

Papua New Guinea – Australia
Transport Sector Support Program
(TSSP)

Supported by the Australian Government - AusAID

**TRANSPORT PROGRAM
ANNUAL PLAN 2011**

The Annual Plan identifies TSSP, SGP and Transport Sector MoU planning for 2011 within relevant sectors.

Preparation, Review and Authorisation

Version	Date	Prepared by	Reviewed by	Approved for Issue by
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Preface

The 2011 Transport Program Annual Plan presents information within a revised reporting structure, format and timeline. This is the first Annual Plan that integrates Australian Government support to the Papua New Guinea transport sector (Strongim Gavman Program, Transport Sector Memorandum of Understanding, and PNG-Australia Transport Sector Support Program) reporting to the Transport Sector Coordination, Monitoring and Implementation Committee. This integration is a work in progress and will develop over time; currently the report primarily focuses on TSSP supported activities.

This Plan does not represent the complete suite of support from the Governments of Australia and/or Papua New Guinea. The outcome of the Government of Papua New Guinea budget was known at the time this Plan was prepared and its impact considered within broader planning. However the details of Transport Sector Memorandum of Understanding workplans were under development and not available.

Consistent with other Program reports, reporting is primarily against the components identified within the PNG-Australia Transport Sector Support Program Scope of Services. An AusAID guideline (AusGUIDE) forms a backdrop however has not dominated broader in-country reporting preferences.

Previous Annual Plans have combined 12-months retrospective and 12 months forward planning. During 2010 it was agreed to separate these reporting functions, with Annual Plans submitted in Quarter 4 of the year preceding implementation; and Annual Reports in Quarter 1 of the year following implementation.

The Annual Plan has been prepared by the PNG-Australia Transport Sector Support Program on behalf of the Transport Sector Coordination, Monitoring and Implementation Committee. The sector-wide reporting approach reflects discussions with PNG transport sector agencies and an ongoing commitment to continue to adapt reporting so that it better supports the PNG Transport Sector Coordination, Monitoring and Implementation Committee planning and reporting responsibilities; and provides the sector with a reporting mechanism more applicable to transport sector needs.

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Abbreviations/Acronyms

ABG	Autonomous Bougainville Government
ADB	Asian Development Bank
AMIA	Asset Maintenance Imprest Account TSSP
ARB	Autonomous Region of Bougainville
AUD	Australian Dollar(s)
AusAID	Australian Agency for International Development
BAMIA	Bougainville Asset Maintenance Imprest Account TSSP
BMS	Bridge Management System
CAA	Civil Aviation Authority
CADIP	Civil Aviation Development Investment Program ADB
CAPEX	Capital Expenditure
CASA	Civil Aviation Safety Authority
CBS	Capacity Building Specialist TSSP
CEO	Chief Executive Officer
CPI	Consumer Price Index
CSO	Community Service Obligation
CSTB	Central Supply and Tenders Board
DCT	Papua New Guinea-Australia Development Cooperation Treaty
DNPM	Department of National Planning and Monitoring
DoF	Department of Finance
DoT	Department of Transport
DoW	Department of Works
DSIP	District Services Improvement Program
DSP	Papua New Guinea Development Strategic Plan 2010-2030
DTS	Department of Technical Services ABG
EA	Engineers Australia
ECP	Enhanced Cooperation Program
FAS	First Assistant Secretary
FFF	Flexible Funding Facility
FMA	Financial Management Adviser TSSP
FMM	Financial Management Manual
FMS	Financial Management Specialist TSSP
FPM	Financial Procedures Manual
GMDSS	Global Maritime Distress Safety System
GoPNG	Government of Papua New Guinea
HHLTMC	Highlands Highway Long Term Maintenance Contract
HR	Human Resources
HRA	Human Resources Adviser TSSP
ICAO	International Civil Aviation Organisation
ICCC	Independent Consumer and Competition Commission
IEPNG	Institution of Engineers Papua New Guinea
IFGI	Infrastructure for Growth Initiative
IPBC	Independent Public Bodies Corporation
ISP	Implementing Service Provider
IT	Information Technology
IT&C	Information Technology and Communications
JICA	Japan International Cooperation Agency
KPI	Key Performance Indicator
KRGMP	Key Roads for Growth Maintenance Project
LAN	Local Area Network
LCC	Local Coordination Committee ABG
LNG	Liquid Natural Gas
LTDS	Long Term Development Strategy / PNG Development Strategic Plan 2010-2030

M&E	Monitoring and Evaluation
MFF	Multi Finance Facility
MoU	Memorandum of Understanding
MRG	Monitoring and Review Group
MTDP	Papua New Guinea Medium Term Development Plan 2011-2015
MTDS	Medium Term Development Strategy
MTTP	Medium Term Transport Plan
NAC	National Airports Corporation Limited
NEC	National Executive Council
NMSA	National Maritime Safety Authority
NRA	National Road Authority
NRBMP	National Road and Bridge Maintenance Project
NRSC	National Road Safety Council
NTDP	National Transport Development Plan
NTS	National Transport Strategy
PBAMIA	Public Bodies Asset Maintenance Imprest Account TSSP
PEFA	Public Expenditure and Financial Accountability Performance Measurement Framework
PGF	Performance Grant Funding
PGK	Papua New Guinea Kina
PM	Program Manager TSSP
PMC	Project Management and Supervision Consultancy
PNGASL	Papua New Guinea Air Services Limited
PNG Ports	Papua New Guinea Ports Corporation Limited
PSMS	Public Sector Management Specialist TSSP
PSWDP	Public Sector Workforce Development Program
P4D	Papua New Guinea-Australia Partnership for Development
RAMS	Road Asset Management System
RCEA	Road Construction Engineer Adviser TSSP
RDEA	Road Design Engineer Adviser TSSP
RMC	Road Maintenance Contract
RMMS	Road Maintenance Management Specialist TSSP
RSO	Recognised Security Organisation (International Maritime Organization code)
SCBPB	Staged Capacity Building Practice Model
SGP	Strongim Gavman Program
SoE	State-owned Enterprise
SoS	Scope of Services
SRMEA	Senior Road Maintenance Engineer Adviser TSSP
SWAp	Sector-wide Approach
TA	Technical Assistance
TAIA	Technical Assistance Imprest Account TSSP
TIPS	Transport Infrastructure Priorities Study
TSCMIC	Transport Sector Coordination, Monitoring and Implementation Committee
TSS-IP	Transport Sector Support Program – Implementation Phase
TSSP	Papua New Guinea-Australia Transport Sector Support Program
USAP	International Civil Aviation Organisation Universal Security Audit Program
WAN	Wide Area Network
WB	World Bank

1. EXECUTIVE SUMMARY

Australia has been providing long-term support to the Government of Papua New Guinea (GoPNG) for the infrastructure sector through its aid program. Over time the focus of Australian assistance has shifted from an emphasis on maintenance to one that includes capacity building and institutional strengthening as part of a more holistic approach.

Australia's assistance to the Papua New Guinea (PNG) transport sector is delivered through three primary mechanisms:

- The PNG – Australia Transport Sector Support Program (TSSP). TSSP commenced in July 2007 with a 10-15 year timeline envisaged and five years allocated to TSSP Phase I. TSSP has an annual budget of approximately AUD50 million per annum and has been designed to assist the GoPNG to improve governance / public sector reform / institutional strengthening, technical capacity and service delivery within transport infrastructure agencies whilst at the same time continuing to provide funding support for priority maintenance and rehabilitation works. Technical Advisers constitute 14.8% of the Program's annual budget.
- The Strongim Gavman Program (SGP) that is a whole-of-government engagement program focused on providing senior Australian Government advisory support to counterpart PNG public sector agencies, and funded until 2012-2013 financial year at which time a review will likely eventuate
- The PNG-Australia Memorandum of Understanding on Cooperation in the Transport Sector (Transport Sector MoU) between the Government of Australia and the Government of Papua New Guinea that has been created to encourage cooperation between the participants in relation to the safety and security of the transport network including air, maritime and road; and develop relations between transport portfolio agencies and relevant industry participants and other organisations concerned with safety and security of the transport network.

A review of the PNG-Australia Development Cooperation Treaty commenced during 2010 and the issuance of a new Treaty in 2011 may (re)focus the Government of Australia's development agenda within PNG. It is anticipated that a review and (re)design of TSSP, during 2011, will allow a similar opportunity for the transport sector to operationalise the findings of the Treaty and the Government of Australia's support in responding to the GoPNG's Medium Term Development Plan (MTDP).

The Transport Sector Coordination, Monitoring and Implementation Committee (TSCMIC) is the oversight body through which Programs are able to engage with the GoPNG and other stakeholders at the highest level of transport sector coordination. TSCMIC brings GoPNG central and line agencies, and other stakeholders, into the activity development, delivery, monitoring and evaluation, and reporting cycle.

Consistent with the Paris and Port Moresby Aid Effectiveness Declarations, the Programs operate within, and are assisting to build the capacity of, GoPNG agency systems, processes, and personnel whilst applying and/or encouraging appropriate checks and balances. They are also, at a pace that can be supported and sustained, assisting the GoPNG with its aim of incrementally moving towards a sector-wide approach.

This Plan does not represent the complete suite of support from the Governments of Australia and/or Papua New Guinea. The information within this document reports planned activities for 2011 against the broader component framework established for the sector through TSSP and therefore primarily focuses on TSSP. Information has been expanded to include some SGP and Transport Sector MoU

activity planning. The outcome of the GoPNG budget was known at the time this Plan was prepared and its impact considered within broader planning however the details of Transport Sector MoU workplans were under development and therefore not available.

The Annual Plan has been adjusted to reflect changes required as a result of the 2010 Technical Assistance (TA) Review and is, in part, dependent on the outcomes of the ongoing review of the PNG-Australia Development Cooperation Treaty and GoPNG 2011 budget allocations.

This Plan has been developed with the full engagement of TSCMIC members and focuses on agency outputs (deliverables) rather than the inputs provided through the three delivery mechanisms (TSSP, SGP and Transport Sector MoU).

Significant activities planned for January – December 2011:

Policy, Planning and Legislative Reform

- Contribute to and support a review of TSSP Phase 1 and a Redesign of the Transport Sector Program Phase II (July 2012 onwards)
- Review agency corporate/strategic plans so that each reflects and incorporates the requirements of the *Vision 2050* pillars and the MTDP priorities; and there is increasing evidence of targets and measurable indicators
- Complete and seek National Executive Council approval for the National Transport Strategy (NTS) and the related Medium Term Transport Plan (MTTP); with an associated mandate for the TSCMIC to continue coordinating and reporting on the implementation of these key policy frameworks
- Complete and gain endorsement of the 2010 Transport Infrastructure Priority Study (TIPS)
- Complete the remaining eight (18 of a total of 26 already completed) draft Bills, Regulations and Statutory Instruments so the agreed priority legislative and regulatory framework for the transport sector can be put into place
- Prepare and submit the third coordinated transport sector development budget submission.

Delivery of Maintenance Programs

- Monitor the implementation of asset maintenance work plans, and improve project supervision and reporting with an emphasis on continuing to strengthen contracting documentation and procurement processes (in consultation with the Central Supply and Tenders Board) and greater attention on contractor performance and reporting
- Improve financial planning and the oversight and reporting of asset maintenance and agency expenditure
- Consider the recommendations of a procurement diagnostic, and make improvements to procurement processes and procedures
- Expand the quantity and reliability of information available through the Road Asset Management System (RAMS) for use within the Department of Works (DoW) and among other transport sector line and central agencies, including incorporation of the information resulting from the 2011 visual road condition survey
- Tender and award the design and construction supervision contract for the Wabag – Wapenamanda section of the Enga Highway, co-funded by GoPNG, AusAID and Porgera Joint Venture through the Department of Works
- Complete the Feasibility Study of Improvement Options and Re-Routing Options of the Highlands Highway through the Department of Works

- Tender, award a construction contract, and commence the construction of up to four bridges in Oro Province (destroyed by Cyclone Guba in 2007) through the Department of Works
- Explore the potential to pilot a Provincial/District Project, facilitated by the Department of Works proposed to promote partnerships and involving a revised service delivery model and smaller tender parcels; and the development of an agreed prioritisation and asset management process for Provincial and District non-national road infrastructure works through the District Services Improvement Program (DSIP)
- Complete contracted projects for the Airport Pavement Evaluation (Hoskins, Tokua and Madang), Improvements to the International Arrivals Domestic Airport Transfer Facilities, and Airports Certification Quality Assurance; and tender, award and monitor contracts for the Baggage Security Screening Upgrade of International and Domestic Airports, and the Building Management Systems Upgrade (through the National Airports Corporation)
- Complete contracted projects for the Domestic V-SAT; and tender, award and monitor contracts for the NavAIDS Replacement Project, Radar Maintenance; Supply of Miscellaneous Equipment and Spare Parts, World Geodetic Survey 1984 (WGS84) for the Global Navigation Satellite System (GNSS), and the GNSS/ Performance Based Navigation (through PNG Air Services Limited)
- Tender, award contract and monitor and report on the installation of a Maritime Radio Communications System (through the National Maritime Safety Authority)
- Continue raising awareness on the importance of, and the move towards incorporation of whole-of-life asset management planning
- Release a PNG Road Safety Discussion Paper and incrementally commence implementation of agreed and affordable/budgeted recommendations; with the goal of increasing attention to and improving road safety responses and coordination within relevant transport sector agencies
- Improve the quantity and reliability of data entered into the road accident data base, and provide a summary report on the resultant information.

Transport Sector Memorandum of Understanding (MoU) Workplans

- Finalisation and/or implementation of agreed Transport Sector MoU Workplans for the aviation and maritime sub-sectors

Transport Security

- Establish a Transport Security Policy Unit, within the Department of Transport (DoT) to analyse and oversight transport security issues
- Develop a corrective action plan based on the findings of the International Civil Aviation Organisation (ICAO) Universal Security Audit Program (USAP) report, and implement and monitor required corrective actions.

Capacity Building

- Review the applicability of the existing 39 Staged Capacity Build Practice Model (SCBPM) plans with the full engagement of agency heads and counterparts (noting that a number of counterparts and adviser support have changed and/or been reduced during 2010); and assess the viability of rolling out new work unit plans (focusing on the DoW and SGP) with around 50 workshops to be held, monitored and reported
- Facilitate and support an independent study of the SCBPM to review its operationalisation and applicability within PNG and possibly those countries in the Pacific Region that have adopted a similar approach (Timor Leste, Solomon Islands, and Vanuatu)

- Initiate transport sector-wide organisational development pilot projects, under Stage 3 of the Transport Sector Capacity Building Framework, initially focussing on institutional twinning, volunteering and graduate projects.

Cross-cutting Issues

- Review the Transport Sector Gender Strategy and Implementation Plan, and the Transport Sector HIV and AIDS Strategy and Implementation Plan to ensure alignment with the new GoPNG policy frameworks and priorities
- Develop, implement and commence monitoring agency-specific gender and HIV and AIDS actions plans
- Implement and commence monitoring pilot projects in NMSA (gender) and a Men's and Women's Lifestyles Program (PNG Ports)
- Strengthen Environmental/Climate Change planning, contracting and monitoring of outcomes (primarily within the Department of Works).

Monitoring and Evaluation (M&E) and Reporting

- Undertake an annual review of the TSCMIC 2011 Strategic Framework
- Oversee design and implementation of an independent qualitative socio-economic impact study (Performance Story Impact Study) to build on the findings of the quantitative independent study undertaken in 2010
- Assess the viability of initiating an independent impact study on the effectiveness and appropriateness of the Transport Sector Capacity Building Framework
- Undertake and document Performance Story Reports evaluating the effectiveness of the capacity building approach within the Engineering Division of DoW and for financial management across the transport sector agencies; and strengthen M&E for the Staged Capacity Building Practice Model
- Incorporate SGP activities and outcomes within Transport Program Monitoring and Evaluation
- Prepare and gain approval to release reports that include the Annual Transport Program Performance Report, the Transport Program Annual Report, and the Six-Monthly Progress Report.

Key strategic issues

Policy Frameworks

The release of the GoPNG *National Transport Strategy* (NTS) and *Medium Term Transport Plan* (MTTP) during Quarter 1, 2011, will follow the 2010 release of *Vision 2050*, the *Development Strategic Plan* (DSP) and the *Medium Term Development Plan* (MTDP) in 2010, and therefore significantly decrease the potential for policy dis-connects. The staged release of these key policy documents has better enabled transport sector policies to align with and support higher order country development papers.

The results of a review of the *Partnership for Development* Transport Schedule are anticipated during 2011. The forward planning identified within this Annual Plan is dependent on the outcomes of the reviews of the Development Cooperation Treaty and *Partnership for Development* Transport Schedule, and the continuation of TSSP Phase I as currently planned.

GoPNG Budget

The 2010 Supplementary Budget and the 2011 National Budget (the Budget) delivered a record K12.17billion, a 20% increase from the 2010 Budget. For the transport sector, the Budget is an improvement on the 2010 Budget, with the sector receiving the third largest overall allocation of funds at 10%, consistent with the last 10 years. This is extremely close to the targets set in the policy documents *Vision 2050*, the *DSP* and the *MTDP*. The appropriation of funds within the transport sector are more targeted to roads, national roads, and national priority roads, and appropriated to implementing agencies. There is also more GoPNG direct financing of the transport budget, almost at the levels required in the *Partnership for Development Transport Schedule*.

The capacity to allocate and expend this funding, during 2011, will largely depend on agency capability to develop and award tenders, and also the capacity of the private sector to respond initially to invitations to tender and secondly to deliver a quality project, within budget and on time.

