, expecting the NAO to comment. There are several ways how ToR can be developed in a way that both parties can take genuine ownership.

### 6.3.2 Efficiency

The efficiency of project implementation hinges on various factors, EDF procedures being only one of them. It is not the task of this evaluation to recommend changes of EDF procedures, but the field work has, as other evaluations in many countries, again revealed the need for improving on the procedures. The users of the procedures, i.e. government organisations and NSAs, require simplified and targeted information on EDF rules. The technical assistance provided for the NAO is tasked to develop and disseminate such information, thus facilitating a a proper application of EDF rules.

When NSAs are taking over important management functions in the implementation of EC supported cooperation programmes, like the RWSS, training in EDF procedures will be essential for them. An extended learning curve should be expected, and patience will be necessary. It would be unfortunate if projects are delayed or even fail just because NSA have not understood the EDF rules in a short period of time. Training should include examples how difficult problems can be solved (like derogation on the procurement requirements) within the EDF procedural systems. Maybe such training should be carried out by experienced "users" of the system who managed to apply them system efficiently, rather than by the owners of the procedures (a user, having the objective of the project in mind, would have a greater sense for problems that might occur and look at the procedures from a point of view of "what can be done", whereas the owner, having less experience from practical application, may have a greater interest in ensuring that rules are kept, i.e. understanding the rules from a point of view of "what can not be done"). Of course, whoever the trainer, he or she must be competent. Apart from this, EDF procedures should be reviewed for opportunities to simplify them (with an almost entrepreneurial spirit of making them competitive with the procedures of other donors).

If the emphasis of future EC cooperation is more on community based development, working with NSAs, the EC must think about efficient implementation modalities, using intermediary organisations as multiplier structures and managing contracts. This requires a strong legal and administrative framework for such contracts, allowing for the delegation of responsibilities so that the workload to manage projects at the EU Delegation and a PMU is reduced. The RWSS may be a good case in point to test in how far project management can be delegated to NSAs. If the results are positive, much headway would have been in EC programmes being sustainably brought to the rural community level. At the same time,

\[^{19}\text{There will usually be an attribution gap, because outside factors impinge on impacts, but this should be as small as possible, i.e. impacts will be reduced to more modest levels than those often found in logframes.}\]
projects must be efficiently managed and monitored against the desired impact being achieved (this recommendation is connected to the one of impact oriented planning).

6.3.3 Effectiveness

Looking at the absorption capacity of NSAs, it appears safer, at least at the beginning, not to overburden them with complex management tasks. Smaller project sizes would thus enhance effectiveness, concentrating existing capacities on smaller sizes of interventions. Programmes should be designed accordingly. Management costs may be higher, but this should be considered an investment into building management capacities of NSAs - it should by all means be avoided that NSA fail to implement their tasks in programmes like the RWSS. The CSP has introduced a remarkable shift towards involving NSAs. This is then the time to proof that NSA can perform. Quality of management through NSAs should have higher priority than achieving high rates of disbursement, which would bear the risk of NSAs failing.

Effectiveness can and should be improved through donor coordination. Building capacities of the NAO in donor coordination, training his staff and assisting to establish a functioning framework for donor coordination should be emphasised (possibly a study tour to a country that has more experience in government led donor coordination, like Indonesia, could be helpful). Equally, coordination among donors themselves should be more formalised. It is recognised that AusAID is a dominant donor. Still, in areas where they have established for themselves a niche of excellence, donors could take a lead friction. The EC already has gained substantial experience in community based projects through the income-generating projects under EDF 8, and will accumulate more experience in community based development through RWSS and IRPEF under EDF 9. This experience is worth sharing with AusAID, UNDP and ADB, which all have and will undertake more efforts in this field.

Further, effectiveness can be enhanced through building synergies between the EDF 9 programmes. In particular, interventions in the two focal sectors could been enhanced through capacity building under the ICBG programme, and the framework conditions for rural community-based development work could be strengthened and rendered more conducive through dedicated measures (training, exposure to experience in other countries) in the field of governance.

Synergies should also continue to be strengthened among similar projects supported by several donors. The sexual health project may become a good example for networking between donors, naturally including the responsible government agency.

6.3.4 Impact

Impact is the purpose of the CSP. The definition of the impact that can be achieved through CSP interventions is therefore essential. The reasonably achievable impact (the benefit) should be quantified, if not at the stage of initial planning than at least at a stage when the project management is in a position to reasonable judge what can be reached (6 to 8 months into a programme, for instance). The impact should be defined in the way that the contribution to it is chiefly through the project, not through outside events that are not under the control of the project. That also means that impact would have to be defined in a modest way, preferably in the form of qualitative and quantitative milestones that can be reached during the period of the project according to the FA. The level of achievement should be monitored regularly. Impact monitoring should become a part of a programme itself (comparable to an internal quality system of a production firm). Budgets for impact monitoring should consequently be built into programmes. The RWSS programme, and community based development programmes generally appears very suitable for impact based planning, because the communities are rather isolated and the factors contributing to impact are visible and can be gauged.
6.3.5 Sustainability

Reaching sustainability usually takes more time than the Financing Agreement foresees for a project period. The evaluators are aware that the procedures of the EC can not be changed, and therefore will not recommend changing that framework. However, continuity between EDFs can be encouraged, and milestones achieved during one EDF period be taken as the basis for planning a subsequent project/programme during the next EDF. Such continuity of planning would be useful for projects that take time to achieve their objectives. For instance, the RCFDP and the Eco-Forestry Project require structures for the provision of support services that take time to establish. It is therefore recommended to find ways of extending these projects. One possibility could be the establishment of structures offering business development services and training through the ICBG programme.

The RCFDP and the Eco-Forestry Project have shown that viability and sustainability can be achieved at micro level (enterprise, community level). However, a community development approach must look at sustainability of the support structures as well. These are extension service structures, marketing and procurement structures, maintenance service structures, etc., i.e. functions that are so far organised and financed by the projects themselves. It must be recognised that service supply structures can be privately organised, and quite a few can be paid through fees collected from beneficiaries. Other support - and usually this is the development oriented support like training, etc., requires permanent subsidies (even if they are small), i.e. financial sustainability cannot be reached. There is, however, a pay-off in that long term benefits can be reached. A suitable system to channel subsidies to service suppliers needs therefore to be found. This should be built into projects that are sensitive to the support of services, like, for instance, the RWSS. Sources of subsidies need to be identified as soon as possible (not in the last minute!). A possibility could be to coordinate and link the project with those of other donors that facilitate the generation of cash income, or to restrict the project to villages where sufficient cash income is being generated. A business economist should help to calculate the costs and the amount of subsidies needed, from there one should explore possibilities to find sources to finance them.

Such subsidies would have to come from government sources. A dialogue with the government is therefore essential also if the programmes themselves can be implemented without much government involvement. The government needs to be aware of the amount of the required subsidy. It would be useful if the government is as early as possible involved in the management of such subsidies, if they come from outside. Managing subsidies for essential development services to communities is an area that should be supported through capacity building.
Annex 1

Terms of Reference
Evaluation of the Commission’s support to Papua New Guinea

Country Level Evaluation

TERMS OF REFERENCE
# Table of Contents

1. **Mandate**  

2. **Background**  
   2.1. EC Assistance to PNG  
   2.2. Political; Social and Economic Situation in the Country  

3. **Evaluation's Objectives and Scope**  
   3.1. Objectives  
   3.2. Scope of the Evaluation  

4. **The Evaluation's Basic Methodology and Approach**  
   4.1. Desk Phase  
   4.2. Field Phase  
   4.3. Final Report-Writing Phase  

5. **Identification of the Evaluation Questions**  

6. **Management and Monitoring of the Evaluation**  

7. **The Evaluation Team**  
   7.1. Number of Requested Experts and Man-Days per Expert  
   7.2. Profiles Required  

8. **Location; Time Schedule and Reporting**  

9. **Cost of the Evaluation**  

ANNEX 1: **Key Documentation for the Evaluation**  
ANNEX 2: **Outline Structure of the Desk Phase Report**  
ANNEX 3: **Outline Structure of the Final Report**  
ANNEX 4: **Quality Assessment Grid**
MANDATE

Systematic and timely evaluation of its expenditure programmes has been defined as a priority of the European Commission (EC), as a means of accounting for the management of the allocated funds and of promoting a lesson-learning culture throughout the organisation. Of great importance also, particularly in the context of the programmes of the so-called Relex Family of Directorates-General\textsuperscript{20}, is the increased focus on impact against a background of greater concentration on results-oriented approach to external cooperation.

Following the decision of DG DEV Management on 31 January 2005 to launch an evaluation of the CSP of 12 ACP countries in addition to the evaluations scheduled by the Evaluation Unit in AIDCO, the Delegation to Papua New Guinea and DEV/C1 are to undertake an Evaluation of the European Commission’s support to Papua New Guinea. The main objective is to provide the Commission Services and PNG authorities with key findings and lessons from past and current cooperation with PNG with a view to preparing a new Country Strategy Paper for the country.

BACKGROUND

EC assistance to PNG

The EC assistance to PNG is provided within the framework of the Cotonou Agreement and before that under the successive Lomé Conventions, to which PNG has been a party since independence in 1975.

The present programme is funded under the 9th EDF. The Country Strategy Paper (CSP) and National Indicative Programme (NIP) 2002-2007 provides for a programmable envelope (A-envelope) of €81 million and a B-envelope of €35 million plus €50 million (SYSMIN) transferred on the basis of PNG’s eligibility under the 8th EDF. The two focal sectors of the CSP are 1) education and human resources development and 2) rural water supply and sanitation. Institutional Capacity building and Governance is the non-focal sector under which special attention is being paid to the capacity building of Non-State Actors.

Following the 2004 Mid-Term Review of the CSP/NIP 2002-2007, the A-envelope was reduced by €10 million and the B-envelope by €9 million, reflecting the delays in commitments of the 9th EDF and doubts over the absorption capacity of the country. At the beginning of 2005, PNG became eligible to €22.4 million for FLEX (fluctuations of export earnings) under the B-envelope. This amount was transferred to the A-envelope.

The implementation of the 9th EDF has been slower than foreseen. Only 8% of the A-envelope had been committed by April 2005. However, the funds allocated to the programmes in the focal sectors are expected to be fully committed by the end of this year.

Under the 7th, 1984-1989 and 8th EDFs 1990-2000, Papua New Guinea was allocated €43 million and €50 million respectively. The 7th EDF is practically fully implemented. Eighty-three percent of the 8th EDF has been committed and 55% disbursed.

The Regional Indicative Programmes for the 7th, 8th and 9th have been and are being managed by the delegation in Fiji and covers the Pacific ACP countries. A key element of the RIP is regional integration and trade where also PNG would be a direct or indirect beneficiary of EC support.

\textsuperscript{20} Directorates General of External Relations, (RELEX), Development (DEV), Enlargement (ELARG), Trade (TRADE) and the EuropeAid Co-operation Office (AIDCO).
Political, social and economic situation in the country

Papua New Guinea is the largest of the ACP states in the Pacific and, with a population of about 5.5 million, is politically and economically the most significant. As a parliamentary democracy, PNG has a free media and an independent judiciary. However, the country is physically, socially, and economically fragmented, which have influenced development prospects negatively. Moreover, its large resource potential, which should provide a basis for sustained economic growth, is not being adequately managed or exploited in an environmentally sustainable manner, there are major problems of law and order, and low standards of governance. Papua New Guinea’s social indicators are among the lowest in the Pacific, in particular child mortality, life expectancy and adult literacy. About one-third of the population is estimated to live below the international poverty line. The central government is isolated from the rural areas where 85% of the population live, limiting its effectiveness in the delivery of basic services.

Over the last decade, Papua New Guinea has faced severe economic difficulties and economic growth has slowed, partly as a result of weak governance and civil war, and partly as a result of external factors. The country has been profoundly affected by the Bougainville civil war which started after the closure of the Panguna Copper mine in 1989 (at that time the most important foreign exchange earner and contributor to Government finances). The war, which cost 15,000 lives, ended informally in 1998 when a cease fire was brokered.

The Asian financial crisis, a decline in prices of gold and copper, and a fall in production of oil aggravated the country's economic position during the last decade. However, in 2003 and 2004, the economic situation began to improve with positive growth in GDP per capita, lower inflation and improved budget performance. As the incipient economic upswing is closely linked to higher prices of key export commodities, it could prove fragile.

The country receives relatively large amounts of aid and there are clear concerns over the government’s capacity to manage these levels of aid effectively. Government-led donor coordination is weak and there are few examples of donors working around clear sector strategies. Dissatisfaction with the impact of its aid led Australia to review its assistance to the country, which culminated in PNG and Australia signing the Enhanced Cooperation Programme (ECP) in December 2003. The ECP involves the placement of Australian officials in key ministries and in the judiciary and the deployment of Australian police officers in the country. The annual Australian assistance to the PNG increased as a result from about €165 million to €275 million per year, corresponding to about 80% of expected grants to the country. Australia’s dominant position presents other donors with certain difficulties.

The overall environment in PNG poses thus a number of specific challenges for effective use and implementation of EC assistance. The present evaluation should include consideration on how these conditions have been/should be reflected in EC strategies towards the country.

EVALUATION’S OBJECTIVES AND SCOPE

Objectives

The main objectives of the evaluation are:

- to provide the beneficiary country, the relevant external relations services of the Commission and the wider public with an overall independent evaluation of EC’s assistance to PNG since Lomé III, to draw out key findings and lessons, including a judgement of the extent to which EC’s specific goals and overarching objective of poverty alleviation have been and are being achieved since then.
− to provide the Commission’s policy-makers and managers with a set of detailed recommendations, which will be a valuable tool in the implementation of the current Strategy and National Indicative Programme and in the preparation of a new Country Strategy Paper.

Scope of the evaluation

The evaluation must build on the findings of the evaluation carried out in 2000 of the Country Strategy for PNG 1996-99. It should be innovative and not repeat the points already covered, but instead use them as starting points. It should present a critical analysis of the current EC Country strategy (CSP) and its implementation to date with, emphasis on:

− the validity and relevance of the current strategy and its sectoral concentration and its coherence with previous strategies;
− the size of the financial allocation in the 9th EDF and the revisions made following the Medium-Term Review (2004) in the light of the country’s absorption capacity
− the design of programmes and the specific challenges facing the effective delivery of EC aid to Papua New Guinea and the response of Commission services to these challenges.
− The overall results achieved since the last evaluation in 2000 covering projects from the present as well as previous CSPs.

The analysis should encompass governance in PNG, management of natural resources, local ownership, participation and partnership and donor coordination as well as gender issues.

Also the evaluation must assess the coherence between actions undertaken at national level and those affecting the country undertaken at relevant regional level, with attention to their impact in promoting economic integration and trade.

A monitoring mission looking at the major projects under implementation in PNG is planned for July 2005.

THE EVALUATION’S BASIC METHODOLOGY AND APPROACH

The basic approach to the evaluation will consist of three main phases (desk phase, field phase and final report-writing phase), encompassing five methodological components ((i) Structuring the evaluation, (ii) Data collection, (iii) Analysis, (iv) Judgements, and (v) Dissemination and feed-back) at the core of which is a set of evaluation questions (see Section 5)

Desk phase

During the desk phase, the evaluation team will prepare the desk study report. An important step in the preparation of this report will be a meeting with the Reference Group to discuss and agree upon the evaluation questions. The evaluation team must prepare an inception note as preparation for this meeting with the reference group. Based on the comments and discussions during and following the meeting, the evaluation team will proceed with the preparation of the desk study report.

21 http://europa.eu.int/comm/europeaid/evaluation/evinfo/acp/951555_ev.htm
22 http://europa.eu.int/comm/development/body/csp_rsp/csp_en.cfm
23 http://europa.eu.int/comm/development/body/csp_rsp/rsp_en.cfm
**Inception note**

The main part of the work will be dedicated to the analysis of the relevant documentation on the policy and programming and implementation and also taking account of other documentation produced by other international donors and agencies. Before the start of the assignment, the consultant will be provided the documents listed in appendix 1 by the Desk Officer for PNG. On the basis of these documents and information otherwise collected the evaluation team will:

a) Represent the **intervention logic** of the EC co-operation policy, programmes and activities in the country in the form of one or several logical diagrams of impacts. The team will have to prioritize the cooperation objectives and to translate them into intended effects. These intended effects will form the “boxes” of the diagram(s). Possible “holes” in the intervention logic will be indicated and filled on the basis of hypothesis to be validated by the reference group. The impact diagram(s) will help to identify the main evaluation questions.

b) Identify draft **evaluation questions** and present them with their respective explanatory comments. The choice of Evaluation Questions determines the subsequent phases of information and data collection, methods of analysis, and elaboration of final judgements.

c) In addition to the specific judgements on the Evaluation Questions but based on them, the evaluators shall arrive at an **initial assessment** of the EC co-operation programmes and strategies with PNG.

d) Identify appropriate **Judgement Criteria and preliminary indicators** after validation of the evaluation questions. For each Evaluation Question at least one Judgement Criterion should be identified, and for each such criterion appropriate quantitative and qualitative Indicators should be identified and specified. It is highly recommended that the identified criteria and/or indicators are related to the Millennium Development Goals (MDGs).

e) Include a description of the **development co-operation** context of the country, including role of other donors.

f) Propose suitable working methods for data and information collection both in the Commission’s headquarters and in the country. Present appropriate methods of data collection, information and analysis in the Commission headquarters (indicating any limitations) and the strategy for data collection and information in the country.

---

*A first meeting will be held with the Reference Group in Brussels immediate after the submission of the inception note. The evaluation team will present their preliminary findings during the meeting. The aim of the meeting will be to discuss these initial findings and propose the logical diagram(s) and the evaluation questions to be validated by the Group.*

---

The Inception note will also present the time schedule as agreed between the Contractor and the Commission. This time schedule should be sensitive to planned visits to the delegation and the national authorities by other Commission services.

**Desk phase report**

Based on comments to the Inception Note, the evaluation team will proceed with the final stage of the Desk Phase of the evaluation where the analyses and findings from the inception note will be elaborated and expanded, mainly by identifying and setting out proposals for:

- the **final quantitative and qualitative indicators**.
• the first elements of responses to the evaluation questions and the first hypothesis to be tested in the field.

• suitable methods of data and information collection in the country.

• appropriate methods of analysis of the information and data collected, again indicating any limitations in PNG.

The desk phase report must include proposed list of activities, projects and programmes for in-depth study in the field, examples of assessment project sheets, examples of interview guides to be used on the field, etc.

At the conclusion of this work, the evaluation team will submit the Draft Desk Phase Report setting out the results of this first phase of the evaluation including all the above listed tasks. An outline structure for the Desk Phase Report is found in Annex 2.

The field mission shall not start before the Final Desk Study Report, including the proposed approach and methodology, has been approved by the PNG Delegation and Desk Officer

Field phase

Following satisfactory completion of the first phase and formal acceptance of the Desk Phase Report, the Evaluation Team will proceed to PNG in order to undertake the field mission. The fieldwork shall be undertaken on the basis set out in the Desk Phase Report and agreed with the Delegation. If during the course of the fieldwork any significant deviations from the agreed methodology or schedule are perceived as being necessary, these should be explained and discussed with the delegation.

At the conclusion of the field study, the following de-briefings will be made:

(i) the evaluation team will give a detailed de-briefing to the PNG Delegation on their preliminary findings. A note outlining the key findings should be submitted to the delegation one working day before the debriefing;

(ii) the team leader will give a detailed de-briefing and presentation of the preliminary findings to the Reference Group, shortly after his/her return from the field, to discuss the preliminary findings.

Final report-writing phase

The Evaluation Team will submit the Draft Final Report, using the structure set out in Annex 3, taking due account of comments received during the above-mentioned de-briefings. Besides answers to the evaluation questions, the final report should include a section synthesising the main overall conclusions of the evaluation.

If the evaluation manager considers the report of sufficient quality (on the basis of the grid in Annex 4), he will convene a meeting with the Reference Group and the Evaluation Team to discuss the report.

On the basis of comments expressed by the Reference Group, the Evaluation Team should make the appropriate amendments.

The revised draft final report will be presented at a seminar in PNG supported by a presentation in power point. The purpose of the seminar is to present (for discussion) the draft final report to the Delegation, to main national stakeholders and to other donors, with particular emphasis on preliminary findings and recommendations. The Evaluation Team
must prepare a suitable information package to participants in the seminar (up to 25) and hold the seminar in a suitable setting.

The Evaluation Team should prepare a presentation with power point for the seminar. The evaluation team shall prepare a note on the seminar proceeding summarising the comments and discussions from the local stakeholders during the seminar, and provide the copies of the presentation.

On the basis of the comments received, the Team will prepare the Final Report. The evaluation team must prepare a separate note summa- rising all comments and explaining how these have been taken into account.

The final report (as well as previous reports and notes) must be of very high quality (the judgement will be done on the basis of the evaluation grid in Annex 4). Conclusions and recommendations should be based on the findings. The findings, analysis, conclusions and recommendations should be thorough. They should reflect a strong methodological approach, and finally the link or sequence between them should be clear.