TA Review

The findings of a PNG-Australia TA Review Group were released during 2010. These provided for the phasing out of 1/3rd of AusAID funded technical assistance (adviser) positions within PNG within two years.

Following discussions with agency heads, the TA Review resulted in a decrease to TSSP adviser positions from the 33.75 initially agreed with TSCMIC in November 2009 to 22 positions (with exit dates staged from December 2010 to April 2011). The number of SGP adviser positions is reducing from four to three.

Consistent with the flexible and adaptive design of the Program, discussions were held with relevant agency heads with a view to re-assessing agency needs and priorities and in considering the relevance and viability of alternative delivery strategies. These discussions will continue into 2011.

The Development Cooperation Treaty and the TA reviews have led to a degree of uncertainty within transport sector agencies, and to a lesser extent Program personnel. The 2011 Program Review and Redesign offers a well-timed opportunity to review commitments, progress, determine future directions and re-establish confidence in Program continuity and reliability.

2. PROGRAM OVERVIEW

2.1 Introduction

Australia has been providing long-term support to the Government of Papua New Guinea (GoPNG) for the infrastructure sector through its aid program. Over time the focus of Australian assistance has shifted from an emphasis on maintenance to one of capacity building and institutional strengthening as part of a more holistic approach.

Australia's assistance to the Papua New Guinea (PNG) transport sector is delivered through three mechanisms:

- The PNG – Australia Transport Sector Support Program (TSSP). TSSP commenced in July 2007 with a 10-15 year timeline envisaged and five years allocated to TSSP Phase I. It has an annual budget of approximately AUD50 million per annum and has been designed to assist the GoPNG to improve governance / public sector reform / institutional strengthening, technical capacity and service delivery within transport infrastructure agencies whilst at the same time continuing to provide funding support for priority maintenance and rehabilitation works. A number of AusAID funded projects and commitments have transitioned into TSSP, under the broader transport sector framework: Bougainville Coastal Trunk Road Exit Phase Project (2007), the TSSP Interim Phase (TSS-IP) (2007), and the Key Roads for Growth Maintenance Project (KRGMP) (2010).
- The Strongim Gavman Program (SGP). SGP is a whole-of-government engagement program focused on providing senior Australian Government advisory support to counterpart PNG public sector agencies, and funded until 2012-2013 financial year at which time a review will likely eventuate
- The PNG-Australia Memorandum of Understanding on Cooperation in the Transport Sector (Transport Sector MoU) between the Government of Australia and the Government of Papua New Guinea. The MoU was designed to encourage cooperation between the participants in relation to the safety and security of the transport network including air, maritime and road; and develop relations between transport portfolio agencies and relevant industry participants and other organisations concerned with safety and security of the transport network.

A review of the PNG-Australia Development Cooperation Treaty commenced during 2010 and the issuance of a new Treaty in 2011 will (re)focus the Government of Australia's development agenda within PNG. It is anticipated that a review and (re)design of TSSP, during 2011, will allow a similar opportunity for the transport sector to operationalise the findings of the Treaty and the Government of Australia's support in responding to the GoPNG's Medium Term Development Plan (MTDP).

TSSP Phase I offers a flexible, rolling design and implementation model. It has been designed to assist the GoPNG to improve governance / public sector reform / institutional strengthening, technical capacity and service delivery within transport infrastructure agencies whilst at the same time continuing to provide funding support for priority maintenance and rehabilitation works. The Program funding support allows, concurrently, for the GoPNG to become increasingly responsible for infrastructure maintenance funding and thereby becoming less dependent on donor support. The Program has a budget of around AUD50 million per year.

Consistent with the Paris and Port Moresby Aid Effectiveness Declarations, Programs operate within, and are assisting to build the capacity of, GoPNG agency systems, processes, and personnel whilst applying and/or encouraging appropriate checks and balances. They are also, at a pace that

can be supported and sustained, assisting the GoPNG with its aim of incrementally moving towards a sector-wide approach.

The information within this document reports planned activities for 2011 against the broader component framework established through TSSP. It includes some information provided by the SGP and Transport Sector MoU on planned activities however at the time of preparing the Plan further detail on MoU activities was not available.

The Annual Plan has been adjusted to reflect changes required as a result of the 2010 Technical Assistance (TA) Review and is, in part, dependent on the outcomes of the ongoing review of the PNG-Australia Development Cooperation Treaty. This Plan does not represent the complete suite of support from the Governments of Australia and/or Papua New Guinea. The outcome of the GoPNG budget was known at the time this Plan was prepared and its impact considered within broader planning.

TSSP has been assessed as progressing at a steady pace within an environment that retains significant challenges. A diagram of the TSSP governance and management framework is at Annex 2. In conformity with continuous improvement practices, activities have and will continue to be tested, refined and, where relevant and agreed, improved and streamlined. Key reference documents for TSSP are identified in Annex 1.

AusAID has appointed a Senior Policy Adviser (Infrastructure) to provide strategic sectoral advice and, as Program Director, to oversee and direct TSSP.

2.2 Purpose of the Annual Plan

The Annual Plan focuses on agency outputs (deliverables) rather than the inputs provided through the three delivery mechanisms (TSSP, SGP and Transport Sector MoU). The Plan has been prepared by the TSSP on behalf of and with the full engagement of Transport Sector Coordination, Monitoring and Implementation Committee (TSCMIC) members. Final approval rests with the TSCMIC.

The sector-wide reporting approach reflects an ongoing commitment to continue to adapt reporting so that it better supports the PNG Transport Sector Coordination, Monitoring and Implementation Committee planning and reporting responsibilities; and provides the sector with a reporting mechanism more applicable to sector needs.

Transport sector programs are delivered in a challenging and less predictable environment. Annual Plans provide the sector with:

- A major reporting and planning mechanism
- An opportunity to document and subsequently discuss issues of significance within and across the sector
- An opportunity to consider and/or realign Program performance and planning.

This Annual Plan, for the first time and as agreed with the TSCMIC, separates annual planning and annual reporting; with the Annual Plan due for submission to TSCMIC during January 2011; and an Annual Report due during March 2011.

In relation to crucial reporting and Program tasks, TSSP will:

- Continue to integrate transport sector reporting within one reporting framework, and within reports to reflect GoPNG reporting styles, format and timelines
- Support the process initiated by AusAID to review and redesign TSSP, and assist agencies prepare for and contribute to this high order activity.

This Annual Plan is structured into the following key segments:

- **Section 1** provides an Annual Plan Executive Summary
- **Section 2** provides a Transport Program Overview
- **Section 3** provides information relating to Policy and Policy Coordination
- **Section 4** identifies planned 2011 implementation activities
- **Section 5** identifies planned 2011 cross-cutting policy implementation activities
- **Section 6** outlines planned 2011 monitoring and evaluation activities
- **Section 7** provides information on projected AusAID-TSSP 2011 expenditure for prioritised infrastructure asset maintenance
- **Section 8** identifies the key strategic issues that may affect Program delivery during 2011
- **Annexures** include agency 2011 asset maintenance work plans for AusAID-TSSP funding.

The forward planning identified within this Annual Plan is dependent on the outcomes of the PNG-Australia Development Cooperation Treaty and the continuation of Australian support as currently scoped and planned.

2.3 Program Goal and Objectives

The goal of TSSP is to ensure improved governance and performance in GoPNG's delivery of transport infrastructure services through effective use of resources. This goal is shared with the TSCMIC.

There are a number of separate activities directed at the following main objectives:

1. *Line agency public sector reform and governance:* To support operational reform in the transport sector agencies through improved public sector administration and reform programs.
2. *Strengthen central agency capacity:* To strengthen linkages between the transport sector agencies and central agencies so that service delivery and reform programs are actively supported.
3. *Prioritised transport asset maintenance:* To support delivery of an affordable, contestable and prioritised national transport network.

There were originally four objectives that related to TSSP implementation however AusAID transferred a Provincial transport services objective to the Sub-National Strategy during 2009. This objective was associated with the need to support improved performance of provincial, district and local level governments to deliver transport services in selected locations.

The goal of SGP is to assist the GoPNG to strengthen public sector performance in selected sectors and agencies. SGP is a whole-of-government engagement program through which Government of Australia agencies provide capacity development assistance and advice to counterpart GoPNG agencies. Senior officials from the Australian public sector are placed in

GoPNG agencies, not including state-owned enterprises (SoEs), for two to three years to provide specific public service policy and strategic advice and capacity development. These officials work within broader aid program objectives. While strengthening the capacities of key GoPNG agencies in very specific outcome areas, SGP also provides an opportunity to broaden and reinforce relations and collaboration between the two governments on issues of mutual interest. SGP strengthens the Government of Australia's understanding of the complexities and challenges of the development context and public service in PNG, while expanding the skills and experience of SGP officials. The success of the program is contingent on strong ongoing bureaucratic and political commitment to the program at senior levels on both sides.

The goal of the Transport Sector MoU is to further strengthen government-to-government relationships and enhance cooperation in the transport sector. The signatories and implementing authorities for the Transport Sector MoU are the PNG Department of Transport (DoT) and the Australian Department of Infrastructure, Transport, Regional Development and Local Government.

The stated objectives of the Transport Sector MoU are to:

- Encourage cooperation between the participants in relation to the safety and security of the transport network including air, maritime and road; and
- Develop relations between transport portfolio agencies and relevant industry participants and other organisations concerned with safety and security of the transport network.

Details of potential cooperation are set out in annexes to the Transport Sector MoU. Project plans are subsequently developed by the designated implementing PNG and Australian authorities. At the time of submitting this Annual Plan, MoU project plans were being developed and were not available.

3. POLICY AND COORDINATION

3.1 TRANSPORT SECTOR COORDINATION, MONITORING AND IMPLEMENTATION COMMITTEE (TSCMIC)

TSCMIC is the oversight body through which AusAID funded transport sector support programs are able to engage with the GoPNG and other stakeholders at the highest level of transport sector coordination. Through TSCMIC, Programs bring GoPNG central and line agencies, and other stakeholders, into the activity development, delivery, monitoring and evaluation, and reporting cycle.

The TSCMIC¹ plays a central role setting strategic direction for support programs (coordinating sector management efforts, prioritising needs, monitoring asset maintenance work plans, establishing and promoting sector-wide budget submissions, and promoting policy). Programs support the activities of TSCMIC and in turn program activities are coordinated by the TSCMIC. The TSCMIC and TSSP share the same goal of working to ensure *improved governance and performance in GoPNG's delivery of transport infrastructure services through effective use of resources*.

Membership of the TSCMIC comprises:

- Department of Transport (DoT)
- Department of Works (DoW)
- Civil Aviation Safety Authority (CASA)
- National Airports Corporation Ltd (NAC)
- PNG Air Services Ltd (PNGASL)
- PNG Ports Corporation Ltd (PNG Ports)
- National Maritime Safety Authority (NMSA)
- National Road Authority (NRA)
- National Road Safety Council (NRSC)
- Department of National Planning and Monitoring (DNPM)
- Department of Prime Minister and National Executive Council (NEC)
- Department of Treasury (Treasury)
- Department of Finance (DoF)
- AusAID

The TSCMIC is supported by two sub-committees: (i) Transport Security and (ii) Aid Effectiveness. TSSP, through the Program Director, provides secretariat support to the TSCMIC.

During 2011:

- Transport sector programs will continue to support meetings of and activities required by the TSCMIC and its sub-committees as directed by the Program Director
- TSSP will assist the TSCMIC prepare information for the media to promote the importance of the transport sector and its activities
- TSCMIC will review its performance against the 2011 Strategic Framework, and develop a Strategic Framework for 2012.

¹ TSCMIC was formed under National Executive Council Decision No 79/2006. TSSP was designed to operate under TSCMIC oversight, and immediately engaged with the TSCMIC on commencement in July 2007.

3.2 Partnership for Development

The *PNG-Australia Partnership for Development* emerged in August 2008. A Transport Infrastructure Schedule was agreed in June 2009. TSSP has been identified as the primary implementation mechanism for the Transport Infrastructure Schedule.

Partnership for Development schedules are jointly reviewed on an annual basis and funding allocations for the transport sector may change as a result of the GoPNG and Australian 2011 budget determinations.

A summary of Transport Sector Infrastructure Policy Commitments and targets is provided in Table A.

Table A: Transport Infrastructure Policy Commitments

Partnership for Development Commitment by 2015	GoPNG MTDP Commitment 2011-2015	Status as at December 2010	2011 Target
100% of the 16 National Transport Development Plan (NTDP) priority national roads in good condition by 2015 16 missing links prioritised by 2010 with economic feasibility assessment of 5 priority missing links undertaken by 2015	2500 km (or 59%) of National Priority Roads sealed and in good condition; 1000 km (representing 24%) of the remainder of the current national road network (representing 4244 km) rehabilitated/ upgraded to good condition Survey and feasibility studies undertaken for 16 missing links roads (with land acquired and one road constructed); Road safety education/promotion and random vehicle inspections conducted	48% (1982 km) of National Priority Roads in good condition 672 km (representing 16%) in good condition	56% (2146 km) of National Priority Roads in good condition 722 km (representing 17%) in good condition Missing link economic feasibility priority study completed.
22 national airports meeting safety certification standard by 2015	22 national airports certified; 2 regional airports upgraded extended/expanded for larger jets; Routine maintenance undertaken for selected national airports; 10 airstrips rehabilitated.	18 regional airports certified as having met required standards.	21 national airports certified.
Major seaports of Port Moresby and Lae have ship turnaround times to 2 days by 2015	2.5 day turnaround for international port time by 2015 Undertake feasibility study for relocation of Port Moresby port Rehabilitate and upgrade 4 national ports; and 10 jetties Restore 47 small navigational aids.	Benchmark data established	Ship turnaround time in Port Moresby and Lae Ports at an average of 2.8 days.
<p>During 2011 the Program will assist agencies to:</p> <ul style="list-style-type: none"> Retain the focus on agreed asset maintenance priority projects. 			

3.3 Government of Papua New Guinea

The GoPNG has produced and released a number of overarching policies and strategies that guide donor and Program support. These include the *PNG Vision 2050*; the *Development Strategic Plan 2010-2030* (DSP) and the *Medium Term Development Plan 2011-2015* (MTDP).

The sector has been actively engaged in producing a robust transport policy framework for transport infrastructure to conform with and support the higher order policies. These include a *National Transport Strategy* (NTS) and *Medium Term Transport Plan* (MTTP); informed by the 2010 *Transport Infrastructure Priorities Study* (TIPS) and a *Visual Road Condition Survey* the latter two of which are funded by AusAID through TSSP and managed by DoT and DoW respectively.

These new transport strategies and plans have been scheduled for presentation to the NEC during 2011. The 2010 TIPS and visual road condition survey will provide a strong foundation for future policy and agency planning.

During 2011 Programs will:

- Assist agencies to complete and gain approval for the NTS, and extend the mandate of TSCMIC to oversee its implementation
- Assist agencies to make the implementation adaptations required in supporting the MTDP and the NTS.

3.4 PNG Transport Sector Counterpart Agencies

The primary PNG transport sector counterpart agencies are the Department of Transport (DoT), the Department of Works (DoW), PNG Ports Corporation Limited (PNG Ports), National Airports Corporation Limited (NAC), Civil Aviation Safety Authority (CASA), PNG Air Services Limited (PNGASL), the National Maritime Safety Authority (NMSA), the National Road Safety Council (NRSC), and the Department of National Planning and Monitoring (DNPM).

3.5 Coordination and Harmonisation

TSSP liaises closely with personnel from other AusAID-funded programs (notably SGP and Sub-National Programs) and with other development partners such as the Asian Development Bank (ADB) and more recently Japan International Cooperation Agency (JICA) and the World Bank (WB) with a view to maximising cooperation, supporting and coordinating activities, and minimising any potential overlap in the transport sector. The intent is to provide the sector with a seamless response from development partners.

4. PLANNED ACTIVITIES 2011

This section provides information on activities planned for January to December 2011 framed under the components specified in the TSSP Contract Scope of Services (SoS).

4.1 COMPONENT 1: ESTABLISH AND MANAGE CONTRACTOR SERVICES

4.1.1 *Establish an Office, Mobilise Key Personnel (Core and Technical Assistance)*

Office

The TSSP office is functioning effectively.

During 2011:

- The Implementing Service Provider (ISP) will continue to provide information technology (IT) expertise twice each year to support hardware and software installations and provide a problem-solving service for users.

Mobilise Key Personnel

The TSSP core team profile is now confirmed through to June 2012.

During 2011:

- (Re)recruitment will occur for the positions of Program Manager and Assistant Program Manager; and in association with any other vacancies that may occur and/or needs that emerge and are agreed.

TA Review / Program Review/Redesign

As at Quarter 1, 2011, TSSP advisers will have been in place for an average of 51% (or 1.5 years) of the Program's duration and by the commencement of Quarter 2, 2011 associated costs will constitute 14.8% of the Program annual budget of AUD50 million per annum.

The findings of a PNG-Australia TA Review were released during Quarter 4, 2010. These provided for the phasing out of 1/3rd of AusAID funded technical assistance (adviser) positions in PNG within two years, where positions had been assessed as being of lower priority by a GoPNG and AusAID TA Review Group. This has, for the transport sector, translated as 14 positions being categorised as a low priority, 10 as a medium priority, and 23 as a high priority.

In responding to TA Review Group decisions, TSSP commenced decreasing adviser numbers from 33.75 (as agreed with TSCMIC in November 2009) to a total of 22 adviser positions (14.8%) with an additional two adviser positions suspended pending further reviews. SGP adviser numbers have reduced from four to three.

Discussions have taken place, and will continue, with relevant agency heads, with a view to re-assessing agency priorities, and identifying alternative delivery strategies and timelines (where appropriate) for positions categorised as low priority; and to consider options for those categorised as medium priority.