The (power point) presentation will be revised in accordance to the final report.

IDENTIFICATION OF THE EVALUATION QUESTIONS

The evaluation will be based on the five criteria endorsed by the OECD-DAC: relevance, impact, effectiveness, efficiency and sustainability. The criteria will be given different weight according to the precise evaluation questions.

In general, questions will refer to the following main areas:

- **Relevance of the strategy/programme and its evolution**: it includes both relevance to the EC general objectives and relevance to the country needs and priorities (including the choice of target groups). It also includes the appropriation of the strategy (CSP/NIPs and/or equivalent) by Papua New Guinea and the coherence of the strategy with PNG’s draft National Poverty Reduction Strategy and Medium-Term Development Strategy. The evolution of the relevance of the strategy/programme during the period considered will also be analysed.

- **Consistency of EC assistance and design of the strategy/programme. This mainly concerns the extent to which the resources foreseen are consistent and adequate in relation to the objectives set out in the CSPs. This section should also deal with the choice of the focal and non-focal sectors in relation to PNG’s development priorities and the distribution of resources over the sectors.**

- **Consistency of the implementation in relation to the strategy and its evolution**: extent to which the following elements - the type of intervention, the geographical distribution, the choice of beneficiaries, the aid delivery channels, the role of the partner country, and sectoral distribution, are consistent with the strategy defined in the programming documents (CSPs and equivalent). This also concerns the comparison between the actual direct and indirect beneficiaries of the activities and the target groups defined in the programming documents (CSPs and equivalent). The team will also assess the extent to which the timing of the implementation corresponded both to the timeframe set out in the programming documents and to the evolution of the context.

- **Achievement of main objectives**: assessment of the extent to which the intended results and impacts were achieved (including performance against the indicators set out in the Indicative Programme). The consultants should identify all recorded results and impacts, including any unintended ones, and compare these to the intended results and impacts. The evaluation team will also have to identify the changes which occurred in the areas on which EC programmes were supposed to impact.
**Efficiency of the implementation of the EC co-operation:** to the extent that the activities were effective, an assessment of the co-operation programmes in terms of how far funding, human resources, regulatory, administrative, time and other resources and procedures contributed to or hindered the achievement of the objectives defined in the programming documents (CSPs and equivalent), taking into account the specific context of Papua New Guinea.

- **Sustainability of the results and impacts:** that is the extent to which the results and impact are being, or are likely to be, maintained over time without Official Development Assistance (ODA).

**Key cross-cutting issues:** gender, environment human rights, conflict prevention; this part should aim to analyze to what extent the respective documents/annexes to the programming documents (CSPs and equivalent) were available during the reference period. It also includes the analysis of the extent to which these issues are reflected in the implementation modalities and in the effects of the EC’s intervention.

- **3Cs:** co-ordination and complementarity with other donors, particularly with Member States\(^\text{24}\), coherence with EU policies (both EC and Member States), Regional Indicative Programmes and other Programmes funded by EC budgetary lines.

**MANAGEMENT AND MONITORING OF THE EVALUATION**

The evaluation is managed by PNG Delegation together with the Desk Officer for the PNG with the assistance of a Reference Group consisting of members of the Relex family services as well as other relevant Directorate Generals.

**THE EVALUATION TEAM**

**Number of requested experts and man-days per expert**

The Evaluation Team shall be composed of four experts (a team leader of Category I and three sector experts of Category II. The table below presents the foreseen composition and duration of the work for the assignment:

---
\(^{24}\) All Member States have signed up to international commitments such as the Millennium Declaration or support for sustainable development. These commitments should be the basis for setting a common policy framework for both the Union and the Member States, whereby implementation is actively coordinated. Beyond this general political framework, common country and regional strategy papers must lead to the above-mentioned division of labour, on the basis of expertise and individual capacity (Consultation on the future of EU development policy – Issue Paper)
<table>
<thead>
<tr>
<th>ACTIVITY</th>
<th>PLACE</th>
<th>EXPERT N° 1 (TEAM LEADER) CAT I</th>
<th>EXPERT N°2 CAT. II</th>
<th>EXPERT N°3 CAT. II</th>
<th>EXPERT N°4 CAT. II</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Desk phase</td>
<td>Brussels</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Home office</td>
<td>10</td>
<td>6</td>
<td>6</td>
<td>2</td>
<td>24</td>
</tr>
<tr>
<td></td>
<td>Field</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Field phase</td>
<td>BRUX</td>
<td>21</td>
<td>21</td>
<td>21</td>
<td>21</td>
<td>84</td>
</tr>
<tr>
<td>Debriefing in Brussels</td>
<td>Brussels</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Home office</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Field</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Final report-writing phase</td>
<td>Brussels</td>
<td>11</td>
<td>8</td>
<td>8</td>
<td>3</td>
<td>30</td>
</tr>
<tr>
<td></td>
<td>Home office</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Field</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Presentation of draft final report to reference group</td>
<td>Brussels</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td></td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Home office</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Field</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Seminar in the ACP country</td>
<td>Brussels</td>
<td>5</td>
<td></td>
<td></td>
<td></td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>Home office</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Field</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>Brussels</td>
<td>5</td>
<td>2</td>
<td>2</td>
<td>0</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>Home office</td>
<td>21</td>
<td>14</td>
<td>14</td>
<td>5</td>
<td>54</td>
</tr>
<tr>
<td></td>
<td>Field</td>
<td>26</td>
<td>21</td>
<td>21</td>
<td>21</td>
<td>89</td>
</tr>
</tbody>
</table>

Profiles required

*Team leader – Category 1*

Senior development policy expert with at least 15 years’ experience in development work, preferably in the Pacific, with awareness of current development approaches and experience in evaluation of development assistance.

- First degree in economics, social sciences or other relevant field
- Post-graduate degree related to evaluation, development cooperation or similar desirable
- A solid experience in evaluation of development assistance at both project and programme level
- Demonstrated working experience with institutional analysis and good governance
- Previous experience in trade-related assistance desirable
- Previous working experience in PNG or the Pacific preferred
- Experience in managing multidisciplinary teams.
- Familiarity with EU development policies and aid modalities
- Fluency in English and excellent drafting skills
- Good communication and presentation skills
Educational expert – Category II

Expert with at least 10 years’ experience in development assistance with focus on the education sector and evaluation of interventions in that field.

– First degree in social science, economics, education or other relevant field
– Post-graduate degree in evaluation or development cooperation desirable
– Solid working experience related to primary education in developing countries
– Experience in or good knowledge of evaluation methodologies
– Experience from the Pacific Region preferred
– Familiarity with EU development policies and aid modalities
– Fluency in English and good drafting skills

Rural development expert – Category II

Expert with at least 10 years’ experience in international development assistance with focus on rural development and evaluation of interventions in that field.

– First degree in rural development, natural resource management or other relevant field
– Post-graduate degree in evaluation or development cooperation desirable
– Solid working experience related to rural development in developing countries
– Experience in or good knowledge of evaluation methodologies
– Familiarity with EU development policies and aid modalities
– Fluency in English and excellent drafting skills

Country policy and institutional expert – Category II

An expert with thorough knowledge of economic, social and political developments in PNG should provide the other team members, in particular during the field mission, with the analysis of and information on the relevant country context for the evaluation questions. Requirements:

– Relevant first degree (economics, social or political science, etc)
– 10 years of working experience related to economic, social and political developments in PNG
– Thorough knowledge of institutions in the country as well as sources of economic and social data
– Extensive experience as consultant working for international donors and for PNG authorities
– Experience in or knowledge of evaluation methodologies preferred
– Ability to communicate in the common local language preferred
– Fluency in English and excellent drafting skills

LOCATION, TIME SCHEDULE AND REPORTING

The evaluation will take place in Brussels, in the offices of the consultant and the in Papua New Guinea. Some local travel in PNG must be foreseen.

The indicative time schedule for the evaluation and an overview of the reports to be prepared is outlined in the table below.
The Evaluation Team shall produce the above-listed reports and notes under the editorial control and responsibility of the team leader. All outputs will be in English.

The final outputs comprise the following reports which must be submitted in 5 hard copies and in electronic format:

- Final Desk Study, as outlined in section 4.1
- Note on the PNG seminar, as outlined in section 4.3
- Final Report, as outlined in section 4.3

All other reports and presentation must be submitted in electronic format.

Hard copies shall be sent to the PNG Desk Officer in Brussels
All electronic versions must be sent to the PNG Delegation and the PNG Desk Officer in Brussels
ANNEX I: KEY DOCUMENTATION FOR THE EVALUATION

Lome III, IV and IVbis Conventions
ACP-EU Partnership Agreement (Cotonou Agreement)
Country Strategy Papers/National Indicative Programmes for the 7th, 8th and 9th EDF.
The PNG Government’s Medium Term Development Strategy 2005-10
Communication from the Commission to the Council and the European Parliament on Education and Training in the context of poverty reduction in developing countries
PNG Country evaluation 1996-1999
Evaluation of water supply projects in PNG
Previous Evaluations and Monitoring Reports (ROM database) for projects in PNG.
Project related documents on 8th and 9th EDFs
ANNEX 2: OUTLINE STRUCTURE OF THE DESK PHASE REPORT (MAX 40 PAGES, EXCLUDING ANNEXES)

Part 1: Description of the development cooperation context in PNG
Part 2: Presentation of the hierarchy, logic, related assumptions and intended results of the objectives of the EC’s programme in PNG, for different periods. Analysis of gaps and links in the logic.
Part 3: Identification of the key evaluation questions, judgement criteria and associated indicators. Reasons for the questions and the links to be logic should be clearly accounted for.
Part 4: Analysis of the information and data available at the end of the first phase and indications of any missing data, so as to inform the work plan for the field phase.
Part 5: Proposed field phase methodology (methods of enquiry, data collection and sampling, 3C vis-à-vis the information sought) with concrete proposals and examples.
Part 6: Proposed analysis methodology based on sound and recognised methods used for evaluation.

ANNEX 3: OUTLINE STRUCTURE OF THE FINAL REPORT (NO LONGER THAN APPROX 50-60 PAGES, EXCLUDING ANNEXES)

1. Executive summary (5 pages maximum)
2. Evaluation framework: brief background to the evaluation, the purpose of the evaluation, evaluation questions and evaluation methodology.
3. Context (including Commission objectives, overall political, economic social situation in PNG, Commission strategies and programmes for PNG, regional programmes if relevant)
4. Findings: they should be presented through answers to the evaluation questions. The analysis leading to findings must be clearly visible in the report.
5. Conclusions: they will be organised by clusters (not necessarily following the order of the evaluation questions). Each conclusion should both include a synthesis of the related findings and express a judgement on the aspect of the EC support considered. This part will also include an overall assessment on the EC support to PNG
6. Recommendations: they should be clearly linked to the conclusions and prioritised, options should be presented)

Additional information on overall context, programme or aspects of methodology and analysis should be confined to annexes, including:

- Logical diagrams of EC strategies; judgement criteria forms; list of the projects and programmes specifically considered; project assessment fiches;
- list of people met; list of documentation; ToRs; any other info which contains factual basis used in the evaluation or tables; etc.

ANNEX 4 - QUALITY ASSESSMENT GRID

<table>
<thead>
<tr>
<th>Concerning these criteria, the evaluation report is:</th>
<th>Unacceptable</th>
<th>Poor</th>
<th>Acceptable</th>
<th>Good</th>
<th>Excellent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Meeting needs: Does the evaluation adequately address the information needs of the commissioning body and fit the terms of reference?</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Relevant scope: Is the rationale of the policy examined and</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
its set of outputs, results and outcomes/impacts examined fully, including both intended and unexpected policy interactions and consequences?

3. **Defensible design:** Is the evaluation design appropriate and adequate to ensure that the full set of findings, along with methodological limitations, is made accessible for answering the main evaluation questions?

4. **Reliable data:** To what extent are the primary and secondary data selected adequate. Are they sufficiently reliable for their intended use?

5. **Sound analysis:** Is quantitative information appropriately and systematically analysed according to the state of the art so that evaluation questions are answered in a valid way?

6. **Credible findings:** Do findings follow logically from, and are they justified by, the data analysis and interpretations based on carefully described assumptions and rationale?

7. **Validity of the conclusions:** Does the report provide clear conclusions? Are conclusions based on credible results?

8. **Usefulness of the recommendations:** Are recommendations fair, unbiased by personnel or shareholders’ views, and sufficiently detailed to be operationally applicable?

9. **Clearly reported:** Does the report clearly describe the policy being evaluated, including its context and purpose, together with the procedures and findings of the evaluation, so that information provided can easily be understood?

**Taking into account the contextual constraints on the evaluation, the overall quality rating of the report is considered.**
Annex 2

Logical Diagrammes EDF 8 and EDF 9
EDF 8

Poverty in PNG is reduced

People in PNG, in particular women and people in rural areas, are enabled to improve their standards of living

Greater chances for Papua New Guineans to acquire knowledge and skills (To promote the development of PNG Human resources)

Improved possibilities for people in rural areas have to access services and to sustainably increase their income (Development of the rural environment)

Improvement of sexual health status for the people of PNG

Due consideration of gender equity, sustainably managed natural resources, enhanced mobilisation of communities to improve their infrastructure, improved access to resources, improved income earning opportunities, response to HIV/AIDS.
EDF 9

Equitable and sustainable social and economic development

Preconditions for equitable participation in economic growth improved

Education and training enhances rural peoples' chances to engage economically

Rural communities enabled to manage an improved infrastructure for their social, physical and economic well-being

Governance framework for sustainable development improved

Access of women and girls to education improved

Relevance of training to labour market improved

Facilities upgraded

Education and training system improved

Access to safe drinking water and sanitation improved

Rural communities trained in construction and sustainable infrastructure management

NSA and beneficiaries actively involved in project implementation

Capacities for policy and strategy formulation and planning enhanced

Transparency, accountability, control and coordination of public expenditure management improved

Involvement of NSA and civil society increased

Enhanced integration of various stakeholders in the planning, decision-making and implementation process. Due consideration of gender equity, environmental aspects, efficient partnership with civil society, effective land mobilisation, improved access to resources, response to HIV/AIDS.
Annex 3

Overview of the EC Interventions: EDF 7 - EDF 9
Annex 3 - Overview of the EC interventions: EDF 7 - EDF 9

<table>
<thead>
<tr>
<th>EDF</th>
<th>Intervention</th>
<th>Max. funding in million EUR</th>
</tr>
</thead>
<tbody>
<tr>
<td>EDF 7 NIP</td>
<td>Gazelle restoration</td>
<td>1.74</td>
</tr>
<tr>
<td>EDF 7 NIP</td>
<td>HRDP</td>
<td>15.00</td>
</tr>
<tr>
<td>EDF 7 NIP</td>
<td>Micro projects</td>
<td>3.39</td>
</tr>
<tr>
<td>EDF 7 NIP</td>
<td>2 structural adjustment programme</td>
<td>4.00</td>
</tr>
<tr>
<td>EDF 7 NIP</td>
<td>4th structural adjustment programme</td>
<td>2.00</td>
</tr>
<tr>
<td>EDF 7 NIP</td>
<td>Rural water supply</td>
<td>4.54</td>
</tr>
<tr>
<td>EDF 7 NIP</td>
<td>Ramu highway</td>
<td>8.00</td>
</tr>
<tr>
<td>EDF 7 NIP</td>
<td>NAO PMU</td>
<td>1.20</td>
</tr>
<tr>
<td>EDF 7 NIP</td>
<td>High School Emergency Upgr.</td>
<td>2.02</td>
</tr>
<tr>
<td>EDF 7 STABEX</td>
<td>Stabex</td>
<td>84.80</td>
</tr>
<tr>
<td>EDF 7 other funding</td>
<td>2 structural adjustment programme</td>
<td>7.00</td>
</tr>
<tr>
<td>EDF 7 other funding</td>
<td>3rd structural adjustment programme</td>
<td>10.20</td>
</tr>
<tr>
<td>EDF 7 other funding</td>
<td>4th structural adjustment programme</td>
<td>3.30</td>
</tr>
<tr>
<td>EDF 7 other funding</td>
<td>Roads bridges rehabilitation</td>
<td>3.43</td>
</tr>
<tr>
<td>EDF 7 other funding</td>
<td>Ramu highway</td>
<td>0.96</td>
</tr>
<tr>
<td>EDF 7 other funding</td>
<td>Lahir gold mine</td>
<td>25.40</td>
</tr>
<tr>
<td>EDF 7 other funding</td>
<td>Gazelle restoration</td>
<td>3.20</td>
</tr>
<tr>
<td>EDF 8 NIP</td>
<td>HRDP II</td>
<td>24.00</td>
</tr>
<tr>
<td>EDF 8 NIP</td>
<td>Eco forestry</td>
<td>7.50</td>
</tr>
<tr>
<td>EDF 8 NIP</td>
<td>SHP</td>
<td>3.50</td>
</tr>
<tr>
<td>EDF 8 NIP</td>
<td>Rural coastal fisheries</td>
<td>6.00</td>
</tr>
<tr>
<td>EDF 8 NIP</td>
<td>IRPEF</td>
<td>5.00</td>
</tr>
<tr>
<td>EDF 8 NIP</td>
<td>NAO PMU</td>
<td>1.98</td>
</tr>
<tr>
<td>EDF 8 NIP</td>
<td>Gazelle restoration</td>
<td>0.67</td>
</tr>
<tr>
<td>EDF 8 STABEX</td>
<td>Stabex coffee</td>
<td>0.58</td>
</tr>
<tr>
<td>EDF 8 SYSMIN</td>
<td>Mining sector support programme SYSMIN</td>
<td>50.50</td>
</tr>
<tr>
<td>EDF 8 other funding</td>
<td>Structural Adjustment Support</td>
<td>10.40</td>
</tr>
<tr>
<td>EDF 9 NIP</td>
<td>ETHRDP</td>
<td>39.00</td>
</tr>
<tr>
<td>EDF 9 NIP</td>
<td>Rural water supply and sanitation</td>
<td>25.00</td>
</tr>
<tr>
<td>EDF 9 NIP</td>
<td>NAOSP III</td>
<td>4.20</td>
</tr>
<tr>
<td>EDF 9 NIP</td>
<td>TCF</td>
<td>2.00</td>
</tr>
<tr>
<td>EDF 9</td>
<td>Gazelle restoration</td>
<td>3.40</td>
</tr>
<tr>
<td>EDF 9</td>
<td>Governance and capacity building (NSA)</td>
<td>20.00</td>
</tr>
<tr>
<td>EDF 9</td>
<td>Capacity building in dept. of trade and industry</td>
<td>2.00</td>
</tr>
</tbody>
</table>
Annex 4

Selected Social and Economic Indicators
(World Bank Website)
## Papua New Guinea at a glance

### POVERTY and SOCIAL

<table>
<thead>
<tr>
<th>Year</th>
<th>Papua New Guinea</th>
<th>East Asia &amp; Pacific</th>
<th>Low-income</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>5.6</td>
<td>1.670</td>
<td>2,538</td>
</tr>
</tbody>
</table>

GNI per capita (Atlas method, US$)...
GNI (Atlas method, US$ billions)...

### Average annual growth, 1986-04

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Population (%)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Labor force (%)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Most recent estimate (latest year available, 1994-04)

<table>
<thead>
<tr>
<th>Metric</th>
<th>1994-04</th>
<th>2003</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poverty (%)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Urban population (%)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Life expectancy at birth (years)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Infant mortality (per 1,000 live births)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Child malnutrition (%)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Access to an improved water source (%) of population</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Literacy (%)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross primary enrollment (%) of school-age population</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Female</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### KEY ECONOMIC RATIOS and LONG-TERM TRENDS

<table>
<thead>
<tr>
<th>Metric</th>
<th>1984</th>
<th>1994</th>
<th>2003</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>GDP (US$ billions)</td>
<td>2.6</td>
<td>5.3</td>
<td>3.4</td>
<td>3.9</td>
</tr>
<tr>
<td>Gross capital formation/GDP</td>
<td>27.0</td>
<td>21.4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exports of goods and services/GDP</td>
<td>39.4</td>
<td>16.3</td>
<td>71.1</td>
<td></td>
</tr>
<tr>
<td>Gross domestic savings/GDP</td>
<td>13.3</td>
<td>39.8</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross national savings/GDP</td>
<td>16.7</td>
<td>32.4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current account balance/GDP</td>
<td>-12.6</td>
<td>7.5</td>
<td>4.1</td>
<td>4.5</td>
</tr>
<tr>
<td>Interest payments/GDP</td>
<td>5.7</td>
<td>2.7</td>
<td>2.0</td>
<td>2.0</td>
</tr>
<tr>
<td>Total debt/GDP</td>
<td>79.5</td>
<td>52.5</td>
<td>71.9</td>
<td>55.0</td>
</tr>
<tr>
<td>Total debt service/exports</td>
<td>40.0</td>
<td>29.9</td>
<td>12.0</td>
<td></td>
</tr>
<tr>
<td>Present value of debt/GDP</td>
<td></td>
<td></td>
<td>66.1</td>
<td></td>
</tr>
<tr>
<td>Present value of debt/exports</td>
<td></td>
<td></td>
<td>92.4</td>
<td></td>
</tr>
</tbody>
</table>

### STRUCTURE of the ECONOMY

<table>
<thead>
<tr>
<th>Sector</th>
<th>1984</th>
<th>1994</th>
<th>2003</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Industry</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manufacturing</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Services</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Household final consumption expenditure</td>
<td>63.5</td>
<td>41.6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>General govt final consumption expenditure</td>
<td>23.3</td>
<td>18.6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Imports and services</td>
<td>53.1</td>
<td>38.0</td>
<td>60.0</td>
<td></td>
</tr>
</tbody>
</table>

### Growth of capital and GDP (%)

<table>
<thead>
<tr>
<th>Year</th>
<th>GCF</th>
<th>GDP</th>
</tr>
</thead>
<tbody>
<tr>
<td>1984</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1994</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2003</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2004</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Growth of exports and imports (%)

<table>
<thead>
<tr>
<th>Year</th>
<th>Exports</th>
<th>Imports</th>
</tr>
</thead>
<tbody>
<tr>
<td>1984</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1994</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2003</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2004</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Note: 2004 data are preliminary estimates.