The Review implications have resulted in activity and technical group planning adjustments within this Annual Plan.

Changes in the advisers allocated to agencies through TSSP and SGP are summarised in Table B.

Table B: Changes in Transport Sector Agency Adviser Profiles (TSSP and SGP)

Agency	Adviser Profile as at Quarter 3, 2010	Adviser Profile from Quarter 2, 2011
DoT	5 TSSP Advisers 2 SGP Advisers	2 TSSP Advisers (Policy and Planning, Legal) 2 SGP Advisers (Senior Transport Strategy and Policy, and Maritime Security)
DoW	12 TSSP Advisers (with an additional two adviser positions suspended pending further discussions/decisions)	12 TSSP Advisers: with an additional two adviser positions suspended pending further discussions/decisions. (6 engineers – roads, RAMS and contracts; FMA; HR; IT&C; Materials Testing; Policy; Project Coordination).
NAC	3 TSSP Advisers	No Advisers (one adviser position converting to a jointly-funded inline position)
PNGASL	1 TSSP Adviser	1 TSSP Adviser (Project Management)
CASA	2 SGP Advisers	1 SGP Adviser (Aviation Security)
PNG Ports	5 TSSP Advisers	4 TSSP Advisers (HR, Lae Port Operations, Strategic Management and Business Development, and FMA)
DNPM	1 TSSP Adviser	1 TSSP Adviser (Policy and Planning)
NRSC	1 TSSP Adviser	1 TSSP Adviser (Road Safety)
NMSA	1 TSSP Adviser	No advisers
Cross-Cutting Policies	2.75 TSSP Advisers	2 TSSP Advisers (Gender, HIV and AIDS)
NAC, CASA and PNG Ports	3 fully/part funded inline positions through TSSP	2 inline (50% jointly-funded positions under TSSP): <ul style="list-style-type: none"> • Chief Information Officer position in PNG Ports • Business Improvement Manager
Total AusAID funded Transport Sector Advisers	37.75 adviser positions <ul style="list-style-type: none"> • TSSP x 33.75 • SGP x 4 	25 adviser positions <ul style="list-style-type: none"> • TSSP x 22 • SGP x 3

These changes have impacted on previous work and Program planning and, in some instances, counterpart/agency planning under the Program.

During 2011 TSSP will:

- Reassess responsibilities in line with TA Review decisions (including Terms of Reference and Annual Work Plans) for advisers categorised as low and medium priority, to assess what adjustments are required to maximise impact within pre-determined timeframes
- Initiate activities designed to rebuild confidence and commitment among stakeholders and team members
- Finalise arrangements for nominated advisers to provide support services across two or more agencies, in an effort to assist agencies maintain priority activities in the context of the cessation of some adviser roles
- Support a review and redesign of TSSP as Phase I nears completion and Phase II redesign is scheduled
- Progress discussions within and across transport sector line agencies with regard to the use of alternative support strategies as advisers exit, and as planned in 2007 as part of the broader Capacity Building Framework
- Seek AusAID approval for all proposed strategies, given the context of the Treaty Review and TA Review.

Communications and Coordination

TSSP has embedded inter-agency communication strategies within the Program, and with personnel from other AusAID-funded programs and with other donors to maximise opportunities and synergies within the transport sector (notably SGP and ADB) through the Program Director.

During 2011:

- TSSP/SGP meetings will continue around key planning, monitoring and evaluation, and capacity building themes; with SGP transport sector advisers formally entering into the sector's approved capacity building and monitoring and evaluation frameworks
- Inter-Agency Technical Group Meetings will continue around core technical areas, and increase in importance for those agencies without full-time adviser support (a minimum of 12 will be held during 2011)
- One full team workshop (TSSP and SGP) will occur during Quarter 1 with a strategic forward planning focus
- TSSP Senior Management Team meetings will occur twice each month, to share information, problem solve and forward plan
- Agency-based adviser groups will meet weekly/fortnightly, with Senior Management Team members routinely attending and contributing to these meetings
- Induction programs will be scheduled as required, with content reviewed and revitalised
- Meetings with transport sector agency heads will occur monthly to monitor progress, share information and forward plan
- Communication strategies with internal and external stakeholders will be improved, and a TSCMIC communication strategy introduced
- The TSSP website will be reviewed and revitalised
- TSSP internal newsletter will be distributed monthly
- AusAID-convened Team Leader Meetings will be attended and supported
- AusAID/ISP Performance Meetings will be scheduled quarterly
- Donor harmonisation initiatives will continue through the Program Director.

TSSP Security and Safety Planning

TSSP has lodged a Security, Safety and Emergency Plan with AusAID and implements the requirements of the Plan.

During 2011 TSSP will:

- Provide security services to all core and advisory personnel and their immediate families
- Provide incoming personnel and their families with a security and safety briefing
- Continue to review and monitor the safety and security services provided to the Office
- Report all security incidents to the Program Director and through the Program Director to AusAID
- Review the Security, Safety and Emergency Plan.

Reporting

During 2011 TSSP will develop and submit the following reports to AusAID and/or TSCMIC:

- 2010 Transport Program Annual Performance Report
- 2010 Transport Program Annual Report
- 2012 Transport Sector Annual Plan
- 2011 Implementing Service Provider Performance Report
- 2011 Six-Monthly Transport Program Progress Report
- Updated Program Procedures Manual
- Monthly and Quarterly Financial Reports
- Independent Audit Report on TSSP Management of Funding Facilities
- Technical Assistance Stocktakes x 2
- Handover/Completion Plan.

All major Program reports and strategies will continue to be made available through the internet:
<http://www.pngtssp.com>.

4.2 COMPONENT 2: PREPARE AND MANAGE THE TECHNICAL ASSISTANCE FACILITY

All planned activities reflect the fundamental commitment to strengthening agencies' capability to deliver services. The activities of advisers are grounded in the Program's capacity building framework.

4.2.1 *Strengthen Public Sector Management*

Legislative Reform and Legal Issues

DoT and other transport sector agencies are improving the legislative and regulatory framework for the transport sector through implementation of the PNG Transport Sector Legislative Drafting Plan under the direction of the Minister for Works and Transport. A Legal Adviser is embedded within DoT to support the implementation of the Legislative Drafting Plan. The Legislative Drafting Plan comprises 26 agreed projects, with 18 of the 26 projects (70%) completed to the stage of draft Bills, Regulations and Statutory Instruments as at December 2010.

Some refinement to drafted legislation may be required during 2011, to enable agencies to better align with the requirements of the MTDP and, as a result, a change may be required with regard to the governance and regulation of land transport and ports, shipping market regulation (including cabotage, coastal trading and shipping freight rates) and the further development of the aviation sector.

The Transport Sector Lawyers Network was launched in late 2009 to assist strengthen transport sector capacity on legislative reform and legal issues. The Network is developing cross sector information sharing and cooperation within and between the national transport sector agencies and support for implementation of the Legislative Drafting Plan. The DoT Legal Adviser will continue to provide support and assistance to the Network during 2011, through and together with DoT counterparts.

Planned activities January – December 2011

Specific legislative drafting projects scheduled for completion during 2011 include:

Land Transport

- Motor Traffic Amendment Act
- Land Transport Board Amendment Act
- National Road Safety Council Amendment Act
- Motor Car Dealers Amendment Act

Maritime

- Ports Act
- National Maritime Safety Authority Amendment Act
- Merchant Shipping (Maritime Security) Amended Regulation

Aviation

- Civil Aviation Amended Regulation
- Airports Act
- National Weather Service Act

Statutory Instruments

- Updated Statutory Instruments for land transport and aviation

Implementation of legislation approved in 2010

In addition to completion of the legislation under the 2011 version of the Legislative Drafting Plan, agencies will also address the legal aspects of implementation of legislation approved in 2010, including:

- Ports (Management and Safety) Regulation 2010
- Transport (Collection of Information) Amendment Bill 2010
- Protection of Transport Infrastructure Bill 2010
- Roads (Classification and Standards) Regulation 2010
- Small Craft Bill 2010
- Civil Aviation Amendment Act 2010
- Maritime Pollution Legislative Package (5 Bills and 4 Regulations)

Transport Sector Lawyers Network

- Meetings of the Network will continue and enhance transport sector legislative readiness for drafted legislation.

Policy and Planning

Agencies are seeking to increase their capacity in policy and planning in order to strengthen decision-making around allocation of resources, prioritisation of infrastructure investment, and identification of the most appropriate agency activities. Increased agency policy and planning capacity will enable agencies to better identify the needs and expectations of stakeholders, and strengthen agency leadership in delivering public services. Policy and planning capacity contributes to improved whole-of-government communication and interaction, helps align agency decision-making with GoPNG policies and directions, and reinforces a strategic and longer-term perspective.

Policy and planning advisers are embedded in DNPM, DoT, and DoW with policy support provided to PNG Ports through a Strategic Management and Business Development Adviser.

Agencies' major focus areas for increased policy and planning capacity in 2011 include:

- Maintaining and strengthening communication linkages between and among line agencies and central government agencies
- Developing a 2012 consolidated transport sector development budget submission
- Promoting the adoption and implementation of the DSP, MTDP, NTS and MTTP
- Strengthening planning relationships by which agency corporate plans reflect GoPNG directions and targets and, in turn, work plans for individual work units reflect agency corporate plan directions and targets
- Reinforcing cross-cutting issues (gender, HIV and AIDS, disability and environment) within agency internal policies and procedures, and in-line with other transport sector agencies

Planned activities January – December 2011

- Work to optimise transport sector development budget allocations, through the preparation of a 2012 consolidated transport sector budget submission and the associated activities to support the submission through the approval process
- Align all corporate and strategic/business plans with the pillars and priorities of the Vision 2050, DSP, and MTDP.

DoW

- Progressively implement the requirements of the DoW 2011-2015 Corporate Strategic Plan and its five Key Corporate Strategies, with active monitoring and progress reporting documented
- Implement, actively monitor and provide quarterly progress status reports on the obligations of the DoW 2011 Annual Activity-Based Work Plan (cascaded from the 2011-2015 Corporate Strategic Plan); and develop a 2012 Annual Activity-Based Work Plan
- Complete the scoping and design of, and seek approval and funding to implement, the DoW Provincial/District Pilot Project including the following key project elements:
 - Promotion of local community participation in road maintenance through a revised Service Delivery Model which uses smaller tender parcels
 - Development of an agreed prioritisation and asset management process for Provincial and District non-national road infrastructure works through DSIP
 - Development of capacity building strategies that facilitate greater participation and accountability at Province/District level in the management of land transport assets
 - Promotion and enhancement of strategic partnerships (NRA, central agencies, development partners, provincial and local level governments)
- Implement the requirements of the DoW Communications Strategy, including the development and trialling of a mechanism to improve DoW communication with key stakeholders.

PNG Ports

- Define and gain Executive Management approval for the role and scope of the Regulatory Division of PNG Ports
- Embed corporate planning processes within PNG Ports, commencing with the development and approval of a 2011-15 Strategic Plan
- Review Community Service Obligation (CSO) options for the maritime sector
- Align PNG Port performance tool ("dashboard" report) with management information systems, monitor and evaluate the usefulness of the tool, and introduce refinements as necessary
- Improve operational-level planning for terminal management through in-service delivery of training on container yard layout, planning and handling, and the monitoring of workplace performance.

Information Technology and Communications (IT&C)

Agencies are seeking to increase their capacity in Information Technology and Communications (IT&C) in order to improve access to essential information for sector and management decision-making and assist to improve accountability to stakeholders. IT&C capacity is contributing to improved organisational communication generally, which is particularly important for national agencies delivering services in provincial and district locations remote from the capital.

In 2011, one AusAID-TSSP funded IT&C Adviser will continue to provide support to and through DoW. This Adviser will provide limited strategic IT&C support to other transport sector line agencies where agreed and subject to Adviser availability. More generally, other transport sector agencies will consider how specific IT&C needs might be met outside the adviser model.

The DoW IT&C Adviser will specifically be supporting the implementation of strategic level IT internal and external reporting capacity (systems, manuals, regulations) and the extension of these facilities to the Provinces. Focus areas include the:

- Effective agency governance and management of the IT&C function
- Effective planning, procurement and monitoring of IT&C services.

Planned activities January – December 2011

DoW

- Expand remote IT network to enhance electronic communication between Headquarters and Provincial Works Offices, including voice communication
- Improve the quantity and quality of online intranet information for DoW users
- Improve management of IT&C assets (hardware and intellectual property) through:
 - Implementation and monitoring of security policy and associated training
 - Introduction of DoW Provincial IT&C asset plan
- Realign and gain approval for an IT&C Strategy, based on the DoW 2011-2015 Corporate Strategic Plan and its five Key Corporate Strategies, to guide all future IT&C activities
- Introduce and monitor Key Performance Indicators (KPIs) for the IT&C function
- Expand access to the DoW intranet, and document procedures for routine updating of content.

DoT

- Prepare respective Scopes of Service for a range of future short term inputs for priority IT&C areas that underpin strategic reporting needs for the sector.

Financial Management

Agencies are seeking to increase their capacity in financial management in order to deliver services through the most effective use of finite resources, and in supporting organisational change. Increased agency financial management capacity is enhancing planning and budgeting in all areas (financial resources, human resources, procurement and maintenance of assets, etc). Financial management capacity is considered by agencies to be an essential component of good governance, accountability and transparency. Financial Management Advisers (FMAs) are embedded in DoW and PNG Ports.

Agencies' major focus areas for increased financial management capacity in 2011 include:

- Improved budget submissions to government and budget execution
- Increased compliance with applicable financial laws, policies and procedures
- Greater coherence between resource allocation (budgeting) and corporate planning, and in reflecting overarching GoPNG policies and directions
- Strengthened financial information systems (including recording and accounting) and improved financial reporting
- Accountability for the use of GoPNG and donor funds, including timely and compliant procurement processes.

Planned activities January – December 2011

DoW

- Improve budget processes and outcomes (prepare fully costed and justified budget submissions; align budgets to annual and corporate plans; improve monitoring and reporting of actuals against budget)
- Improve the frequency and reliability of financial reporting to central agencies and management; and in complying with external reporting requirements
- Improve the reliability of data within the current Financial Management Information System (FMIS) and associated reporting to management; and plan the required transition to the new Integrated Financial Management System (IFMS)
- Improve financial operations and procedures with an initial emphasis on improvements to the reliability and timeliness of bank reconciliations
- Strengthen internal audit work practices (e.g. through improved coordination with DoF Internal Audit Compliance Division and the Auditor General Office); the development of internal audit manuals and procedures, and the creation of a register to record, monitor and report on audit findings.

NMSA

- Improve financial reporting to executive management and Board.

PNGASL

- Improve financial management (forecasting, monitoring, and reporting)
- Improve procurement procedures and practices.

PNG Ports

- Improve and automate financial reporting to executive management and Board
- Align PNG Port asset accounting policies to international standards
- Identify and re-evaluate PNG Port assets
- Develop financial assessment and investment prioritisation models developed, to better guide PNG Ports in capital project selection and budgeting processes
- Complete the documentation of a suite of procurement and tendering policies, procedures and practices, and oversight implementation
- Mentor and develop financial team member skills so that employees are able to gain CPA accreditation.

Human Resources (Development and Management)

Agencies are seeking to increase their capacity in human resource development and management in order to deliver services more effectively and efficiently (workforce costs are often the highest area of agency recurrent expenditure) and as the engine for embedding practices associated with public sector reform. Human resource work units/divisions are playing a lead role in supporting agency restructuring, recruitment, management of personnel records, and the integration of cross-cutting issues such as gender and HIV and AIDS within the workplace.

Human Resource Advisers (HRAs) are embedded in DoW and PNG Ports. From 2011 onwards, the DoW HRA will provide some support to the DoT Human Resources Division and the PNG Ports HRA similarly for PNGASL Human Resources Unit.

All agencies are in the process of completing either organisational restructures and/or the appointment of personnel under the revised structures. Agencies' major focus areas for increased human resources development and management capacity in 2011 include:

- Development and implementation of performance management frameworks (including components such as position descriptions, work plans matched to corporate objectives, KPIs, and performance appraisal)
- Improved payroll integrity through strengthened systems and routine audit processes to detect errors and fraud
- Enhanced use of and compliance with formally documented HR policies and procedures
- Development of workforce plans addressing staff turnover, succession planning, and workforce shortages
- Continued support for organisational (re)structuring, particularly with organisational design and development and review of position descriptions
- Continued support and follow-up for change management in key areas (e.g. service delivery, attendance, productivity, communication) necessary for achieving Vision 2050, DSP and MTDP targets
- Improved management reporting on HR issues.

Planned activities January – December 2011

All partner agencies

- Pilot volunteer, twinning and graduate projects, as and when agreed

DoT

- Improve payroll integrity, efficiency, and reporting
- Introduce priority HR policies and procedures
- Develop a workforce enhancement strategy.

DoW

- Improve payroll integrity and therefore budget capacity with associated compliance and audit checking improvements
- Complete and implement a full suite of HR policies, and audit for compliance
- Develop and introduce a workforce management strategy, incorporating workforce plan, staff development plan and performance management

- Increase the capability of Human Resource Management Branch through strategies such as a review of resourcing levels, establishing service delivery and cost benchmarks, and the development of KPIs for introduction during 2012
- Refine training plans to better reflect job and performance requirements, and improve the rationale for participant selection
- Improve communication and reporting between Headquarters and Provincial Works Offices.

PNGASL

- Operationalise a performance management system, provide line managers with training on performance appraisal and monitor implementation effectiveness
- Develop and monitor the implementation of fully costed training
- Develop a Human Resources Management Information System with the capability of storing and processing baseline HR data.