* The diamonds show four key indicators in the country (in bold) compared with its income-group average. If data are missing, the diamond will be incomplete.
### PRICES and GOVERNMENT FINANCE

<table>
<thead>
<tr>
<th>Year</th>
<th>1984</th>
<th>1994</th>
<th>2003</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic prices</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(% change)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consumer prices</td>
<td>7.4</td>
<td>2.9</td>
<td>14.7</td>
<td>2.1</td>
</tr>
<tr>
<td>Implicit GDP deflator</td>
<td>7.4</td>
<td>4.4</td>
<td>8.1</td>
<td>0.7</td>
</tr>
<tr>
<td>Government finance</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(% of GDP, includes current grants)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current revenue</td>
<td>31.4</td>
<td>26.9</td>
<td>29.8</td>
<td>33.5</td>
</tr>
<tr>
<td>Current budget balance</td>
<td>3.1</td>
<td>-0.1</td>
<td>7.5</td>
<td>11.6</td>
</tr>
<tr>
<td>Overall surplus/deficit</td>
<td></td>
<td>-2.3</td>
<td>-1.0</td>
<td>1.2</td>
</tr>
</tbody>
</table>

### TRADE

<table>
<thead>
<tr>
<th>Year</th>
<th>1984</th>
<th>1994</th>
<th>2003</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>(US$ millions)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total exports (fob)</td>
<td>2,222</td>
<td>2,001</td>
<td>2,329</td>
<td></td>
</tr>
<tr>
<td>Gold</td>
<td>205</td>
<td>658</td>
<td>789</td>
<td>846</td>
</tr>
<tr>
<td>Copper</td>
<td>152</td>
<td>420</td>
<td>397</td>
<td>478</td>
</tr>
<tr>
<td>Manufactures</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total imports (cif)</td>
<td>1,135</td>
<td>1,350</td>
<td>1,431</td>
<td>1,610</td>
</tr>
<tr>
<td>Food</td>
<td>184</td>
<td>206</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fuel and energy</td>
<td>208</td>
<td>130</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital goods</td>
<td>317</td>
<td>429</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Export price index (2000=100)</td>
<td></td>
<td></td>
<td>129</td>
<td></td>
</tr>
<tr>
<td>Import price index (2000=100)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Terms of trade (2000=100)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### BALANCE of PAYMENTS

<table>
<thead>
<tr>
<th>Year</th>
<th>1984</th>
<th>1994</th>
<th>2003</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>(US$ millions)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exports of goods and services</td>
<td>1,919</td>
<td>1,942</td>
<td>2,085</td>
<td></td>
</tr>
<tr>
<td>Imports of goods and services</td>
<td>1,319</td>
<td>1,942</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Resource balance</td>
<td>139</td>
<td>420</td>
<td>378</td>
<td>-61</td>
</tr>
<tr>
<td>Net income</td>
<td>-149</td>
<td>-304</td>
<td>-477</td>
<td>-51</td>
</tr>
<tr>
<td>Net current transfers</td>
<td>167</td>
<td>-150</td>
<td>238</td>
<td>237</td>
</tr>
<tr>
<td>Current account balance</td>
<td>-321</td>
<td>308</td>
<td>140</td>
<td>176</td>
</tr>
<tr>
<td>Financing items (net)</td>
<td>368</td>
<td>-491</td>
<td>-40</td>
<td>-186</td>
</tr>
<tr>
<td>Changes in net reserves</td>
<td>-47</td>
<td>-100</td>
<td>10</td>
<td></td>
</tr>
</tbody>
</table>

*Memo:*  
| Reserves including gold (US$ millions) | 307 | 96 | 497 | 600 |
| Conversion rate (CET, local/US$) | 0.9 | 1.0 | 3.6 | 3.2 |

### EXTERNAL DEBT and RESOURCE FLOWS

<table>
<thead>
<tr>
<th>Year</th>
<th>1984</th>
<th>1994</th>
<th>2003</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>(US$ millions)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total debt outstanding and disbursed</td>
<td>2,092</td>
<td>2,752</td>
<td>2,464</td>
<td>2,151</td>
</tr>
<tr>
<td>IBRD</td>
<td>57</td>
<td>261</td>
<td>299</td>
<td>220</td>
</tr>
<tr>
<td>IDA</td>
<td>102</td>
<td>150</td>
<td>86</td>
<td>54</td>
</tr>
<tr>
<td>Total debt service</td>
<td>413</td>
<td>1,897</td>
<td>294</td>
<td>472</td>
</tr>
<tr>
<td>IBRD</td>
<td>8</td>
<td>48</td>
<td>31</td>
<td>30</td>
</tr>
<tr>
<td>IDA</td>
<td>1</td>
<td>3</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Composition of net resource flows</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Official grants</td>
<td>277</td>
<td>234</td>
<td>105</td>
<td></td>
</tr>
<tr>
<td>Official credits</td>
<td>63</td>
<td>19</td>
<td>-18</td>
<td>-32</td>
</tr>
<tr>
<td>Private credits</td>
<td>76</td>
<td>-203</td>
<td>-89</td>
<td>-214</td>
</tr>
<tr>
<td>Portfolio equity (net inflows)</td>
<td>116</td>
<td>57</td>
<td>101</td>
<td></td>
</tr>
<tr>
<td>World Bank program</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commitments</td>
<td>49</td>
<td>11</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Disbursements</td>
<td>28</td>
<td>21</td>
<td>7</td>
<td>9</td>
</tr>
<tr>
<td>Principal repayments</td>
<td>4</td>
<td>26</td>
<td>28</td>
<td>26</td>
</tr>
<tr>
<td>Net flows</td>
<td>24</td>
<td>-5</td>
<td>-19</td>
<td>-17</td>
</tr>
<tr>
<td>Interest payments</td>
<td>5</td>
<td>21</td>
<td>10</td>
<td>8</td>
</tr>
<tr>
<td>Net transfers</td>
<td>19</td>
<td>-20</td>
<td>-23</td>
<td>-23</td>
</tr>
</tbody>
</table>

*The World Bank Group: this table was prepared by country unit staff; figures may differ from other World Bank published data.*
Annex 5

Matrix of Information Collected
<table>
<thead>
<tr>
<th></th>
<th>Relevance</th>
<th>Effectiveness</th>
<th>Impact</th>
<th>Sustainability</th>
<th>3Cs</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>HRDP II</strong></td>
<td>- Relevance of programme towards country needs is not strong</td>
<td>- After a slow start, the programme gained impetus with the changes of management and contractors</td>
<td>- Not measurable: no baseline, no tracer studies, Programme not yet completed</td>
<td>- Insufficient funds for maintenance</td>
<td>- Coherence with previous EC interventions</td>
</tr>
<tr>
<td></td>
<td>- Link to basic education poor</td>
<td>- Reduced effectiveness because 4 main result areas</td>
<td>- Positive impact of scholarship component at individual beneficiaries’ level, Disappointing impact of facility management training</td>
<td>- Capacity and management constraints to continue with parts of the programme</td>
<td>- Expertise at Delegation from previous programme</td>
</tr>
<tr>
<td></td>
<td>- Is 61% brick &amp; mortar adequate to needs?</td>
<td>- (building, equipment scholarships, management training,) are not related to each other</td>
<td></td>
<td>- Disbursement of large funds vs absorption capacities?</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Shift away from vocational training may have underpinned relevance</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Eco-forestry Programme</strong></td>
<td>- Focus on one of the 3 main available resources</td>
<td>- After a slow start, the programme gained impetus with the change of management</td>
<td>- Cash income created</td>
<td>- Forest resources sustainably used</td>
<td>- Strong coherence with national and Cotonou goals</td>
</tr>
<tr>
<td></td>
<td>Programme enables communities to use forest resources in a sustainable way</td>
<td></td>
<td>- Connects rural communities to wider markets</td>
<td>- Income is sufficient to reinvest</td>
<td>(poverty alleviation, integration into national and world economy)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Raised standards of living of rural populations</td>
<td>- Whether re-investments actually take place and maintenance is carried out remains to be seen</td>
<td>- Potential Cooperation with ADB project: enterprise development</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Programme too small to have a significant impact at national level</td>
<td>- Sustainable life perspective for communities</td>
<td>- Possible link to EDF 9 trade programme</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>- Is replicable</td>
<td></td>
</tr>
<tr>
<td><strong>Rural Coastal Fisheries Development Programme</strong></td>
<td><strong>Relevance</strong></td>
<td><strong>Effectiveness</strong></td>
<td><strong>Impact</strong></td>
<td><strong>Sustainability</strong></td>
<td><strong>3Cs</strong></td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>- Focus on one of the 3 main available resources Programme enables communities to generate income from fishery resources in a sustainable way The project improves the management of natural resources so as to reduce over fishing.</td>
<td>- At some sites the economic viability seems questionable - Weak management of aquaculture component (number of pontoons too high, procurement of feed not assured or too expensive). - Monopoly of private sector partner in marketing fish reduces selling prices - Partly not innovative approach (provision of not fuel efficient standard banana boats)</td>
<td>- Potential creation of cash income - Connects rural communities to national markets - Raised standards of living of rural populations - Programme too small to have a significant impact at national level Successful components are income generating for coastal communities in a sustainable way</td>
<td>- Lack of financial viability of some components puts question mark on sustainability - Sustainable use of fish resources - Sustainable life perspective for communities - High dependence of aquaculture component on 1 private enterprise is a big risk - Some components are only replicable, where PSP can be found</td>
<td>- Strong coherence with national and Cotonou goals (poverty alleviation, integration into national and potentially the global economy) - Concept of private sector cooperation is in principle a strong point, but requires corrections - Potential cooperation with ADB project: <em>enterprise development</em></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Improvement of Rural Primary Education Facility</strong></th>
<th><strong>Relevance</strong></th>
<th><strong>Effectiveness</strong></th>
<th><strong>Impact</strong></th>
<th><strong>Sustainability</strong></th>
<th><strong>3Cs</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>- Focus on remote rural areas and community involvement Project meets country needs Generates experience and feeds it back into national policy</td>
<td>- Well on track Are equipment and materials supplied appropriate?</td>
<td>- The project changes community attitudes and improves self help skills for maintenance Potential to improve quality of education in remote areas Largely replicated by AusAID in other provinces</td>
<td>- Community skills in maintenance will enhance sustainability - A national policy for remote schools enhances sustainability</td>
<td>- Complementary to HRDP - Cooperation with VSO is being phased out - Complementary projects started by other donors</td>
<td></td>
</tr>
<tr>
<td>Programme</td>
<td>Relevance</td>
<td>Effectiveness</td>
<td>Impact</td>
<td>Sustainability</td>
<td>3Cs</td>
</tr>
<tr>
<td>-----------</td>
<td>-----------</td>
<td>---------------</td>
<td>--------</td>
<td>----------------</td>
<td>-----</td>
</tr>
<tr>
<td>Gazelle Peninsula Micro-projects Programme</td>
<td>Relevant to the disaster situation Services are relevant to target groups</td>
<td>Generally effective Water supply requires high maintenance costs Reorienting fishermen to agricultural smallholders has been quite successful</td>
<td>Some project do not have the expected impact, e.g. electricity supply to resettlement areas</td>
<td>Sustainability on small settlement blocks relies on second income GRA put emphasis on community participation Question of government's capacity to take over the functions of GRA when it phases out in 2 years</td>
<td>Good example of cooperation with other doors under an dedicated PNG organisation (lead agency: WB)</td>
</tr>
<tr>
<td>Integrated Programme of Agricultural Rehabilitation of Bougainville (Stabex)</td>
<td>Activities were relevant to the restoration of the economy in Bougainville</td>
<td>The project has been effective in assisting to re-start the economy after the crisis Hybrid cocoa kickstarted production Effective use of vocational trainees to build facilities</td>
<td>The impact on the general economy is clearly visible Higher income New perspectives create dynamism Vocational schools reintroduce skills to villages and retrain ex-combatants</td>
<td>New government's approach to action planning underpins sustainability Problems connected to hybrid are being addressed</td>
<td>Good example of cooperation among various donors (AusAID did trunk roads, EU feeder roads) Coherence with planning at provincial level</td>
</tr>
<tr>
<td>Other Stabex Programmes</td>
<td>As infection rates are rising, the project is very relevant Focus on prevention and peer education Working with high risk groups</td>
<td>Project had a weak start Information reaches the target groups Awareness being created through peers</td>
<td>To early to judge Project relies on other organisations to do the monitoring of impacts</td>
<td>Capacity being created in NAC, Awareness instilled in communities NAC not sufficiently equipped to deal with the magnitude of the situation</td>
<td>Good cooperation with other donors and NAC Complements both education projects</td>
</tr>
<tr>
<td></td>
<td>Relevance</td>
<td>Effectiveness</td>
<td>Impact</td>
<td>Sustainability</td>
<td>3Cs</td>
</tr>
<tr>
<td>---------------------</td>
<td>----------------------------------------------------------------------------</td>
<td>--------------------------------------------------------------------------------</td>
<td>----------------------------------------------------------------------</td>
<td>--------------------------------------------------------------------------------</td>
<td>-------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Support to EU-PMU</td>
<td>- Building planning and management capacities for development programmes is relevant at all levels</td>
<td>- More capacity building is required to facilitate the process of PCM between EU Delegation and PNG government</td>
<td>- Sustainability is not yet reached</td>
<td>- No formal government led donor coordination</td>
<td></td>
</tr>
<tr>
<td>TA to DTI to support EPA trade negotiations</td>
<td>Awaiting project design</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Studies on trade in services and TRIPS</td>
<td>Awaiting project design</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9th EDF</td>
<td>- Objective and purpose meet country needs and the EC’s policy and country strategy.</td>
<td>- No implementation yet. - Designed programme has a multitude of activities under 7 main programme components, some nationwide while others target rural areas. Rather than addressing this through massive TA PIU (20.4% of the budget for TA, audit &amp; evaluation), the effectiveness could be increased through better focussing of programme components and activities.</td>
<td>- No implementation yet. - The intended impact is to be felt particularly in selected rural district.</td>
<td>- It is now generally acknowledged that the project modality has weaker sustainability than would be the case if sector programme support (“SWAP”) were adopted as cooperation modality. Financial sustainability of procurement component is weak.</td>
<td>- Complementarity with the EC’s HRDP II, IRPEF, SEP, the Pacific Regional Initiative for the Delivery of Basic Education and the recently decided RWSS Programme (but overlap of the planned piloting of School leadership development with similar activity piloted by IRPEF). - Complementarity with initiatives of AusAID, JICA, Save the Children, Unicef, - “Fungibility” of funding is unavoidable.</td>
</tr>
<tr>
<td>Rural Water and Sanitation Project</td>
<td>Relevance</td>
<td>Effectiveness</td>
<td>Impact</td>
<td>Sustainability</td>
<td>3Cs</td>
</tr>
<tr>
<td>-----------------------------------</td>
<td>-----------</td>
<td>--------------</td>
<td>--------</td>
<td>----------------</td>
<td>-----</td>
</tr>
<tr>
<td>Relevance is high, but discussions took place during drafting of CSP</td>
<td>- Will most likely be effective in providing better primary health and sanitation</td>
<td>- Likely to have impact on health, sanitation and gender equality</td>
<td>- Without cash income being available in supported communities the project can not be sustainable</td>
<td>- Possibility for cooperation with AusAID and ADB programmes in the fields of CBOs, micro credit and income generation</td>
<td></td>
</tr>
</tbody>
</table>

| Relevance is high and accepted by all parties | - | Support to NSA is promising | - No judgement possible at this stage | - Question of going into sector that are already dominated by other donors Intervention strategy is not obvious |