PNG Ports

- Complete the development of, and implement a full suite of HR policies and procedures in transitioning PNG Ports from the outdated 2002 Harbours Board employment determination regulations
- Reduce the average remuneration cost per employee (either absolute or benchmarked), with and clear numerical targets developed for 2012
- Increase the proportion of employees engaged under contracts; introduce and monitor performance management systems that include position descriptions, KPIs and performance reviews
- Pilot volunteer and graduate projects, as and when approved
- Progress the implementation and monitoring of the *Lifestyle and Health* pilot program (with the inclusion of gender and HIV and AIDS outcomes)
- Develop, gain approval for, implement and monitor an annual training plan
- Introduce workforce cost effectiveness measures, including undertaking an assessment of the skill base available through the casual labour pool (with a consequent plan to increase skill levels in line with industry requirements)
- Improve outcome reporting to executive management and Boards for both PNG Ports and NMSA.

Capacity Building Framework and Strategies

TSCMIC has adopted the following definition of capacity building:

“The process of developing competencies and capabilities in individuals, groups, organisations, sectors or countries which will lead to sustained and self-generating performance improvement.”

A Transport Sector Capacity Building Framework has been agreed. It comprises three stages:

- 1) A Technical Assistance (TA) program, based upon two organisational reviews (2007 and 2009) and encompassing adviser and inline positions, and short-term consultancies
- 2) Introduction of the *TSSP Staged Capacity Building Practice Model (SCBPM)*
- 3) Additional organisational development/institutional strengthening options (twinning, graduate, volunteer, training and scholarship schemes).

Capacity Building Framework Stage 1 – Technical Assistance

Identification of agencies' technical assistance requirements is an ongoing process through the life of the Program. TSCMIC formally reviewed and approved the TSSP TA program in 2007 and again in 2010. The TA program was further examined by a joint GoPNG-Government of Australia TA Review Group in Quarter 3, 2010 and as a consequence changes to adviser positions were made. Any proposed future TA initiative must first be referred to the TA Review Group for consideration.

The TSSP TA program observes two key principles:

- Advisers will only be mobilised when counterparts are in place, available and committed to assisting their agencies to build capacity
- Adviser support will only be directed at building the capacity of PNG national personnel, rather than supporting and/or duplicating international appointments or other services.

The TSSP recruitment strategy follows untied aid practice: with advisers recruited (inter)nationally on the basis of merit.

Planned activities January – December 2011

- Negotiate agency based performance appraisal arrangements for all TA provided through TSSP/SGP
- Develop and gain counterparts and agency head approval, for adviser situation analyses, annual work plans, (bi)monthly and six-monthly progress reports; with progress monitored by and with agencies and reported to TSCMIC
- Review and implement induction/orientation programs (5 days) for incoming personnel, in consultation with agencies
- Conduct counterpart induction/orientation programs (1 day) prior to adviser/consultant mobilisation, so that counterparts are better prepared to support and benefit from inputs, and have a heightened understanding of broader sector plans and policies
- Maintain agency focus on the GoPNG public sector reform agenda, through inter-agency technical group meetings, a review of agency and adviser reports, and ongoing capacity building initiatives/activities.

Capacity Building Framework Stage 2 – Staged Capacity Building Practice Model

Stage 2 of the Capacity Building Framework is a systematic approach that has been designed to build/develop and monitor skill enhancement of counterpart workgroups and/or individuals to better support organisational responsibilities. It involves an assessment of work unit skill needs and gaps, and involves work group members in the development of agreed skill sets. Skills sets are reviewed and revised as evidence emerges that required skills have been built and can be sustained with limited and/or no further adviser involvement.

Central to Stage 2 is the *Staged Capacity Building Practice Model* (SCBPM): a practical tool used by advisers and counterpart workgroups which incorporates:

- A model for assessment of current capacity levels
- A capacity building plan that documents the existing and targeted areas for capacity development
- Capacity building reporting that monitors progress over specified periods of time, and
- Capacity building strategies incorporating methodologies, tools and techniques to provide advisers and counterpart workgroups tailored options to reach capacity building outcomes.

The SCBPM recognises that capacity building is a process in which the role of advisers will change over time as counterpart workgroups develop competencies to do the work, systems and processes are improved, and capacity gaps are addressed. The implementation of the SCBPM relies on approval from and the involvement of agency heads, a fully participative approach with counterpart workgroups, support from an adviser/specialist, and a positive working relationship between and among counterparts and advisers. All SCBPM plans are aligned with agency corporate plans and objectives.

A Capacity Building Specialist (CBS) was appointed to the TSSP core team in August 2010 with the primary objective of improving the implementation, management and reporting of the SCBPM. The CBS will draw upon the key capacity building lessons learnt by TSSP to date (Annex 3 refers).

The reinvigoration of the SCBPM will focus on the following key areas:

- Training, mentoring, coaching, process review and action-learning support groups for the SCBPM and the provision of support for capacity building techniques/strategies to advisers and counterpart workgroups; ensuring clear linkages between capacity building strategy development and operational actions
- Enhanced reporting and scaling-up of capacity building assessment, management strategies and outcomes
- Ongoing review, analysis and feedback to advisers and counterpart workgroups and ensuring that emerging issues are identified and resolved
- Improvements in the collation, assessment and analysis of capacity building strategies and identification of lessons to be learned.

Planned activities January – December 2011

- Review the applicability of the existing 39 SCBPM² plans with the full engagement of agency heads and counterparts noting that a number of counterparts have changed and adviser support has changed and/or been reduced during 2010
- Assess the viability of revitalising existing and rolling out new work unit SCBPM plans, focusing on the DoW, with around 50 workshops to be held and quarterly capacity building reviews produced
- Extend the SCBPM to SGP transport sector advisers
- Support an independent study of the SCBPM to review its operationalisation and applicability within PNG and possibly those countries in the Pacific Region that have adopted a similar approach (Timor Leste, Solomon Islands, and Vanuatu)
- Identify capacity building application and effectiveness issues for consideration in the design of further phases of TSSP.

Capacity Building Framework Stage 3 – Organisational Development Strengthening

The TSCMIC-endorsed paper *Capacity building strategies to assist with organisational development of transport sector agencies* identifies an initial five organisational development strategies to be explored by TSSP, from Quarter 3, 2010 onwards, under Stage 3 of the Capacity Building Framework.

The five identified strategies are: (i) organisational twinning, (ii) graduate recruitment, (iii) training, (iv) volunteering and (v) scholarships. Stage 3 of the Capacity Building Framework is not limited to these five options however they have been assessed as the most viable and appropriate for testing/piloting under TSSP Phase 1. Over time Stage 3 may increase further in depth and breadth as a result of further investigation, analysis and lessons learned from practical implementation.

Selective implementation of Stage 3 strategies will progress on the basis of pilot projects agreed within and across transport sector line agencies. Initial discussions indicate that twinning, volunteering and graduate programs are more likely to meet immediate agency development needs.

Initial discussions indicate that extended time will be required to confirm needs, negotiate services, develop detailed and costed delivery strategies, procure services, and develop the capacity of agency personnel to support and monitor implementation.

Planned activities January – December 2011

- Map existing twinning and/or MoU arrangements, and assess if and where activities might be implemented, expanded, regularised or improved
- Identify potential pilot projects, undertake the necessary scoping and analyse the capacity of agencies to support and monitor these activities with and/or without adviser support
- Procure services through transport sector counterpart agencies and/or TSSP

² The 39 existing SCBPM incorporate 11 within DoT, 11 within the Corporate Service Divisions of DoW, 10 in NMSA and 7 in PNG Ports.

- Develop and monitor pilot project performance indicators
- Identify expected and unexpected consequences/impacts and report on outcomes to TSCMIC and other stakeholders
- Identify application and effectiveness issues for consideration in the design of further phases of TSSP.

4.2.2 *Strengthen Asset Maintenance Planning and Programming*

Whole-of-life asset management

Agencies are seeking to increase their capacity in infrastructure asset management in order to optimise the life of transport sector infrastructure assets (and investments) and meet and/or improve service levels in a cost-effective manner. Asset management encompasses (i) the use of defined service levels and performance standards to determine asset requirements, (ii) optimising investment through improved allocation and management of financial resources, and (iii) a long term or *life cycle* approach when considering asset maintenance, renewal and development. During 2009, TSCMIC endorsed the adoption of a whole-of-life approach to transport sector asset management as a long term goal.

During 2011 agencies have determined that the focus will centre on:

- Maintaining effective communication and linkages between and among agencies to share knowledge and the tools important to asset management practices, and being the process of longer term planning
- Embedding whole-of-life asset management principles and practices in road sector policy documents and corporate plans
- Improving the reliability of asset management registers within agencies
- Identifying asset management systems and practices for discussion and staged introduction.

DoW is specifically assisted in its asset management responsibilities for land transport infrastructure through a range of TSSP-funded adviser positions. Engineering advisers currently support DoW Headquarters, regional and provincial personnel in the technical fields of road engineering, road asset management, and contract management. Activities include road condition surveys; ongoing maintenance planning and supervision; contract identification, preparation and management. Additional advisers provide DoW with the corporate support required to introduce and maintain public sector reform (financial, project coordination, policy and planning, IT&C, and HR).

During 2011 DoW, NRA and NRSC will continue to liaise on strategies that highlight the importance of road safety initiatives, and avoid potential duplication with regard to road maintenance responsibilities.

Planned activities January – December 2011

All agencies:

- Continue and expand dialogue (networking and information-sharing) among the Asset Management Inter-Agency Technical Working Group, particularly in relation to asset maintenance work planning that encompasses the "full funding envelope" and all sources.

DoW

- Improve and expand the information available through Road Asset Management System (RAMS), reliability and credibility, for use within DoW and among other transport sector and central agencies
- Complete the visual road condition survey and upload the data to RAMS; and to Bridge Management System (BMS) where relevant
- Highlight asset management issues within land transport work and project planning
- Continue to improve coordination with NRA, to clarify matters including roles and responsibilities, funding, and the future contracting of road works.

PNGASL

- Finalise asset maintenance and management systems and systematically improve practice
- Introduce and embed a suite of contract management policies and practices
- Increase compliance with legislation and procurement procedures.

Asset maintenance

The importance of asset maintenance is highlighted in all GoPNG policy frameworks, as is the move towards more comprehensive asset management planning.

The asset maintenance work plans presented in this Annual Plan provide detailed information on the activities that AusAID has agreed to fund through TSSP. The move towards whole-of-agency work plans is expected over time, and is being supported and encouraged. Detailed information on agreed asset maintenance project funding is contained in Annexes 4 and 5 within this document.

Department of Works

The full range of Departmental asset maintenance project planning and delivery is supported by a range of TSSP advisers (engineers and corporate services). In addition a small financial group is maintained by TSSP to monitor AusAID expenditure within that Department. DoW's financial base incorporates recurrent and development (and on occasions supplementary) budgets issued by the GoPNG; development grants allocated by AusAID; and financial support from other development partners.

In addition to supporting DoW Headquarter activities, advisers are assisting Headquarters to improve engagement with Provincial Works Offices where project implementation, scoping and tendering of minor projects, and monitoring of project activities occurs. In responding to the need for stronger and more frequent involvement from Headquarter personnel, DoW is working to increase regional, provincial and Headquarters interaction with adviser support.

The capacity of transport sector agencies to carry out asset maintenance activities is hindered by a number of internal and external constraints. Internal constraints largely relate to resources (human and financial) and technical capacity. External constraints primarily relate to limited capacity within the construction industry. Agencies, particularly DoW in the context of road asset maintenance, continue to seek internal improvements whilst also considering the importance of building a viable private sector and improving the quality and timeliness of contracted works.

DoW will complete recruitment to the new organisational structure during 2011. It is, however, anticipated that difficulties will continue with regard to recruiting/retaining some key professional

positions as a function of the worldwide shortage within the engineering disciplines and an increasingly competitive labour market within PNG (due to rapid economic growth).

Planned activities January – December 2011 within DoW:

- Initiatives to improve and strengthen procurement processes and procedures:
 - Consider the recommendations of a procurement diagnostic, and make improvements to procurement processes and procedures as agreed
 - Revise and improve tender and contract documentation and administrative procedures, and the standardisation of contract documents, in consultation with the CSTB; and provide training in their application
 - Improve the preparation, management and reporting of tender evaluation committees; including stronger attention to past contractor performance
 - Systematise record keeping and reporting on contractor performance across all projects
 - More stringently apply contractor performance provisions, including the use of penalties, with the aim of improving contractor compliance
- Monitor the implementation of asset maintenance work plans, with the aim of increasing budget execution; and improving communication, supervision and accurate reporting at provincial and central levels
- Develop a scheduling model for the strategic budgeting of routine maintenance
- Improve contractor payment claim processes (PMCs, DoW Provincial and Headquarter personnel)
- Purchase laboratory equipment for the upgrading of DoW materials testing laboratories in Port Moresby, Lae and Mt Hagen and deliver training for users.

4.2.3 *Manage the Delivery of Maintenance Programs*

Department of Works

DoW will continue with road maintenance work on national priority roads, supported by TSSP technical assistance and AusAID-TSSP funding. All tendering will continue to be conducted through GoPNG/DoW and Central Supply and Tenders Board (CSTB).

Significant DoW road maintenance projects for 2011 are to :

- Tender and let the design and construction supervision contract for the Wabag – Wapenamanda section of the Enga Highway, co-funded by GoPNG, AusAID and Porgera Joint Venture
- Complete the Feasibility Study of Improvement Options and Re-Routing Options of the Highlands Highway
- Tender, award a construction contract, and commence the construction of up to four bridges in Oro Province (destroyed by Cyclone Guba in 2007)
- Undertake and incorporate into RAMS, the findings of a visual road condition survey of all national roads.

Table C: Department of Works: Planned 2011 Expenditure

Department of Works
Target Expenditure 2011 (PGK M)
139.000

The total funding allocated by AusAID through TSSP for DoW managed road asset maintenance in 2011 is PGK139 million. This incorporates unexpended funding from previous years and is subject to final 2011 GoPNG budget considerations and a review of actual expenditure through DoW to 2010 year end.

The target expenditure for 2011 is spread over 32 major projects, including long-term maintenance contracts in 12 Provinces and contracts let using minor procurement processes³ in 10 Provinces. Planned activities are in line with the priorities identified in overarching GoPNG policies (*Vision 2050, DSP, MTDP*) and the PNG-Australia *Partnership for Development Transport Schedule*. The detailed DoW asset maintenance work plan for 2011 is provided in Annex 4.

As a result of ongoing contractor capability issues, the 2011 Asset Maintenance Work plan staggers the commencement of major projects in individual Provinces to coincide with the completion of other projects in the same Province with the aim of reducing pressure on the limited contractor resources.

In order to optimise conditions for budget execution in 2011, DoW will:

- Disseminate the 2011 DoW Asset Maintenance Work Plan for agreement with Provincial Works Offices, enabling the early preparation of Provincial work plans, and therefore project commencement
- Consistent with policy, reduce selected contract values in selected Provinces in an endeavour to attract interest from smaller contractors and elevate the overall capacity of the private sector
- Target funding towards minor works contracts on each of the priority roads to encourage small contractors, who may not currently tender major contracts, to enter the market
- Allocate specific funding for vital bridge works to encourage smaller contractors to enter into this market
- Provide additional assistance within the Provinces; together with the option of redistributing funds to more reliably performing Provinces, and identifying Provinces where additional assistance is required.

³ Minor procurement is intended to be responsive to specific situations and therefore the number of contracts cannot be predicted in advance.

Project Management and Supervision

Table D details the Project Management and Supervision Consultancies (PMCs), appointed and managed through DoW, which are expected to continue during 2011.

Table D: Department of Works: Project Management & Supervision Consultancies 2011

PMC	Provincial Responsibilities
PMC 1 Cardno (PNG) Ltd	Central, Morobe and Milne Bay
PMC 2 Cardno (PNG) Ltd	East New Britain, West New Britain and New Ireland
PMC 3 Cardno (PNG) Ltd	Madang, East Sepik and Sandaun
PMC (HH) Cardno (PNG) Ltd	Highlands Highway Long Term Maintenance Contracts – Morobe and Eastern Highlands.

Bougainville

The Autonomous Bougainville Government (ABG) Department of Technical Services (DTS), in coordination with the Bougainville PMC, is responsible for implementing the 2011 asset maintenance work plan. Due to the very limited capacity within DTS, and limited funding, primary responsibility for planning and delivery of the maintenance program remains with the PMC in consultation with TSSP.

Local Coordination Committee (LCC) meetings are held on a six-monthly basis and provide an opportunity to identify and discuss operational and funding issues with key stakeholders within and external to Bougainville. The LCC is working towards the development of co-funded road works (GoPNG, ABG, AusAID-TSSP and other development partners).

The Bougainville land transport 2011 asset maintenance work plan is provided in Annex 5.

Planned activities January – December 2011

- GoPNG agencies will finalise agreements that 'draw down' power/s to the ABG as a basis for future planning and support
- ***Subject to ABG support and agreement***, TSSP will support the development of a Bougainville Transport Development Plan, as and when requested by the ABG.

Road Safety

Transport sector agencies are seeking to increase the sector's capacity to address road safety in PNG in order to prevent human suffering and the negative impact upon the economy. Not only do victims and their families suffer pain and trauma as a result of death or disability caused by a road crash: PNG society is also burdened from an economic perspective. Without any meaningful interventions, the problem is expected to worsen as motor vehicle ownership and population increase. Road safety has a major part to play in achieving the goals set down by GoPNG on improving life expectancy and the standard of living in PNG.

TSCMIC has agreed to support transport sector capacity on road safety initially through the provision of a TSSP Road Safety Adviser (RSA). The RSA is located with the NRSC with a requirement to progress road safety initiatives across the road sector, and to provide a continuing presence within DoW. The focus for 2011 will be to develop strategic directions for road safety in PNG whilst increasing NRSC capacity to perform its coordination, promotion and analytical role. One of the focus areas for 2011 for NRSC is increased dialogue within DoW on the road safety implications of land transport infrastructure.

Planned activities January – December 2011

- Complete and distribute a PNG Road Safety Discussion Paper; and implement recommendations and actions as agreed/approved
- Improve the quantity and quality of data gathered and entered into the road safety data base; and the release of more accurate road safety statistics to key stakeholders and the general public
- Increase the number of road safety audits undertaken in association with road maintenance and rehabilitation projects
- Explore opportunities to improve road safety education and awareness campaigns.

Airport Certification

Consistent with the *Partnership for Development Transport Schedule*, AusAID funding support through TSSP focuses on the certification and maintenance of 22 airports. As at December 2010 a total of 18 airports were certified.

In February 2010, funding was temporarily frozen for AusAID/TSSP-supported maintenance projects within NAC as a response to an organisational restructure of the former CAA that preceded finalisation of GoPNG approval processes. Matters outstanding at the time of the restructure included the enactment of new legislation, the resolution of Board membership disputes, formation of new Boards, and Board-approved financial delegations. Funding remains frozen at December 2010, as some of these issues remain. TSSP has, however, assisted the agencies to honour a number of existing contractor payments under closely monitored conditions.

Asset maintenance 2011 work plans for the public sector bodies is provided at Annex 6. The number of projects is, in part, determined by agency capacity to execute projects during 2011.

National Maritime Safety Authority

Tender documents for the upgrading and expansion of the PNG Maritime Radio Communications System (including the Global Maritime Distress and Safety System) were revised in 2010 for re-tendering Quarter 1, 2011. It is expected that the tender will be awarded and the upgrading project will be underway by end 2011. A best as can be estimated at this stage, the project cost is likely to be consistent with the PGK4million as indicated in the TSSP Annual Plan 2009-10 approved by TSCMIC. Since it is impossible to determine a final cost until the tendering/procurement is concluded, this amount should be treated as an estimate only rather than an upper limit.

4.2.4 Security

SGP advisers are working closely with the DoT and CASA to progress transport security issues. In addition to direct advisory support, SGP advisers are also assisting PNG transport sector agencies

to develop and strengthen institutional linkages with their Australian counterpart agencies on transport security issues, initially in the aviation and maritime sub-sectors.

Planned activities January – December 2011

Transport security (Policy Unit, Aviation and Maritime Security) are supported by Transport Program MoU/SGP. Asset maintenance is provided through TSSP.

Transport Security Policy Unit

- Establish and recruit staff to a Transport Security Policy Unit
- Identify gaps and develop related security policy and legislation in transport security for aviation and maritime sub-sectors
- Develop and review the capacity to analyse transport security issues; effectively oversight transport security, coordinate the development and implementation of comprehensive security plans, policies, regulations, and programs in responding to (potential) threats to the security of the transport systems
- Prepare a comprehensive National Transport Security Program, recommending rules and regulations for the efficient operation of air/civil aviation and water/maritime transport security
- Encourage linkages with relevant Australian security agencies under the auspices of the Transport MoU
- Maintain and increase PNG's engagement on security within the international arena.

Aviation Security

- Develop a response to the International Civil Aviation Organisation (ICAO) Universal Security Audit Program (USAP) report
- Develop a corrective action plan based on the findings of International Civil Aviation Organisation (ICAO) Universal Security Audit Program (USAP) report; and implement and monitor required corrective actions
- Develop appropriate policy and legislative amendments, consequential to the ICAO USAP report
- Implement enhanced security measures and controls
- Develop tools to support the performance of regulatory oversight functions
- Participate in and make the associated improvements resulting from:
 - Five Civil Aviation Rule Part 108 (Air Operator Security Program) audits
 - Two Civil Aviation Rule Part 139 (Aerodrome Operating Certificate) audits
 - Two Civil Aviation Rule Part 140 (Aviation Security Service Organisation) audits
 - Thirty inspections / tests of aviation security controls and procedures
 - Required assessment(s) of Civil Aviation Rule Part expositions.

Maritime Security

- Commence the implementation of the new simplified maritime security planning model across industry
- Improve maritime industry capacity to undertake risk assessments
- Improve the information management system
- Develop a quality control system for assessment of security assessments/plans and the auditing ports/facilities/ships

- Improve oversight of ship security through compliance auditing, assessment of ship security assessments/plans and administration of ship RSOs
- Develop/review and improve operational policy, compliance standards, templates, standard operating procedures and associated guidelines
- Support the development of a maritime security policy function in DoT
- Improve maritime security incident investigation capacity
- Contribute to the establishment of a joint border security approach
- Strengthen the role of maritime security in both the national security program and the regional/international environment.

Asset Maintenance

- Complete contracted projects for the Airport Pavement Evaluation (Hoskins, Tokua and Madang), Improvements to the International Arrivals Domestic Airport Transfer Facilities, and Airports Certification Quality Assurance; and tender, award and monitor contracts for the Baggage Security Screening Upgrade of International and Domestic Airports, and the Building Management Systems Upgrade (through the National Airports Corporation)
- Complete contracted projects for the Domestic V-SAT; and tender, award and monitor contracts for the NavAIDS Replacement Project, Radar Maintenance; Supply of Miscellaneous Equipment and Spare Parts, World Geodetic Survey 1984 (WGS84) for the Global Navigation Satellite System (GNSS), and the GNSS/ Performance Based Navigation (through PNG Air Services Limited)
- Tender, award contract and monitor and report on the installation of a Maritime Radio Communications System (through the National Maritime Safety Authority).

4.3 COMPONENT 3: ESTABLISH, MANAGE AND ADMINISTER TSSP FINANCING FACILITIES

4.3.1 *Establish and Manage Technical Assistance Imprest Account (TAIA)*

All TAIAs are expected to continue to operate effectively during 2011.

4.3.2 *TSSP Infrastructure Asset Maintenance Imprest Accounts (AMIA)*

All infrastructure AMIAs are expected to continue to operate effectively during 2011. With the winding up of KRGMP, TSSP is awaiting determination from AusAID as to how the funds remaining in the KRGMP bank accounts are to be treated. Until then the pre-existing KRGMP bank accounts remain with oversight control transferred to TSSP.

Payments to CAA were suspended in 2010 following an internal restructuring of the organisation. The CAA has now been restructured and the new entities are the National Airports Corporation (NAC) and the Civil Aviation Safety Authority (CASA). New bank accounts will need to be established for the NAC to enable TSSP to transfer funds to the new entity. Before funds can be transferred to NAC/CASA, properly constituted Boards will need to be in place, financial delegations approved by the Board, and amendments made to the public bodies section of the Financial Management Manual (FMM).

4.3.3 *Financial Management and Operation of the Flexible Funding Mechanisms*

The FMM and FPMs were reviewed in Quarter 4, 2010 taking into account the audit recommendations of the 2010 independent audit and the minor amendments that were shown to be necessary during the ten months that the manuals were in use. The revised FMM and FPMs were submitted to AusAID in Quarter 4, 2010 and, subject to AusAID approval, will guide all financial actions during 2011 and onwards.

The audit of the TSSP management of the flexible funding facilities for 2010 is scheduled to occur in February 2011. Terms of Reference have been agreed by AusAID.

5. CROSS-CUTTING POLICIES

5.1 Gender Strategy and Implementation Plan

Gender equality is a GoPNG and AusAID policy imperative. The Transport Sector Gender Strategy and Implementation Plan (agreed by TSCMIC in May 2009) is the foundation for gender responses within transport sector line agencies. The Strategy was designed to assist agencies with diagnosing and assessing the implications of gender inequalities; and to assist each agency determine the activities required to systematically build more inclusive systems. It also provides a framework for agencies to pilot approved initiatives on behalf of the sector; and to monitor and evaluate outcomes.

During 2011 transport sector agencies will focus on activities that:

- Establish a solid policy foundation for responses to gender and domestic violence
- Continue to promote transport sector cross-agency communication and dialogue on gender, principally through the Gender and HIV and AIDS Reference Group (Inter Agency Technical Working Group).

Planned activities January – December 2011

- Review the Transport Sector Gender Strategy and Implementation Plan to ensure currency with new GoPNG and AusAID policy commitments
- Draft/review policies on gender that are linked to and consistent with agency corporate plans
- Draft/review policies on domestic violence that are linked to and consistent with agency corporate plans
- Develop, implement and commence monitoring of agency-specific gender actions plans based on the findings of structured situation analyses that diagnose the status of gender inclusion throughout internal processes
- Progress, implement and commence monitoring a maritime sub-sector gender pilot project (NMSA)
- Monitor outputs with regard to gender contract obligations (DoW).

5.2 HIV and AIDS Strategy and Implementation Plan

Improved prevention and management of HIV and AIDS is a GoPNG and AusAID policy imperative. The Transport Sector HIV and AIDS Strategy and Implementation Plan (agreed by TSCMIC in June 2008) is the foundation for HIV and AIDS responses within transport sector line agencies. The Strategy was designed to assist agencies with diagnosing and assessing the implications of HIV and AIDS and to assist each agency determine appropriate activities.

During 2011 transport sector agencies will focus on activities that:

- Establish a solid policy foundation for responses to HIV and AIDS
- Continue to promote transport sector cross-agency communication and dialogue on HIV and AIDS, principally through the Gender and HIV and AIDS Reference Group (Inter-Agency Technical Working Group)

- Contribute to the development/refinement of the Transport Sector Monitoring and Evaluation Framework.

Planned Activities January – December 2011

- Draft/review policies on HIV and AIDS that are linked to and consistent with agency corporate plans
- Develop, implement and commence monitoring of agency-specific HIV and AIDS action plans, based on the findings of structured situation analyses and utilising an HIV and AIDS checklist developed by the Gender and HIV and AIDS Reference Group
- Progress, implement and commence monitoring of a maritime sub-sector (PNG Ports) Men's and Women's Lifestyles Program that includes wellness checks and encompasses HIV and AIDS issues)
- Monitor outputs with regard to HIV and AIDS contract obligations (DoW)
- Continue promoting awareness-raising sector-wide World AIDS Day activities.

5.3 TSSP Environment Management Framework

Implementation of the Transport Sector Environment Management Framework is being led by the DoW with the inclusion of Environmental Management Plans as contractual obligations in all major road maintenance and rehabilitation contracts. Additionally DoW has endorsed and adopted a Climate Change Adaptation Plan for road maintenance planning.

During 2011 agencies will continue to promote, through the Transport Sector Infrastructure Asset Management Working Group forum, the sector-wide application of the principles and processes described in the Transport Sector Environment Management Framework and encourage the consideration of the potential impacts of climate change on the management of existing and design of new transport infrastructure asset projects.

Planned activities January – December 2011

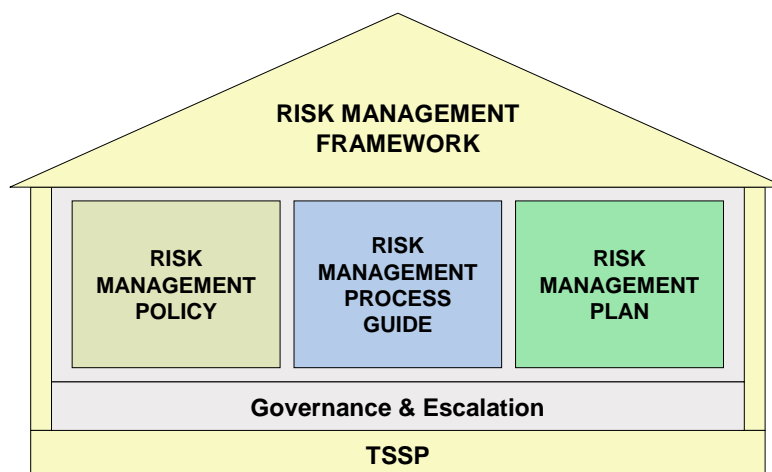
- Continue dialogue on climate change with the national and international communities
- Continue and expand/promote dialogue (networking and information-sharing) through the Assets Management Inter-Agency Technical Working Group
- Strengthen Environmental/Climate Change planning, contracting and monitoring of outcomes (DoW).

5.4 Risk Management

The TSSP Risk Management Framework (Policy, Plan and Process Guide) was first approved by AusAID in December 2007 and updated in 2009. The framework for the management of risk within TSSP is shown in Figure 1.

The Program risk profile is reviewed annually, or more frequently if the situation so requires, by identifying new risks, assessing existing risks and considering mitigation treatments and strategies. The Risk Management Matrix was most recently reviewed in Quarter 4, 2010 and supports but is a separate document to this Annual Plan.

Figure 1: TSSP Risk Management Framework



The context in which TSSP is delivered has changed as a result of the TA Review of 2010 and the Development Cooperation Treaty review. The risk of a change in policy of either Government had previously been assessed as "unlikely". This risk has been re-categorised to a high level with the principal mitigating strategy for 2011 onwards being the exploration of alternative delivery strategies.

With the withdrawal of some embedded advisers, and a degree of uncertainty about future delivery strategies, there is the potential that agency heads may in future be reluctant to commit to TSSP initiatives or have a reduced level of confidence in making longer-term arrangements. This risk is discussed under "Key Strategic Issues".

A risk previously identified was the capacity of contractors to deliver the contracted services. DoW has commenced the development of strategies, with TSSP support, to address contractor capacity issues. Managing this risk will continue to be a priority in 2011.

To date TSSP has made significant efforts to strengthen financial management practices and, where required, facilitate/strengthen enabling legislation/procedures. The levels of risk for these areas of concern have not altered but, with the move away from technical assistance embedded within agencies, the Program will no longer have a continuous presence in some areas. New risk mitigating strategies will be devised in 2011 onwards as the Program explores alternative delivery strategies.

With TSSP Phase I in the fourth of a five year implementation period, internal business processes have matured and have demonstrated that the Program can and will continue to institute change management processes to manage any changes that may be required. Further changes to the Risk Strategy will follow a Program Review during Quarter 2, 2011; and a new Risk Strategy will be required in supporting the outcomes of a Phase II Program redesign.

Planned activities January – December 2011

- Advisers will encourage partner agencies to introduce/strengthen risk management approaches
- The TSSP Risk Management Matrix will be reviewed in Quarter 3, 2011.

6. MONITORING AND EVALUATION

Monitoring and evaluation (M&E) processes are vital in contributing to an understanding of transport sector outcomes. Similar to 2009-10, the provision of direct M&E support to transport sector agencies during 2011 will assist with improved information collection, use and understanding within agencies and across the sector.

M&E is key to the adaptive management of TSSP under its flexible, rolling design and implementation model.

Planned activities January – December 2011

- Continue and increase the level of M&E support and assistance to transport sector agencies particularly in relation to corporate and strategic planning
- Strengthen agencies' ability to internally address the M&E requirements of their corporate and strategic plans by encouraging the membership and participation of agency officers in the PNG Association of Professional Evaluators
- Prepare and deliver the Annual Transport Sector Performance Report 2010, and commence data collection for 2011
- Assist the TSCMIC to review its 2011 Strategic Framework
- Disseminate findings of the 2010 Socio Economic Impact Study to provincial and national stakeholders
- Oversee design and implementation of an independent qualitative socio economic impact study
- Assess the viability of initiating an independent impact study on the effectiveness and appropriateness of the Transport Sector Capacity Building Framework
- Review/strengthen M&E for the Staged Capacity Building Practice Model, Gender and HIV and AIDS
- Prepare Performance Story Reports evaluating the effectiveness of the capacity building approach within the Engineering Division of DoW and for financial management across the transport sector agencies
- Incorporate SGP activities and outcomes within Transport Program Monitoring and Evaluation
- Refine the process for, undertake and report on the 2011 review of ISP Contractor Performance and provision.

7. FINANCIAL PROJECTIONS

7.1 Projected Expenditure January - December 2011

Projected expenditure from each of the flexible funding facilities for the twelve month period January to December 2011 is provided in Table E:

Table E: Projected 2011 Program Expenditure

Flexible Funding Facility	Expenditure
TAIA	PGK27.622M (AUD11.049M)
DoW AMIA	PGK138.971M
Bougainville AMIA	PGK21.500M
Public Bodies AMIA	PGK33.492M
TOTAL	PGK221.585M

8. KEY STRATEGIC ISSUES

Policy Frameworks

The release of the GoPNG *National Transport Strategy* (NTS) and *Medium Term Transport Plan* (MTTP) during Quarter 1, 2011, will follow the 2010 release of *Vision 2050*, the *Development Strategic Plan* (DSP) and the *Medium Term Development Plan* (MTDP) in 2010, and therefore significantly decrease the potential for policy dis-connects. The staged release of these key policy documents has better enabled transport sector policies to align with and support higher order country development papers.

The results of a review of the *Partnership for Development Transport Schedule* are anticipated during 2011. The forward planning identified within this Annual Plan is dependent on the outcomes of the reviews of the Development Cooperation Treaty and *Partnership for Development Transport Schedule*, and the continuation of TSSP Phase I as currently planned.

GoPNG Budget

The 2010 Supplementary Budget and the 2011 National Budget (the Budget) delivered a record K12.17b, a 20% increase from the 2010 Budget. For the transport sector, the Budget is an improvement on the 2010 Budget, with the sector receiving the third largest overall allocation of funds at 10%, consistent with the last 10 years. This is extremely close to the targets set in the policy documents *Vision 2050*, the *DSP* and the *MTDP*. The appropriation of funds within the transport sector are more targeted to roads, national roads, and national priority roads, and appropriated to implementing agencies. There is also more GoPNG direct financing of the transport budget, almost at the levels required in the *Partnership for Development Transport Schedule*.