| Mining sector Support Programme (SYSMIN) | Relevance was connected to the impact of El Nino drought | Small scale mining schools may not be effective | Large scale mining impacts little on rural poverty alleviation outside mining enclaves | Not designed to be sustainable, project provides information that has long term use | - Coordination and cooperation are not essential for this type of project |
| Environmental studies particularly relevant to mining in PNG | - Question of erecting an office building being a priority of investing donor funds | - Likely to be effective in attracting mining investment | - | | |
| Surveys are relevant to encourage investments | - | | - | | |
Annex 6
Contacts
<table>
<thead>
<tr>
<th>Name</th>
<th>Function/Position</th>
<th>Organisation</th>
<th>Place</th>
<th>Telephone</th>
<th>e-mail</th>
<th>URL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Frank F. Agaru</td>
<td>AID-Co-ordinator Policy Secretariat</td>
<td>National Forest Service</td>
<td>Boroko, PNG</td>
<td>00675 3277 953</td>
<td><a href="mailto:fagura@pngfa.gov.pg">fagura@pngfa.gov.pg</a></td>
<td></td>
</tr>
<tr>
<td>Bernadette Aihi</td>
<td>PhD student</td>
<td>Divine Word University</td>
<td>Madang</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Julie Airi</td>
<td>Peer Education Advisor</td>
<td>National Aids Council Secretariat</td>
<td>Boroko, PNG</td>
<td>00675 323 1619</td>
<td><a href="mailto:jairi@nacs.org.pg">jairi@nacs.org.pg</a></td>
<td><a href="http://www.nacs.org.pg">www.nacs.org.pg</a></td>
</tr>
<tr>
<td>Anda Akivi</td>
<td>Field Coordinator</td>
<td>Forest Research Institute</td>
<td>Morobe Province, PNG</td>
<td>00675 479 1773</td>
<td><a href="mailto:efpc@global.net.pg">efpc@global.net.pg</a></td>
<td></td>
</tr>
<tr>
<td>Jethro Apinas</td>
<td>Programme Administrator</td>
<td>European Commission</td>
<td>Port Moresby, PNG</td>
<td>00675 328 8525</td>
<td><a href="mailto:eupmu.ja@global.net.pg">eupmu.ja@global.net.pg</a></td>
<td></td>
</tr>
<tr>
<td>Benson Ateng</td>
<td>Country Manager</td>
<td>The World Bank</td>
<td>Port Moresby, PNG</td>
<td>00675 321 7111</td>
<td><a href="mailto:bateng@worldbank.org">bateng@worldbank.org</a></td>
<td><a href="http://www.worldbank.org">www.worldbank.org</a></td>
</tr>
<tr>
<td>Dr. Jacqui Badcock</td>
<td>Resident Coordinator</td>
<td>UN System</td>
<td>Port Moresby, PNG</td>
<td>00675 321 2877</td>
<td><a href="mailto:jacqui.badcock@undp.org">jacqui.badcock@undp.org</a></td>
<td><a href="http://www.undp.org.pg">www.undp.org.pg</a></td>
</tr>
<tr>
<td>Mark Bao</td>
<td>Engineer</td>
<td>Works Department</td>
<td>Bougainville</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ken Bajai</td>
<td>Head teacher</td>
<td>Works Department</td>
<td>Gazelle Peninsula</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rolf Braun</td>
<td>Chief Technical Advisor</td>
<td>Programme Management Unit</td>
<td>Port Moresby, PNG</td>
<td>00675 321 0150</td>
<td><a href="mailto:mssp_pmu@mineral.gov.pg">mssp_pmu@mineral.gov.pg</a></td>
<td></td>
</tr>
<tr>
<td>Else Marie Buck</td>
<td>Resident Technical Adviser</td>
<td>European Union Sexual Health Project (EUSHP)</td>
<td>Waigani/NCD, PNG</td>
<td>00675 323 6161</td>
<td><a href="mailto:cmbuck.eushp@nacs.org.pg">cmbuck.eushp@nacs.org.pg</a></td>
<td><a href="mailto:embuch@post.tele.dk">embuch@post.tele.dk</a></td>
</tr>
<tr>
<td>Lori Calvo</td>
<td>Programme Coordinator</td>
<td>UNICEF</td>
<td>Port Moresby, PNG</td>
<td>00675 321 3000</td>
<td><a href="mailto:lcalvo@unicef.org">lcalvo@unicef.org</a></td>
<td></td>
</tr>
<tr>
<td>David A. Conn</td>
<td>MBE President</td>
<td>Chamber of Commerce and Industry</td>
<td>Port Moresby, PNG</td>
<td>00675 321 3077</td>
<td><a href="mailto:pomcci@global.net.pg">pomcci@global.net.pg</a></td>
<td><a href="http://www.pomcci.org.pg">www.pomcci.org.pg</a></td>
</tr>
<tr>
<td>Anthony Crasner</td>
<td>Head of Delegation</td>
<td>European Union</td>
<td>Port Moresby, PNG</td>
<td>00675 321 3544</td>
<td><a href="mailto:anthony.crasner@cec.eu.int">anthony.crasner@cec.eu.int</a></td>
<td></td>
</tr>
<tr>
<td>Aldo Dell’Ariccia</td>
<td>Deputy Head of Unit</td>
<td>European Commission / Future Head of Delegation</td>
<td>Brussels</td>
<td>0032 2 299 5271</td>
<td>aldo.dell'<a href="mailto:ariccia@cec.eu.int">ariccia@cec.eu.int</a></td>
<td></td>
</tr>
<tr>
<td>Valeriano Diaz</td>
<td>Head of Unit</td>
<td>European Commission</td>
<td>Brussels</td>
<td>0032 2 296 2731</td>
<td><a href="mailto:valeriano.diaz@cec.eu.int">valeriano.diaz@cec.eu.int</a></td>
<td></td>
</tr>
<tr>
<td>Miriam Dogimab</td>
<td>Peer Education Coordinator</td>
<td>European Union Sexual Health Project (EUSHP)</td>
<td>Waigani/NCD, PNG</td>
<td>00675 323 6161</td>
<td><a href="mailto:mdogimab.eushp@nacs.org.pg">mdogimab.eushp@nacs.org.pg</a></td>
<td></td>
</tr>
<tr>
<td>Dan Doyle</td>
<td>Project Manager</td>
<td>IRPEFP</td>
<td>Madang, PNG</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Name</td>
<td>Function/Position</td>
<td>Organisation</td>
<td>Place</td>
<td>Telephone</td>
<td>e-mail</td>
<td>URL</td>
</tr>
<tr>
<td>--------------------</td>
<td>-------------------------------------------</td>
<td>--------------------------------------</td>
<td>----------------</td>
<td>----------------</td>
<td>---------------------------------------</td>
<td>-----------------------------------</td>
</tr>
<tr>
<td>Cathy Eminoni</td>
<td>Manager HRDP II</td>
<td>European Union</td>
<td>Port Moresby, PNG</td>
<td>00675 321 3544</td>
<td><a href="mailto:david.freyne@cec.eu.int">david.freyne@cec.eu.int</a></td>
<td></td>
</tr>
<tr>
<td>David Freyne</td>
<td>Forestry and Rural Development Specialist</td>
<td>European Union</td>
<td>Port Moresby, PNG</td>
<td>00675 321 3544</td>
<td><a href="mailto:lars.gronvald@cec.eu.int">lars.gronvald@cec.eu.int</a></td>
<td></td>
</tr>
<tr>
<td>Winston Gore</td>
<td>STABEX Projects</td>
<td>Cocoa-Coconut Research Institute</td>
<td>Bougainville</td>
<td></td>
<td><a href="mailto:david.freyne@cec.eu.int">david.freyne@cec.eu.int</a></td>
<td></td>
</tr>
<tr>
<td>Richard Guy</td>
<td>Research Fellow</td>
<td>European Union</td>
<td>Port Moresby, PNG</td>
<td>00675 321 3544</td>
<td><a href="mailto:lars.gronvald@cec.eu.int">lars.gronvald@cec.eu.int</a></td>
<td></td>
</tr>
<tr>
<td>Danielle Heinecke</td>
<td>First Secretary</td>
<td>Australian Government</td>
<td>Waigani, PNG</td>
<td>00675 325 9333</td>
<td><a href="mailto:danielle_heinecke@ausaid.gov.au">danielle_heinecke@ausaid.gov.au</a></td>
<td></td>
</tr>
<tr>
<td>Clarence M. Hoot</td>
<td>Director</td>
<td>Business Investment &amp; Export Promotion Division</td>
<td>Boroko, PNG</td>
<td>00675 308 4444</td>
<td><a href="mailto:lindsay.jones@cec.eu.int">lindsay.jones@cec.eu.int</a></td>
<td></td>
</tr>
<tr>
<td>Jerry Huekwahin</td>
<td>Projects Monitoring Officer</td>
<td>European Union</td>
<td>Waigani, PNG</td>
<td>00675 328 8524</td>
<td><a href="mailto:eupmu.jh@global.net.pg">eupmu.jh@global.net.pg</a></td>
<td></td>
</tr>
<tr>
<td>Anton Jensen</td>
<td>Education Sector Specialist</td>
<td>European Union, DGDev</td>
<td>Brussels</td>
<td>0032 2 2958179</td>
<td><a href="mailto:anton.jensen@cec.eu.int">anton.jensen@cec.eu.int</a></td>
<td></td>
</tr>
<tr>
<td>Lindsay Jones</td>
<td>First Secretary</td>
<td>European Union</td>
<td>Port Moresby, PNG</td>
<td>00675 321 3544</td>
<td><a href="mailto:lindsay.jones@cec.eu.int">lindsay.jones@cec.eu.int</a></td>
<td></td>
</tr>
<tr>
<td>Hon-Joseph Kabui</td>
<td>President</td>
<td>Autonomous Bougainville</td>
<td>Buka, PNG</td>
<td>00675 973 9057</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tani Karo</td>
<td>Acting Coordinator EU</td>
<td>DNPRED</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dr David Kavanamur</td>
<td>Senior Lecturer,</td>
<td>University of PNG</td>
<td>NCD, PNG</td>
<td>00675 323 7268</td>
<td><a href="mailto:davan.kanamur@upng.ac.pg">davan.kanamur@upng.ac.pg</a></td>
<td></td>
</tr>
<tr>
<td>Reuben Kavoi</td>
<td>Executive Director</td>
<td>PEACE Foundation Melanesia</td>
<td>Port Moresby, PNG</td>
<td>00675 321 3144</td>
<td><a href="mailto:peacefound@global.net.pg">peacefound@global.net.pg</a></td>
<td></td>
</tr>
<tr>
<td>John Kolan</td>
<td>Head</td>
<td>Works Department</td>
<td>Bougainville</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kora Korawali</td>
<td>Principal Technical Instructor</td>
<td>University of Technology PNG</td>
<td>Lae Morobe, PNG</td>
<td>00675 473 4501</td>
<td><a href="mailto:kkorawali@arch-bldg.unitech.ac.pg">kkorawali@arch-bldg.unitech.ac.pg</a></td>
<td><a href="http://www.unitech.ac.pg">www.unitech.ac.pg</a></td>
</tr>
<tr>
<td>Robin H. Kimpton</td>
<td>Eco-Forestry Advisor - Field Component</td>
<td>PNG ECO-Forestry Programme</td>
<td>Morobe Province, PNG</td>
<td>00675 479 1773</td>
<td><a href="mailto:r_kimpton@hotmail.com">r_kimpton@hotmail.com</a></td>
<td></td>
</tr>
<tr>
<td>Yusuke Kitamura</td>
<td>Resident Representative</td>
<td>JICA</td>
<td>Port Moresby, PNG</td>
<td>00675 325 1699</td>
<td><a href="mailto:Kitamra.yusuke@jica.go.jp">Kitamra.yusuke@jica.go.jp</a></td>
<td></td>
</tr>
<tr>
<td>Ronald Kuk</td>
<td>Manager Projects</td>
<td>National Fisheries Authority</td>
<td>Port Moresby, PNG</td>
<td>00675 309 0444</td>
<td><a href="mailto:rkuk@fisheries.gov.pg">rkuk@fisheries.gov.pg</a></td>
<td></td>
</tr>
<tr>
<td>Name</td>
<td>Function/Position</td>
<td>Organisation</td>
<td>Place</td>
<td>Telephone</td>
<td>e-mail</td>
<td>URL</td>
</tr>
<tr>
<td>--------------------------</td>
<td>---------------------------</td>
<td>----------------------------------------</td>
<td>-------------------------</td>
<td>----------------</td>
<td>-------------------------------------</td>
<td>-----------------------------------</td>
</tr>
<tr>
<td>Daniel Kukup</td>
<td>Vocational training</td>
<td>DNPRD</td>
<td>Bougainville</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Uke Kombra</td>
<td>Assistant Secretary</td>
<td>DNPRD</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mosilayola Kwayaila</td>
<td>Acting Deputy Secretary</td>
<td>DNPRD</td>
<td>Waigani/NCD, PNG</td>
<td>00675 328 8501</td>
<td><a href="mailto:mosilayola_kwayaila@treasury.gov.pg">mosilayola_kwayaila@treasury.gov.pg</a></td>
<td><a href="http://www.monitoringa-p.org">www.monitoringa-p.org</a></td>
</tr>
<tr>
<td>Eva Kvyatkovskaya</td>
<td>Mission Coordinator</td>
<td>PriceWaterhouseCoopers</td>
<td>Woluwe, Belgium</td>
<td>0032 2 710 9903</td>
<td><a href="mailto:yevangelina.kvyatkovskaya@pwc.be">yevangelina.kvyatkovskaya@pwc.be</a></td>
<td><a href="http://www.monitoringacp.org">www.monitoringacp.org</a></td>
</tr>
<tr>
<td>Simon Le Grand</td>
<td>Administrator</td>
<td>European Union</td>
<td>Brussels, Belgium</td>
<td>0032 2 296 6556</td>
<td><a href="mailto:simon.le-grand@cec.eu.int">simon.le-grand@cec.eu.int</a></td>
<td><a href="http://www.europa.eu.int">www.europa.eu.int</a></td>
</tr>
<tr>
<td>David Gordon-Macleod</td>
<td>British High Commissioner</td>
<td></td>
<td>Port Moresby, PNG</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jaques-Olivier Manent</td>
<td>Ambassador of France</td>
<td>Embassy of the Republic of France</td>
<td>Port Moresby, PNG</td>
<td>00675 321 5550</td>
<td><a href="mailto:ambfrpom@global.net.pg">ambfrpom@global.net.pg</a></td>
<td><a href="http://www.ambafrance.org">www.ambafrance.org</a></td>
</tr>
<tr>
<td>Mike Manning</td>
<td>Chairman</td>
<td>Transparency International (PNG) Inc.</td>
<td>Port Moresby, PNG</td>
<td>00675 320 2188</td>
<td><a href="mailto:tipngi@daltron.com.pg">tipngi@daltron.com.pg</a></td>
<td><a href="http://www.transparency-png.org">www.transparency-png.org</a></td>
</tr>
<tr>
<td>M. J. Manning</td>
<td>Director</td>
<td>Institute of National Affairs (ina)</td>
<td>Port Moresby, PNG</td>
<td>00675 321 1045</td>
<td><a href="mailto:inapng@daltron.com.pn">inapng@daltron.com.pn</a></td>
<td><a href="http://www.inapng.com">www.inapng.com</a></td>
</tr>
<tr>
<td>Jaques-Olivier Manent</td>
<td>Ambassador of France</td>
<td></td>
<td>Port Moresby, PNG</td>
<td>00675 321 5550</td>
<td><a href="mailto:ambfrpom@global.net.pg">ambfrpom@global.net.pg</a></td>
<td><a href="http://www.ambafrance.org">www.ambafrance.org</a></td>
</tr>
<tr>
<td>Lawrence Markes</td>
<td>High Commissioner</td>
<td>New Zealand High Commission</td>
<td>Waigani NCD, PNG</td>
<td>00675 325 9444</td>
<td><a href="mailto:Laurie.markes@mfat.govt.nz">Laurie.markes@mfat.govt.nz</a></td>
<td></td>
</tr>
<tr>
<td>Sean P. Marriott</td>
<td>Project Manager</td>
<td>Rural Coastal Fisheries Development Programme</td>
<td>Madang, PNG</td>
<td>00675 852 1995</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ian Middleton</td>
<td>Managing Director</td>
<td>Bismarck Barramundi</td>
<td>Madang, PNG</td>
<td>00675 853 7463</td>
<td><a href="mailto:bismark.barra@global.net.pg">bismark.barra@global.net.pg</a></td>
<td></td>
</tr>
<tr>
<td>Aisop Mol</td>
<td>Peer Education Coordinator</td>
<td>European Union Sexual Health Project (EUSHP)</td>
<td>Waigani/NCD, PNG</td>
<td>00675 323 6161</td>
<td><a href="mailto:amol.eushp@nacs.org.pg">amol.eushp@nacs.org.pg</a></td>
<td></td>
</tr>
<tr>
<td>Peter P. Molean</td>
<td>Infrastructure Coordinator</td>
<td>IRPEF</td>
<td>Madang, PNG</td>
<td>00675 8521812</td>
<td><a href="mailto:Ppm.irpef@global.net.pg">Ppm.irpef@global.net.pg</a></td>
<td></td>
</tr>
<tr>
<td>Neil Nichols</td>
<td>Education and HRD Specialist</td>
<td>EU Delegation</td>
<td>Port Moresby, PNG</td>
<td>00675 321 7850</td>
<td><a href="mailto:Neil.nichols@cec.eu.int">Neil.nichols@cec.eu.int</a></td>
<td></td>
</tr>
<tr>
<td>Dr. Isiye Ndombi</td>
<td>Country Representative</td>
<td>UNICEF United Nations Children's Fund</td>
<td>Port Moresby, PNG</td>
<td>00675 321 3000</td>
<td><a href="mailto:indombi@unicef.org">indombi@unicef.org</a></td>
<td></td>
</tr>
<tr>
<td>Augustin Oyowe</td>
<td>Desk Officer</td>
<td>European Union, DGDev</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Name</td>
<td>Function/Position</td>
<td>Organisation</td>
<td>Place</td>
<td>Telephone</td>
<td>e-mail</td>
<td>URL</td>
</tr>
<tr>
<td>-----------------------</td>
<td>--------------------------</td>
<td>----------------------------</td>
<td>------------------------</td>
<td>-------------</td>
<td>-----------------------------</td>
<td>----------------------------</td>
</tr>
<tr>
<td>Enrica Pellacani</td>
<td>Geo-coordinator</td>
<td>European Union, AidCO</td>
<td>Brussels</td>
<td></td>
<td><a href="mailto:Enrica.pellacani@cec.eu.int">Enrica.pellacani@cec.eu.int</a></td>
<td></td>
</tr>
<tr>
<td>Paul Pasingan</td>
<td>PhD student</td>
<td>Divine Word University</td>
<td>Madang, PNG</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leka Pitoi</td>
<td>Project Co-ordinator</td>
<td>National Fisheries Authority</td>
<td>Port Moresby, PNG</td>
<td>00675 309 0453</td>
<td><a href="mailto:lpitoi@fisheries.gov.pg">lpitoi@fisheries.gov.pg</a></td>
<td></td>
</tr>
<tr>
<td>Hari Politopoulos</td>
<td>Programme Adviser</td>
<td>EU-PMU</td>
<td>Port Moresby, PNG</td>
<td>00675 328 8525</td>
<td><a href="mailto:eupmu.pa@global.net.pg">eupmu.pa@global.net.pg</a></td>
<td></td>
</tr>
<tr>
<td>Jean Hevé Radat</td>
<td></td>
<td>European Union, DGDev</td>
<td>Brussels</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hervé Rousseau</td>
<td>Geographic Coordinator</td>
<td>European Union</td>
<td>Brussels</td>
<td>0032 2 2989311</td>
<td><a href="mailto:herve.rousseau@cec.eu.int">herve.rousseau@cec.eu.int</a></td>
<td></td>
</tr>
<tr>
<td>Jean-Pierre Sacaze</td>
<td></td>
<td>European Union, AidCO</td>
<td>Brussels</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Belen Figuerola Santos</td>
<td></td>
<td>European Union, DG Trade</td>
<td>Brussels</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Werner Schneider</td>
<td>Deputy Head</td>
<td>Asian Development Bank</td>
<td>Port Moresby, PNG</td>
<td>00675 321 0408</td>
<td><a href="mailto:wschneider@adb.org">wschneider@adb.org</a></td>
<td></td>
</tr>
<tr>
<td>Keith Stebbins</td>
<td>National Capacity Building Advisor</td>
<td>Basic Education Development Project</td>
<td>Port Moresby, PNG</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Madako Suani</td>
<td>Director of Projects</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hohora Suve</td>
<td></td>
<td>EU Delegation</td>
<td>Port Moresby, PNG</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Luke Taita</td>
<td>Deputy Secretary Policy &amp; Admin.</td>
<td>Department of Education</td>
<td>Port Moresby, PNG</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Martin Takali</td>
<td>Principal</td>
<td>Hutjena secondary School</td>
<td>Buka</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Katarina Tiyer</td>
<td></td>
<td>European Union, AidCO</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Peter Tsimalili</td>
<td>Administrator</td>
<td></td>
<td>Buka/Bougainville</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Steven H. Van der Tak</td>
<td>Country Director</td>
<td>PNG Resident Mission</td>
<td>Port Moresby, PNG</td>
<td>00675 321 0407</td>
<td><a href="mailto:svandertak@adb.org">svandertak@adb.org</a></td>
<td><a href="http://www.adb.org">www.adb.org</a></td>
</tr>
<tr>
<td>Martin Walsh</td>
<td></td>
<td>European Union, DGDev</td>
<td>Brussels</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Name</td>
<td>Function/Position</td>
<td>Organisation</td>
<td>Place</td>
<td>Telephone</td>
<td>e-mail</td>
<td>URL</td>
</tr>
<tr>
<td>--------------------</td>
<td>------------------------------</td>
<td>---------------------------</td>
<td>---------------------</td>
<td>-------------</td>
<td>------------------------------------</td>
<td>----------------------------</td>
</tr>
<tr>
<td>Pala Wari</td>
<td>First Assistant Secretary</td>
<td>DPRC</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rommey Waiut</td>
<td>Assistant Principal Engineer</td>
<td>Gazelle Restoration</td>
<td>Rabaul, PNG</td>
<td>00675 982 8633</td>
<td><a href="mailto:grapiu@datec.com.pg">grapiu@datec.com.pg</a></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>authority PIU</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Charlotte Walsh</td>
<td>Second Secretary</td>
<td>AusAID</td>
<td>Port Moresby, PNG</td>
<td>00675 325 5535</td>
<td><a href="mailto:Charlotte_walsh@ausaid.gov.au">Charlotte_walsh@ausaid.gov.au</a></td>
<td></td>
</tr>
<tr>
<td>Rob Witte</td>
<td>Volunteer, Planner</td>
<td>NZAID, Provincial Adm.</td>
<td>Buka</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Like P. Valau</td>
<td>Adm. Officer</td>
<td>IRPEF</td>
<td>Madang, PNG</td>
<td>00675 852 1812</td>
<td><a href="mailto:lpv.irpef@global.net.pg">lpv.irpef@global.net.pg</a></td>
<td></td>
</tr>
<tr>
<td>Ralph S. Yamb</td>
<td>Lecturer</td>
<td>The University of Vudal</td>
<td>East New Britain, PNG</td>
<td>00675 983 9247</td>
<td><a href="mailto:vadademic@global.net.pg">vadademic@global.net.pg</a></td>
<td></td>
</tr>
<tr>
<td>Danilo D. Zamudi</td>
<td>Asst. Vice President</td>
<td>RD Fishing (PNG) Ltd.</td>
<td>Madang, PNG</td>
<td>00675 852 3031</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>