The capacity to allocate and expend this funding, during 2011, will largely depend on agency capability to develop and award tenders, and also the capacity of the private sector to respond initially to invitations to tender and secondly to deliver a quality project, within budget and on time.

TA Review

The findings of a PNG-Australia TA Review Group were released during 2010. These provided for the phasing out of one-third of AusAID funded technical assistance (adviser) positions within PNG within two years.

Following discussions with agency heads, the TA Review resulted in a decrease to TSSP adviser positions from the 33.75 initially agreed with TSCMIC in November 2009 to 22 positions (with exit dates staged from December 2010 to April 2011). The number of SGP adviser positions remained constant at four.

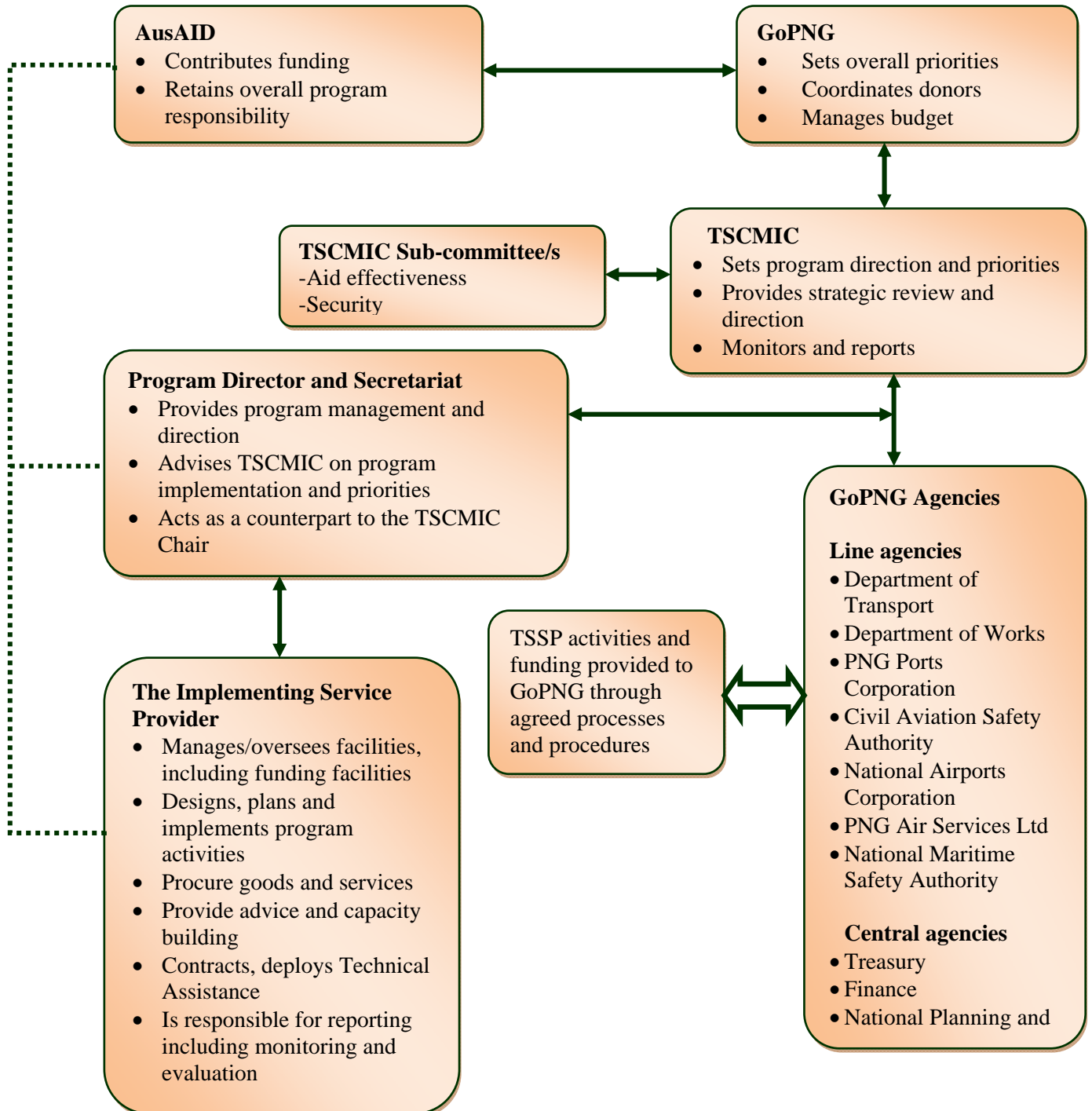
Consistent with the flexible and adaptive design of the Program, discussions were held with relevant agency heads with a view to re-assessing agency needs and priorities and in considering the relevance and viability of alternative delivery strategies. These discussions will continue into 2011.

The Development Cooperation Treaty and the TA reviews have led to a degree of uncertainty within transport sector agencies, and to a lesser extent Program personnel. The 2011 Program Review and Redesign offers a well-timed opportunity to review commitments, progress, determine future directions and re-establish confidence in Program continuity and reliability.

Key Program Reference Documents

- GoPNG-GoA Partnership for Development Agreement and the Transport Schedule
- Papua New Guinea Strategic Vision 2050
- Papua New Guinea Development Strategic Plan 2010-2030
- Papua New Guinea Medium Term Development Plan 2011-2015
- 2010 Review of the Papua New Guinea-Australia Development Cooperation Treaty (1999)
- Papua New Guinea-Australia TA Review
- Papua New Guinea – Australia Development Cooperation Strategy 2006-2010
- GoPNG Commitment on Aid Effectiveness: February 2008
- GoPNG National Transport Development Plan (to be replaced by the National Transport Strategy under development during 2009-10)
- Strategic Plan for Supporting Public Sector Reform in PNG 2003-2007 (and emerging replacement policy platforms)
- Paris Declaration on Aid Effectiveness: 2005
- Port Moresby Declaration: July 2008
- TSCMIC Monitoring and Evaluation Strategic Framework
- TSSP Scope of Services
- TSSP Concept Design Document
- TSSP Strategies, Policies, Plans and Manuals
- TSSP Risk Management Matrix: 2010 Revision
- TSSP Statement of Program Principles, Code of Conduct and Statement of Values
- TSSP Adviser situation analyses, annual work plans and progress reports
- GoPNG Transport Sector Agency Corporate, Strategic and Transport Infrastructure Asset Maintenance Work Plans
- Papua New Guinea Transport Infrastructure Priorities Study (TIPS) 2006 and the emerging 2010 Study
- Papua New Guinea Roads Priority Study: Review of National Roads in Papua New Guinea
- Government of Australia policies and strategies (*Equality matters: gender equality and women's empowerment strategy PNG program 2010-2015; Development for all: Towards a disability-inclusive Australian aid program 2009-2014; AusGUIDE; AusAID Logo Guidelines for Managing Contractors 2007; Tackling corruption for growth and development 2007*)
- Draft reports that include *National Transport Strategy, Transport Infrastructure Priorities Study 2010*.

TSSP Governance and Management Framework



Lessons Learned: Transport Sector Staged Capacity Building Practice Model

Lessons learned from the introduction of the Transport Sector Staged Capacity Building Practice Model during 2008-09 include:

- More attention is required at the planning level in identifying high priority activities and associated key tasks which require a medium to high level of specialist and adviser support rather than those which are at the occasional end of the rating scale; to improve the impact and benefits of capacity building efforts
- More specialised support is required to assist advisers and counterpart workgroups differentiate between task completion and the anticipated development of ongoing capacity to perform the tasks (sustainability)
- Workgroups will benefit from more active monitoring of performance in terms of capacity to perform key tasks, weekly at a minimum and through a series of ongoing quarterly reviews (original self-assessments of capacity levels within some groups tended to be overestimated and, as a consequence, work groups found it necessary to adjust upwards the level of adviser support required)
- It is important to broaden the range of capacity building strategies utilised with counterpart workgroups
- Counterpart workgroups would benefit from further assistance in validating which key tasks can be performed by the group without any prompting or assistance from advisers
- Evidence based learning and monitoring/reporting will add to the existing pool of knowledge regarding capacity building practice.

Transport Program Annual Plan 2011

Annex 4

Department of Works 2011 Work Plan



2011 TSSP ROADS & BRIDGES ASSET MAINTENANCE WORKPLAN

Overview

The Government of Papua New Guinea and Government of Australia acknowledge that, as a general rule, the returns from rehabilitation and maintenance of roads are higher than those from the construction of new roads. For this reason, rehabilitation and maintenance are the primary focus of the National Transport Development Plan (NTDP) 2006 – 2010. Whilst the NTDP is currently being reviewed, this Workplan is prepared in line with these and other GoPNG policies.

The Transport Sector Support Program (TSSP) is to provide funding in line with the Papua New Guinea – Australia Partnerships for Development, which is targeted to the Priority Roads as identified in the NTDP (2006 – 2010). Due to funding from previous AusAID funded Programs, and also ongoing Projects, the actual level of funding will be dependent on final expenditure during Quarter 4, 2010. Based on new funding available, and also projected expenditure during Q4 2010, expenditure projections for 2011 is K139.0m.

The 2011 Roads and Bridges Asset Maintenance Workplan represents a considerable increase in the expenditure that has been achieved during 2010. Expenditure levels during 2010 remain an ongoing concern for both DoW and TSSP. The implementation of projects, and resultant low expenditure during 2010 has been hampered by the slow progress in a number of ongoing Major Contracts, delays in the preparation and submission of tender documentation, and the subsequent assessment and contract award, meaning that continuity of Projects in the Provinces has not been achieved.

The 2011 TSSP Roads and Bridges Asset Maintenance Workplan is targeting expenditure of K139.0m, across 11 Provinces. The success of the Workplan will be dependent on the abilities of Provincial personnel, both DoW and PMC, to prepare proper documentation in a timely manner and DoW Headquarters to then process and assess contracts as required. The contractor capacity also remains an issue, and this needs to be monitored to assess the ongoing impact that this will have on future DoW maintenance activities.

If these levels of funding cannot be achieved it will lead to the further deterioration of the road network as the network will continue to deteriorate at a rate greater than maintenance can be carried out.

During 2011, TSSP will be funding Projects in the following 13 Provinces*

<u>Northern</u>	<u>Islands</u>	<u>Southern</u>	<u>Highlands</u>
Morobe	New Ireland	Central	Enga
Madang	East New Britain	Milne Bay	Eastern Highlands
East Sepik	West New Britain	Oro**	
Sandaun	Bougainville*		

* Funding provided to Bougainville is separate and not through DoW contracts, hence is not included in this DoW Workplan

** Funding for Oro Bridges was provided as previous Performance Grant Funding and only part of this funding is included in this Workplan.

Due to previous slow progress on many of the major contracts, funding has been allocated to enable Proforma Contract works to be carried out for both road and bridge maintenance activities. It is hoped that the smaller Projects will enable smaller contractors to be able to provide services, rather than stretching the capacity of the larger contractors.

Monitoring & Review of Contract Expenditure

It is a major concern that some Provincial Works Offices have not been able to provide the support to enable the implementation of previous Workplans, either due to DoW internal capacity or contractor capacity within the respective Provinces. Previously this has resulted in allocated funds remaining unspent, and the consequent deterioration of the road network.

To try and address this situation, the Workplan and contract expenditure will be reviewed with DoW personnel at the end of each quarter to review the status of Project implementation, with the aim of providing support to implement the Projects, or the re-allocation of funds to Provinces which have been able to successfully manage and implement the Workplan.

The aim of this exercise is the encouragement of the Provincial Works Offices to achieve planned outputs, but also to enable expenditure in line with the Partnerships for Development Agreement.

TSSP PROJECT IMPLEMENTATION GUIDELINES

- *Papua New Guinea – Australia Partnerships for Development:* The Workplan has been targeted to be in line with a focus on improving and maintaining the condition of existing Priority Roads.
- *NTDP Priority Roads:* With minor exceptions due to previous AusAID programs and agreements, TSSP implementation projects are focussed on the 16 Priority Roads as identified in the 2006 – 2010 National Transport Development Plan.
- *Monitoring & Review –* The Workplan will be reviewed with DoW Operations Division Management at the end of each quarter to monitor progress of individual Provinces and Projects. Dependent of progress, assistance may be required to assist some Provinces, or alternatively reallocate funding to meet overall funding expectations.
- *Overheads:* TSSP does not allow for the funding of overheads of TSSP funded Projects, and it is expected that these are funded by GoPNG. This includes such items as DoW supervisory expenses including overtime, offices, vehicles, fuel etc. TSSP Contracts are not to include these items as approval will be delayed to have these items removed. The lack of overhead funding to support the TSSP Program is beginning to severely impact the involvement of DoW personnel in the TSSP funded Projects. It is imperative that these issues are addressed by DoW / GoPNG to enable ongoing DoW supervisory and administrative activities as required of the Client.
- *Specific Maintenance:* With the exception of the Highlands Highway Projects in Morobe and Eastern Highlands Provinces, it is anticipated that GoPNG Budget will provide funding for road routine maintenance. Consequently the TSSP funding will be targeted towards specific maintenance activities, and will be complementary with the routine maintenance being carried out utilising the GoPNG funds.
- *National Road Authority (NRA):* Funding outlined in the Workplan is provided and managed through the DoW. Accordingly it will be expended on those sections of the Priority Roads not included in current NRA Workplans. One exception to this is the long term maintenance of the Highlands Highway in Morobe and Eastern Highlands Provinces.

PROPOSED EXPENDITURE BY PROVINCE

Following is a descriptive outline of the proposed expenditure for 2011 by Province. Additional detail is provided by individual items in the attached Workplan which represents projected cashflow for the remainder of 2010, and all of 2011.

Central Province

	Est. Total 2010 Expenditure (PGK m)	Proposed 2011 Funding (PGK – m)
Major Projects	2.463	12.763
Minor Projects	2.109	2.586
Totals	4.572	15.349

NTDP Priority Roads – Hiritano Highway, Magi Highway

One Major Project has recently commenced on the Hiritano Highway, and one Major Project on the Magi Highway has been advertised for tender during October 2010. It is proposed that one additional Project be prepared and commence on the Hiritano Highway during Q4 2011.

Minor Works Funding remains consistent with 2010 levels, as the Province has expended these monies throughout the year.

Milne Bay Province

	Est. Total 2010 Expenditure (PGK m)	Proposed 2011 Funding (PGK – m)
Major Projects	0.635	5.925
Minor Projects	1.190	2.235
Totals	1.825	8.16

NTDP Priority Road – Magi Highway

At present there are two (2) ongoing Projects on the East Coast Road which require contractual and financial conclusion. Whilst the contracts have not been completed, work has ceased on both Projects which were originally funded under previous AusAID road funding Programs. As these funds have been allocated to this road, it is proposed that the remaining funds are expended on the East Coast Road using Minor Works and Proforma Contracts to enable ongoing maintenance. However funding of these activities, is dependent on financial closure to quantify and enable the expenditure of these remaining funds.

One Major Contract has recently been tendered for the Magi Highway, and is currently awaiting evaluation. Another Major Contract is programmed to commence during Q4 2011.

Minor Works Funding has increased for 2011, mainly as a result of works to be done on East Cape Road.

Morobe Province

	Est. Total 2010 Expenditure (PGK m)	Proposed 2011 Funding (PGK – m)
Major Projects	0.800	8.541
Minor Projects	2.205	1.812
HHLTMC	6.343	8.000
Totals	9.348	18.353

NTDP Priority Roads – Highlands Highway, Ramu Highway, Wau Road

The Highlands Highway Long Term Maintenance Contract is a 3-year ongoing Contract. At present the contract is about half-way through its duration. This Project has transitioned from another AusAID funded Project, Key Roads for Growth Maintenance Project in early 2010.

A Major Contract has recently commenced for the first five (5) kms of Wau Road. This Major Contract is expected to continue till Q3 2011. Another Major Contract for resealing works of the Ramu Highway has recently been tendered, and is awaiting contract evaluation. This is expected to commence during Q2 2011. No other Major Contracts are programmed to commence during 2011.

Minor Works Funding is forecast to remain consistent with 2010 levels, as the Province has expended these monies throughout the year.

East New Britain Province

	Est. Total 2010 Expenditure (PGK m)	Proposed 2011 Funding (PGK – m)
Major Projects	0.500	7.132
Minor Projects	0.821	0.784
Totals	1.321	7.916

NTDP Priority Road – New Britain Highway

A Major Contract has recently commenced in the Province. This Project will complete the sealing of the New Britain Highway in East New Britain Province, and is expected to continue throughout 2011. Major contracts in the future will relate to rehabilitation or resealing works as required.

Funding for Proforma contracts will enable targeted maintenance throughout the year, and consistent with previous years actual spend, when considered with the current Major Contract..

West New Britain Province

	Est. Total 2010 Expenditure (PGK m)	Proposed 2011 Funding (PGK – m)
Major Projects	2.445	5.568
Minor Projects	0.817	1.508
Totals	3.262	7.076

NTDP Priority Road – New Britain Highway

One Major Contract was completed during Q3 2010, and another has recently commenced, and is expected to continue throughout 2011. It is not programmed for another Major Contract to commence during 2011.

Due to under-expenditure of 2010 Minor Works funding, there is a considerable carryover of funds for these works. As a consequence, there is a reduction of Minor Works funding for 2011. However, this should still enable a full program of works during 2011.