DEPARTMENT OF EDUCATION. *HIV/AIDS Policy for the National Education System of PNG.*


DEPARTMENT OF NATIONAL PLANNING AND RURAL DEVELOPMENT. *Aid Co-ordination and Management Division 2004 Annual Report.* 47 p.


EUROPEAN COMMISSION. *Information Note to the Members of the EDF Committee on Budget Support for Poverty Reduction in ACP Countries.* Brussels, March 2004, 19 p.


EuropeAid website: http://europa.eu.int/comm/europeaid/evaluation/evinfo/acp/951555_ev.htm


GAZELLE RESTAURATION AUTHORITY. Medium Term Restoration Programme. Implementation Progress Summary as at 22 September 2005. 5 p.


---

25 2003 according to the Department of Education, May 2004 according to Unicef.

26 2002 according to the Department of Education.


Aide-Memoir for the Mid-Term Review of 8th EDF NIP: Papua New Guinea, 19 p.
http://www.state.gov/r/pa/ei/bgn/2797.htm

Basic Seminar on Financial and Contractual Procedures of the 9th EDF. MDF Training & Consultancy.

Building Partnerships and Dialogue for Papua New Guinea’s Long Term Development. Consultative Implementation & Monitoring Council (CIMC) leaflet.


Participate in Papua New Guinea’s Long Term Development. Institute of National Affairs (INA) leaflet.


Annex 8

Map of PNG