New Ireland Province

	Est. Total 2010 Expenditure (PGK m)	Proposed 2011 Funding (PGK – m)
Major Projects	0.870	4.300
Minor Projects	3.009	2.239
Totals	3.879	6.539

NTDP Priority Roads – Boluminski Highway, West Coast Road

One Major Contract for pavement repairs, drainage work and reseal has recently been tendered on the Boluminski Highway, and is currently being evaluated with a projected commencement date of Q2 2011.

There are two (2) Projects proposed in 2011 on the West Coast Road for drainage and patching works with a proposed start in Q3 and Q4. The size of these projects has been kept smaller in line with local contracting capabilities.

Minor works funding is slightly lower than 2010 levels. This is partly due to additional minor works funding late in 2010, and also due to proposed Minor Works Contracts on the West Coast Road.

Madang Province

	Est. Total 2010 Expenditure (PGK m)	Proposed 2011 Funding (PGK – m)
Major Projects	8.794	12.201
Minor Projects	2.713	3.998
Totals	11.507	16.199

NTDP Priority Roads – Ramu Highway, Coastal Highway

At present there is one (1) ongoing Major Contract on the Ramu Highway. Progress on this contract to date has been poor. Current projections indicate that this contract will be completed in Q2 2011. A Major Contract for resealing works along the Coastal Highway has recently been tendered, and is awaiting contract evaluation. This Contract is expected to commence during Q1 2011. It is anticipated that a Major Contract for regreveling and drainage works will commence on the Ramu Highway in Q4 2011.

During 2010, Madang Province have implemented many Proforma Contract projects, and have gained additional funding. As a consequence, the funds available for Minor Works in 2011 have been reduced from final allocated 2010 levels.

East Sepik Province

	Est. Total 2010 Expenditure (PGK m)	Proposed 2011 Funding (PGK – m)
Major Projects	6.390	7.338
Minor Projects	1.118	2.450
Totals	7.508	9.788

NTDP Priority Roads – Sepik Highway, Coastal Highway

At present there is one (1) ongoing project on the Sepik Highway requires completion. Progress on this contract to date has been poor, and current projections indicate that this contract will be completed in Q3 2011. One Major Contract for the Coastal Highway is programmed for Q3 2011, as well as one for the Sepik Highway to commence during Q3 2011 in anticipation of the conclusion of the current Sepik Highway Project.

Expenditure of minor works needs to be better implemented in this Province during 2011.

Sandaun Province

	Est. Total 2010 Expenditure (PGK m)	Proposed 2011 Funding (PGK – m)
Major Projects	3.910	9.103
Minor Projects	0.931	3.319
Totals	4.841	12.422

NTDP Priority Roads – Sepik Highway, Coastal Highway

At present there is one project nearing completion on the Coastal Highway. Additionally there is one ongoing Major Contract on the Mai Nuku Road (off the Sepik Highway), on which progress is currently of great concern. Current projections indicate that the Mai Nuku Rd project will continue till Q4 2011. In line with the current completion dates, Major Contracts on the Sepik Highway and Coastal Highway are targeted to commence Q3 2011 and Q4 2011 respectively.

Excess funding allocated to previous projects on the Sepik Highway remain allocated to this Highway, and it is proposed that these funds be used for Minor or Proforma Works. As a consequence no other funds are allocated for Sepik Highway Minor Works. Expenditure for Minor Works on the Coastal Highway has been minimal during 2010, and hence only a small additional sum has been allocated.

Enga Province

	Est. Total 2010 Expenditure (PGK m)	Proposed 2011 Funding (PGK – m)
Wapenamanda to Wabag Road	0.0	0.0

NTDP Priority Road – Porgera – Togoba Highway (Enga Highway)

This Major Project is for the rehabilitation of approximately 29kms of the Enga Highway from Wapanamanda to Wabag. The design and construction supervision for this Project is currently being tendered, with evaluation to take place during Q4 2010. Dependent on design works, it is expected that the construction contract will commence during Q4 2011. The construction contract tender and award process is expected to be a lengthy process given that NEC approval will be required.

It is noted that this Project is jointly funded by AusAID and GoPNG, with a contribution by GoPNG. At present confirmation of the GoPNG funding has been requested to enable construction works to commence.

Oro Province

	Est. Total 2010 Expenditure (PGK m)	Proposed 2011 Funding (PGK – m)
Oro Bridges Reconstruction	0.0	2.0

NTDP Priority Roads – Northern Road, Kokoda Road

The Oro Bridge replacement across the Eroro, Girua, Ambogo and Kumusi rivers is nearing the end of the design phase. Currently an independent assessment is underway for AusAID and comments are being collated from DoW and TSSP in relation to the issued draft final documents. It is anticipated that the construction documents will be ready for tender at the start of 2011 with construction starting late 2011.

DoW / Provincial Government have been supplied information for land acquisition and are reported to be in discussion with landowners. These discussions will be imperative to enable a timely commencement of the Project.

Eastern Highlands Province

	Est. Total 2010 Expenditure (PGK m)	Proposed 2011 Funding (PGK – m)
HHLTMC	0.602	4.500
Major Projects	2.312	5.718
Minor Projects	2.500	3.950
Totals	5.414	14.168

NTDP Priority Road – Highlands Highway

Due to delays in the award of the long term maintenance contract for Eastern Highlands Province, maintenance activities during 2010 have been conducted using Proforma Contracts of value less than K300,000. This has meant that expenditure targets have not been achieved for 2010. At present discussions are ongoing in relation to the letting of this Project, and as such it is expected that Minor Works funding may need to continue till Q3 2011. Dependent on commencement of this long term Project, alterations may be required to reflect the actual commencement date or other agreements reached.

In addition to the long term contract, other Major Contracts let during Key Roads for Growth are continuing, and it is anticipated that other slip repair contracts will commence during 2011.

During early 2011, funding will be made available to enable Proforma Contracts to continue for maintenance.

PMC Investigation, Design & Supervisory Consultancies

	Est. Total 2010 Expenditure (PGK m)	Proposed 2011 Funding (PGK – m)
Totals	9.776	20.998

Ongoing PMCs

At the commencement of 2011, there will four (4) Project Management Consultancies (PMCs) in place for TSSP funded Projects. These are PMC 1, Central, Milne Bay and Morobe Provinces; PMC 2, East New Britain, West New Britain, and New Ireland Provinces; PMC 3, Madang, East Sepik and Sandaun Provinces; and PMC Highlands Highway, Morobe and Eastern Highlands Provinces. Funding has been allocated to enable these PMCs to continue throughout 2011.

New PMCs

Funding has been allocated to enable one (1) PMC to commence during Q2 2011 for Wapenamanda to Wabag Project, and one (1) during Q4 2011 for the Oro Bridges. The Wapenamanda to Wabag design and construction supervision is currently out to tender, with technical evaluation to be completed during Q4 2010, with the design works to commence during Q2 2011. Final PMC requirements are to be agreed for the Oro Bridges, but funding is due to commence during Q4 2011.

Other Consultancies

Funding through DoW has been allocated for the following Consultancies to continue or to commence during 2011; the ongoing Highlands Highway Feasibility Study; the Visual Condition Survey, currently being evaluated; Missing Links Prioritisation Study, currently on hold pending confirmation of 16 Missing Links and compatibility with current 2010 TIPS; and purchase of laboratory equipment for DoW laboratories.

TSSP Funded DoW Asset Maintenance Workplan 2011
Cash Flow for Q3 2010 2011 - Updated October 2010

Province	Project Description	Contract Ref	Project Length (km)	Funding Source	Actual / Projected Original Project Value	Approved Variation Values	Expected / Projected Variation Values	Actual / Projected Total Project Allocation	Pre 2010 Expenditure (Actual)	2010 Actual / Projected Expenditure				Total Expenditure by end of 2010	Remaining Expenditure for Years 2011 +	Actual 2011 Expenditure to Date (Period Calculation)	Remaining Expenditure against Project Allocation	2011 Expenditure in PGK				Total Actual / Proposed 2011 Expenditure	Total Projected Expenditure Year 2012 +	Total Actual / Projected Expenditure (All Years)			
										Q1	Q2	Q3	Q4					Q1	Q2	Q3	Q4						
										Jan - Mar 10 (Actual)	Apr-Jun 10 (Actual)	Jul-Sep 10 (Actual)	Oct-Dec 10 (Projected)					Jan - Mar 11 (Projected)	Apr-Jun 11 (Projected)	Jul-Sep 11 (Projected)	Oct-Dec 11 (Projected)						
Central	Magi Hwy - Upgrade - Malainuka to Alepa Turn Off	13-AT-23GK	16		9,649,951.19	-	1,400,287.28	8,249,663.91	7,852,526.53	397,137.38	-	-	-	397,137.38	8,249,663.91	-	-	-	-	-	-	-	-	-	8,249,663.91		
Central	Hiritano Hwy - Veimaui - Doa Plantation	13-AT-24AL	12.5		7,886,372.56	-	200,000.00	8,086,372.56	-	-	-	2,065,495.00	2,065,495.00	2,065,495.00	6,020,877.56	3,342,393.00	2,678,484.56	3,342,393.00	2,558,484.56	-	-	-	-	5,900,877.56	120,000.00	8,086,372.56	
Central	Magi Hwy - Reseal Project	13-AT-24AO	10		5,500,000.00	-	-	5,500,000.00	-	-	-	-	-	5,500,000.00	5,500,000.00	5,500,000.00	-	-	-	-	-	-	-	-	5,500,000.00		
Central	Hiritano Hwy - Veimaui Br				7,000,000.00	-	-	7,000,000.00	-	-	-	-	-	7,000,000.00	-	-	-	-	-	-	-	-	-	-	7,000,000.00		
Central	Magi Hwy Minor works (Pre 2010)	Pro-Forma			185,542.50	-	-	185,542.50	-	185,542.50	-	-	-	185,542.50	185,542.50	-	-	-	-	-	-	-	-	-	185,542.50		
Central	2010 Hiritano Minor Works	Pro-Forma			600,000.00	-	-	600,000.00	-	-	598,230.38	1,769.62	600,000.00	600,000.00	-	-	-	-	-	-	-	-	-	-	600,000.00		
Central	2010 Magi Minor Works	Pro-Forma			600,000.00	-	-	600,000.00	-	-	53,658.00	450,000.00	503,658.00	503,658.00	96,342.00	96,342.00	-	96,342.00	-	-	-	-	-	-	600,000.00		
Central	2010 Hiritano Bridge Works	Pro-Forma			710,000.00	-	-	710,000.00	-	-	-	220,000.00	220,000.00	220,000.00	490,000.00	245,000.00	245,000.00	245,000.00	245,000.00	-	-	-	-	-	710,000.00		
Central	2010 Magi Bridge Works	Pro-Forma			600,000.00	-	-	600,000.00	-	-	294,448.00	305,552.00	600,000.00	600,000.00	-	-	-	-	-	-	-	-	-	-	600,000.00		
Central	2011 Hiritano Minor Works	Pro-Forma			400,000.00	-	-	400,000.00	-	-	-	-	-	-	400,000.00	120,000.00	280,000.00	120,000.00	120,000.00	120,000.00	-	-	35,000.00	-	400,000.00		
Central	2011 Magi Minor Works	Pro-Forma			600,000.00	-	-	600,000.00	-	-	-	-	-	-	600,000.00	50,000.00	550,000.00	50,000.00	200,000.00	200,000.00	-	-	150,000.00	-	600,000.00		
Central	2011 Hiritano Bridge Works	Pro-Forma			400,000.00	-	-	400,000.00	-	-	-	-	-	-	400,000.00	-	400,000.00	-	150,000.00	150,000.00	-	-	100,000.00	-	400,000.00		
Central	2011 Magi Bridge Works	Pro-Forma			600,000.00	-	-	600,000.00	-	-	-	-	-	-	600,000.00	150,000.00	450,000.00	150,000.00	150,000.00	150,000.00	-	-	150,000.00	-	600,000.00		
Central	Central Total		38.5		34,731,866.25	-	1,200,287.28	33,531,578.97	7,852,526.53	582,679.88	-	946,336.38	3,042,816.62	4,571,832.88	12,424,359.41	21,107,219.56	4,003,735.00	17,103,484.56	4,003,735.00	6,109,734.56	3,301,250.00	-	1,935,000.00	-	15,349,719.56	5,757,500.00	33,531,578.97
Milne Bay	EC Rd - Regravelling Gadudu to East Cape (PNGQC)	15-AT-23FZ	14.7		4,522,175.68	-	460,730.68	4,061,445.00	3,761,445.00	-	-	300,000.00	300,000.00	300,000.00	4,061,445.00	-	-	-	-	-	-	-	-	-	-	4,061,445.00	
Milne Bay	EC Rd - Daduwe to Lelehudi (Shorncliffe)	15-AT-23-GL	15.7		8,752,917.75	-	3,963,414.57	4,789,503.18	4,454,820.67	34,682.51	-	-	300,000.00	334,682.51	4,789,503.18	-	-	-	-	-	-	-	-	-	-	4,789,503.18	
Milne Bay	2010 Magi Major Project				5,000,000.00	-	-	5,000,000.00	-	-	-	-	-	-	5,000,000.00	500,000.00	4,500,000.00	500,000.00	1,800,000.00	2,625,000.00	-	-	-	-	4,925,000.00	75,000.00	5,000,000.00
Milne Bay	2011 Magi Major Project				5,000,000.00	-	-	5,000,000.00	-	-	-	-	-	-	5,000,000.00	-	5,000,000.00	-	-	-	-	-	1,000,000.00	-	1,000,000.00	4,000,000.00	5,000,000.00
Milne Bay	EC Rd - Minor Works (PFG)	Pro-Forma			4,224,145.25	-	-	4,224,145.25	-	-	-	-	-	-	4,224,145.25	300,000.00	3,924,145.25	300,000.00	300,000.00	300,000.00	300,000.00	300,000.00	300,000.00	-	1,200,000.00	3,024,145.25	4,224,145.25
Milne Bay	Minor works - Magi Hwy (Pre 2010)	Pro-Forma			875,000.00	-	-	875,000.00	549,731.00	227,738.86	-	-	97,530.14	325,269.00	875,000.00	-	-	-	-	-	-	-	-	-	-	875,000.00	
Milne Bay	2010 Magi Minor Works	Pro-Forma			600,000.00	-	-	600,000.00	-	-	18,600.00	196,062.63	300,000.00	514,662.63	514,662.63	85,337.37	85,337.37	-	85,337.37	-	-	-	-	-	-	600,000.00	
Milne Bay	2010 Magi Bridge Works	Pro-Forma			600,000.00	-	-	600,000.00	-	-	-	350,000.00	350,000.00	350,000.00	250,000.00	250,000.00	-	250,000.00	-	-	-	-	-	-	-	600,000.00	
Milne Bay	2011 Magi Minor Works	Pro-Forma			400,000.00	-	-	400,000.00	-	-	-	-	-	-	400,000.00	100,000.00	300,000.00	100,000.00	100,000.00	100,000.00	100,000.00	100,000.00	100,000.00	-	400,000.00		
Milne Bay	2011 Magi Bridge Works	Pro-Forma			300,000.00	-	-	300,000.00	-	-	-	-	-	-	300,000.00	300,000.00	300,000.00	100,000.00	100,000.00	100,000.00	100,000.00	100,000.00	100,000.00	-	300,000.00		
Milne Bay	Milne Bay Total		30.4		30,274,238.68	-	4,424,145.25	25,850,093.43	8,765,996.67	262,421.37	18,600.00	196,062.63	1,347,530.14	1,824,614.14	10,590,610.81	15,259,482.62	1,235,337.37	14,024,145.25	1,235,337.37	2,300,000.00	3,125,000.00	-	1,500,000.00	-	8,160,337.37	7,099,145.25	25,850,093.43
Morobe	Wau Hwy: HI to Markham River Bridge	31-AK-24AK	5.5		3,990,926.06	-	400,000.00	4,390,926.06	-	-	-	800,000.00	800,000.00	800,000.00	3,990,926.06	2,390,926.06	2,390,926.06	1,200,000.00	1,200,000.00	1,070,926.06	-	-	-	-	3,470,926.06	120,000.00	4,390,926.06
Morobe	Ramu: Waterais to Pompoquato Br Reseal	32-AT-24AP	32.2		5,200,000.00	-	-	5,200,000.00	-	-	-	-	-	-	5,200,000.00	-	5,200,000.00	-	800,000.00	2,000,000.00	2,270,000.00	-	-	-	5,070,000.00	130,000.00	5,200,000.00
Morobe	Wau Hwy: 2012 Major Project				6,000,000.00	-	-	6,000,000.00	-	-	-	-	-	-	6,000,000.00	-	6,000,000.00	-	-	-	-	-	-	-	6,000,000.00	6,000,000.00	
Morobe	Ramu Hwy (Pre 2010)	Pro-Forma			250,000.00	-	-	250,000.00	77,082.20	164,358.54	8,559.26	-	172,917.80	250,000.00	-	-	-	-	-	-	-	-	-	-	-	250,000.00	
Morobe	Wau Hwy (Pre 2010)	Pro-Forma			449,585.00	-	-	449,585.00	4,848.40	336,020.70	108,715.90	-	449,736.60	449,585.00	-	-	-	-	-	-	-	-	-	-	-	449,585.00	
Morobe	2010 Wau Minor Works	Pro-Forma			600,000.00	-	-	600,000.00	-	-	98,054.00	208,435.70	293,510.30	600,000.00	600,000.00	-	-	-	-	-	-	-	-	-	-	600,000.00	
Morobe	2010 Ramu Minor Works	Pro-Forma			500,000.00	-	-	500,000.00	-	-	-	321,390.47	178,609.53	500,000.00	500,000.00	-	-	-	-	-	-	-	-	-	-	500,000.00	
Morobe	2010 Wau Bridge Works	Pro-Forma			600,000.00	-	100,000.00	500,000.00	-	-	-	57,849.00	280,000.00	337,849.00	337,849.00	162,151.00	80,000.00	82,151.00	80,000.00	82,151.00	-	-	-	-	162,151.00	-	500,000.00
Morobe	2010 Ramu Bridge Works	Pro-Forma			150,000.00	-	4.00	149,996.00	-	-	-	149,996.00	149,996.00	149,996.00	149,996.00	-	-	-	-	-	-	-	-	-	-	149,996.00	
Morobe	2011 Wau Minor Works	Pro-Forma			600,000.00	-	-	600,000.00	-	-	-	-	-	-	600,000.00	150,000.00	450,000.00	150,000.00	150,000.00	150,000.00	150,000.00	150,000.00	150,000.00	-	600,000.00		
Morobe	2011 Ramu Minor Works	Pro-Forma			300,000.00	-	-	300,000.00	-	-	-	-	-	-	300,000.00	75,000.00	225,000.00	75,000.00	75,000.00	75,000.00	75,000.00	75,000.00	75,000.00	-	300,000.00		
Morobe	2011 Wau Bridge Works	Pro-Forma			600,000.00	-	-	600,000.00	-	-	-	-	-	-	600,000.00	150,000.00	450,000.00	150,000.00	150,000.00	150,000.00	150,000.00	150,000.00	150,000.00	-	600,000.00		
Morobe	2011 Ramu Bridge Works	Pro-Forma			150,000.00	-	-	150,000.00	-	-	-	-	-	-	150,000.00	50,000.00	100,000.00	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00	-	150,000.00		
Morobe	HHLTMC - RMC	31-AT-40K11			25,541,807.72	-	-	25,541,807.72	7,617,415.53	-	1,484,220.26	2,656,676.73	2,106,657.00	6,247,553.99	13,864,969.52	11,676,838.20	2,000,000.00	9,676,838.20	2,000,000.00	2,000,000.00	2,000,000.00	2,000,000.00	2,000,000.00	2,000,000.00	8,000,000.00	3,676,838.20	25,541,807.72
Morobe	HHLTMC - Rumu River Training	Pro-Forma			95,840.00	-	-	95,840.00	-	-	-	-	95,840.00	95,840.00	95,840.00	-											

Transport Program Annual Plan 2011

Annex 5

Bougainville 2011 Work Plan



20th October 2010

TSSP- Bougainville Roads Project

Notes to Work Plan # 1 for 2011

1. BACKGROUND

The PMC has completed a draft program of works for 2011, which are detailed in these notes and also the attached spreadsheet. Funding for the 2011 maintenance program is sourced from funds which will not likely be expended under the 2010 Work Plan (version 2.0 pending approval) as well as proposed AusAID funding for Bougainville in 2011 which amounts to AUD \$5.0M.

The PMC has estimated funds to be carried forward from 2010 amount to K9.6M, which includes an additional K5.5M from AusAID for the Arawa Town Resealing project which was recently approved. The expected Kina equivalent of the AUD tranche will be approximately K11.9M. Accordingly, this Work Plan is based upon an anticipated budget of K21.5M. The PMC would note that this total will almost certainly vary as a result of:

1. The exact 2010 surplus from WP 2.0 will not be known until the final December payments have been processed in January 2011, and
2. The variable exchange rate will affect the Kina value of the AUD tranche, the exact amount can only be determined when the tranche is transferred to PNG

Once the December final payments have been processed and the tranche exchange rate confirmed an updated Work Plan will be submitted. The proposed funding for 2011 represents an increase of 35% over the 2010 Work Plan which is primarily due to the additional funding for the Arawa resealing works.

Since November 2009 there have been a number of changes to areas of responsibility for the Department of Technical Services (ABG), the Department of Works (GoPNG) and TSSP. However, over 2010 it became apparent that due to lack of funding both agencies were unable to adequately and consistently maintain sections of the trunk road. This concern was raised by TSSP at the July LCC and after subsequent meetings with both agencies it was resolved that the TSSP would maintain Bougainville's entire main trunk road network as well as the Buka Town sealed road and also the Kangu Beach access road in southern Bougainville. This would leave the remainder of Buka's unsealed network which both the DTS and the DOW would share maintenance responsibility for. These changes are reflected in this Work Plan, and the stakeholders responsible for maintenance funding of particular lengths of road are as follows: -

Department of Technical Services/Department of Works	127kms
AusAID funded TSSP on Bougainville	503kms ¹

The PMC notes the JICA funded bridge construction project along the Arawa-Kokopau NDTP Priority Road commenced early in 2010. The DTS have confirmed that the construction and sealing of bridge approaches will be included in the JICA funded program, accordingly there is no funding allocated under this Work Plan for bridge approach construction.

The following notes should be read in conjunction with the attached spreadsheets which cover the period 1st January to 31st December 2011.

¹ For this Work Plan TSSP funding responsibility includes 6kms of sealed road in the Arawa Township which was not included in the road inventory or in previous Work Plans.



2. MAINTENANCE ACTIVITIES

2.1. Unsealed Routine Maintenance

Under this Work Plan K2.6M is proposed for unsealed routine maintenance works, for calendar 2010 the PMC expended approximately K3.5M. While this seems a significant reduction in maintenance spending for the coming year, it should be noted that in July 2010 the section of the NTDP trunk road, previously being maintained by DoW, required ongoing TSSP funding due to the lack of funds through DoW. Due to the lack of funding available to the DOW little maintenance was undertaken on that section of the National Transport Development Plan (NTDP) Priority Road, and accordingly the PMC redirected approximately K1.2M under a revision of the 2010 Work Plan to this area to enable major maintenance works to proceed. As a result the Arawa-Kokopau road has been returned to a good condition, meaning overall funding requested under this Work Plan is deemed sufficient in 2011 for normal routine maintenance activity as opposed to heavy maintenance works.

2.1.1 Siara to Sipai- This road section runs from the main Arawa-Kokopau trunk road across Bougainville to the west coast and then south to Kunua and Sipai. In 2010 the road to Kunua was rehabilitated under a periodic maintenance contract and the road is in good condition. Only two maintenance cycles are proposed in 2011, a total of K154,000 is budgeted which is sufficient for this low traffic road.

2.1.2 Arawa to Kokopau (NTDP Priority Road)- The DOW funded maintenance works on the Kokopau-Tinputz section of the NTDP Priority Road late in 2009 however, as highlighted above responsibility for the northern section of this road has reverted back to the TSSP. This road carries the most traffic of all roads in Bougainville and it is deemed to be one of the priority roads under the NTDP for PNG. Funding for this road is sufficient to enable regular maintenance cycles over the period with an increase in maintenance focus in the second half of 2011. A total of K1.55M is proposed over the period.

2.1.3 Aropa to Buin- Security concerns still plague the southern most section of this road between Santoro Pass and Buin town. While the PMC has gained access to the other adjacent areas the 22km remaining section is considered “high risk” for all road users accordingly, the PMC has not worked in this area for some years. In 2010 the PMC completed routine maintenance activities north of the troubled area after guarantees of safety were provided to both the PMC and local contractors. The PMC has allocated K294,682, which will enable four maintenance cycles to be completed over the term.

2.1.4 Buin to Jaba River- The PMC has completed emergency repairs between Buin and Sovele in south west Bougainville over much of 2010, accordingly the road is generally in good condition and should remain so until the end of this year. With the worst of the wet season in southern Bougainville occurring in the second half of the year the PMC believes minor maintenance activities planned for 2011, with emphasis on the second half of the year, should be sufficient to maintain trafficability, K544,037 is allocated in 2011 which will enable five maintenance cycles to be completed.

2.1.5 Jaba River to Panguna- A portion of this road is sealed however, there are 11kms of unsealed pavement which traverse the Panguna mine area in central Bougainville. Four maintenance cycles are proposed in 2011. Funding of K50,140 is allocated.

2.1.6 Kangu Beach Access Road- Four maintenance cycles are proposed over the period, this is similar to that approved under the 2010 Work Plan. Funds of K57,200 are allocated. This road provides access to the AusAID funded wharf and storage facilities at the beach. The wharf facilities provide the only commercially viable transport hub in southern Bougainville.

The budget for Routine Maintenance under this Work Plan is approximately K2.65M, this represents 13% of the overall budget.

2.2 Sealed Routine Maintenance

There are 110kms of sealed pavements in the Region, none have been resealed for at least 25 years and therefore require intense and regular maintenance. The PMC has recently gained approval to commence a resealing project in central Bougainville however, this represents only 6% of the sealed network that will be resealed in 2011 which still leaves a significant amount of sealed pavement requiring heavy maintenance. Planned maintenance activity on the sealed sections is detailed below.

2.2.1 Buka Township- An allocation of K112,775 is proposed for the 5.4kms of sealed pavement in Buka in 2011. A number of areas along this road require shoulder reinstatement as a result of PMV's using the road shoulder as a parking area. Regular vegetation control and shoulder clearing along roadsides will be ongoing in an attempt to further improve drainage along the sealed edges.

2.2.2 Tunuru to Arakawau River- The budget for this road in 2011 is K457,650 which will allow the full 20kms to be treated using a combination of both premix material and bitumen emulsion patching. In addition shoulder clearing using contracted plant and equipment will be engaged to improve roadside drainage. Works are planned to commence in the second quarter of 2011.

2.2.3 Tekanu and Wakunai Bridge approaches- Patching works were completed early in 2010 on both these bridge approaches, minor funding of K2,600 and K4,100 is allocated in the second half of 2011 only.

2.2.4 Sivavi to Iaun- This section of the NTDP road is mid way between Kokopau and Arawa. It is planned in 2011 to undertake a periodic maintenance contract on this 13km section to repair the sealed pavement as well as repair drainage and road shoulders, *refer Periodic Maintenance- Kokopau to Wakunai.*

2.2.5 Arawa Township- Local contractors have recently completed seal patching of most of Arawa's town roads. As highlighted previously AusAID has approved the PMC's proposal to reseal the town roads as well as 4kms of the NTDP road to Tunuru, an additional K5.5M has been allocated for this work. The PMC has included notional funding of K150,000 for patching and pavement preparation should that be required in advance of the resealing program. This allocation is to ensure there are no delays to the resealing program once the contractor mobilises to undertake these specialised works.

2.2.6 Tunuru to Aropa- This section of road commences at Tunuru 4kms north of Arawa and heads south to the disused airport at Aropa via the Kieta wharf facility. This section of road is sealed over its 32km length and most of the pavement was in poor condition especially south of Kieta however, in 2010 the PMC undertook heavy maintenance in the area and most of the road now is in reasonable condition however further works are required. The PMC is proposing further rehabilitation efforts between Arawa and Kieta where traffic is heaviest, K1,205,680 is allocated over the middle of 2011. Works will concentrate on reinstating drainage using plant and equipment and repairing pavement failures using a combination of crushed limestone and premix material.

2.2.7 Buin Township- There is approximately 1km of sealed road in the Buin Township which requires regular maintenance. Funding of K20,000 is allocated in the second quarter of 2011.

2.2.8 Morgan Junction to Panguna- This section of road commences at the northern boundary of the former NGZ, and travels west to Panguna over a distance of 18kms. The road now is in good condition after contract works for pavement patching were completed in 2010. However, there remain some areas where the sealed pavement continues to scour as a result of poor drainage especially on the hillsides approaching Panguna. A formal contract for further repairs to the road including drainage works is planned for the first half of 2011, K534,000 is allocated which is similar to funding in 2010.

2.2.9 Jaba River to Sovele- Funds of K90,000 are proposed in 2011 which will allow roadside clearing and drainage works to be undertaken as well as some pavement repair works.

The budget for sealed routine maintenance under this Work Plan is K2.6M, which is similar to the initial 2010 allocation. This level of funding recognises the need to plan for resealing Bougainville's sealed pavements over the course of the next five years. Routine maintenance of sealed pavements represents 12% of the overall budget under this Work Plan.

2.3 Periodic Maintenance

In 2010 two periodic maintenance works were completed on the north west coast road between Siara and Kunua and between Wakunai and Sivavi along the NTDP Priority Road. Also, heavy maintenance works commenced in August 2010 between Tinputz and Kokopau, as a result the main trunk road north of Wakunai, excepting the 13km sealed section, is now in good condition. However, south of Wakunai the road pavement has deteriorated and with the continual rain over most of 2010 in central and northern areas this section of road now requires a comprehensive program of resheeting.

2.3.1 Kokopau to Wakunai (NTDP Priority Road)- It is intended to reinstate the sealed section of this road between Iaun and the Sivavi River Bridge over a distance of 13kms. Maintaining a sealed road within the Region is a challenging task as primarily there is no sealing equipment in Bougainville to enable repairs to be completed effectively. Also, all materials for sealed road maintenance must be imported from mainland PNG, i.e. bitumen and/or emulsion, sealing chip and premix. Premix, which is a combination of crushed gravel and bitumen acting as a binder, is used to patch potholes and is procured from the mainland and shipped to Bougainville in 40kg bags via the coastal shipping network. The PMC has been using this method of sealed pavement patching for at least three years and it has generally proved successful. However, the treatment method is expensive and there is a long lead time between ordering and delivery, typically 2-3 months.

Bougainville's sealed roads are aging and were last sealed no less than 25 years ago. Typically, sealed pavements require resealing every 8-10 years otherwise the bitumen binder becomes brittle, loses its elasticity and therefore its ability to sufficiently retain the stone chip, a road's principal wearing course. Once the chip is lost the pavement quickly becomes potholed and without treatment failure of the road will inevitably occur.

Under this proposal it is intended to repair the road surface using both premix material and also sealed patching using bitumen emulsion. In addition the road shoulders will be reinstated as well as drainage systems including culverts and open channels which have become damaged over the years. An allocation of K1.1M is intended for this work which is planned for the second quarter of 2011.

2.3.2 Wakunai to the Arakawau River Bridge (NTDP Priority Road)- It is not intended to resheet all 50kms of this road but rather select those sections where the need for maintenance is greatest. Works will generally entail strengthening the road pavement by adding approximately 150mm of compacted river gravel, reshaping, correcting crossfall and improving drainage on undulating sections, K2.2M is allocated. A formal tender will be advertised in the first quarter of 2011 with works planned for April/May that year.

In recent years the PMC highlighted various options regarding the AusAID funded crushing and screening plant and as a result the decision was taken to sell the plant. Proceeds from the sale have been directed back into the TSSP funded roads project on Bougainville. The PMC continues to support using crushed material in road construction and maintenance however, the management and control of high cost construction equipment should be left to contractors who have the experience and logistical support to effectively manage such items.

The PMC has proposed a resealing program for roads in central Bougainville and at this time the PMC believes that resealing Bougainville's existing sealed roads has priority over funding contracts for the supply of crushed material on the unsealed road pavements. Notwithstanding, consideration to providing an effective strategy for maintaining these unsealed roads i.e. crushing and screening should be considered high on the agenda if additional funding becomes available.

No other works are proposed under this maintenance activity for 2011. The budget for Periodic Maintenance under this Work Plan is K3.27M, this represents 14% of the overall budget.

2.4 Specific Maintenance

Buka Town Road: drainage improvements (sealing)- Stage I of the reinforced concrete dish channel contract funded under previous Work Plans was completed early in 2010. Stage II which was tendered in April this year is now 50% complete, Stage III was tendered, recently awarded and works have now just commenced. Once the remaining two stages are complete this will then finalise the most urgent drainage improvements along the main Buka-Hutjena town road. Construction of the channel has required reshaping of adjacent road edges and shop frontages. Placement of imported coronous material to aid drainage in these areas is more or less complete however, with the intensity of rain in the Region unprotected basecourse soon becomes scoured and without a permanent surface treatment the effectiveness of the reinforced concrete channel will quickly diminish.

It is proposed to take advantage of AusAID's approval of the Arawa resealing program and once those works are complete negotiate with the successful contractor to undertake sealing adjacent the newly constructed channel. It is expected that these works could be undertaken for K500,000 which would require the sealing contractor mobilising to Buka on completion of the comprehensive resealing works in central Bougainville.

Arawa Town Roads and Arawa to Tunuru Resealing- AusAID have approved the PMC's proposal to reseal various town roads within Arawa as well as a 4km section of the NTDP Arawa to Kokopau Road. The total project estimate is K7.5M, of which K2M has been drawn from the current Work Plan for 2010. There is no current bituminous sealing expertise within the Region accordingly the PMC has drafted a Local Contract Bid tender document which will go to tender soon after preparation works in Arawa are completed, this is likely to be early in 2011.

The budget for specific maintenance is K8M under this Work Plan, this represents 37% of the overall budget.

2.5 Community Work Programs

Under this Work Plan K1.85M is proposed for community based work agreements. Priority has been given to the Arawa-Kokopau section of trunk road due to its priority status as well as the Panguna and Buin-Jaba sections where often high rainfall compromises drainage systems especially in and around river crossings. Funding is also included for remaining road sections and is believed sufficient for expected yearly flooding events. There is no funding for community works on Buka's unsealed network which reflects agreement reached at the time of the LCC meeting referred to in *1. Background* above.

The proposed allocation represents 9% of the overall budget.

2.6 Emergency Works

Buka to Lonahan (West Coast Road)- The responsibility for this road has reverted back to both agencies therefore no funding has been allocated under this Work Plan in 2011.

Siara to Sipai- As this road does not carry the status of other sections due to the low traffic volumes minimal funds have been allocated for flood damage over the road network in north western Bougainville. Funds of K42,000 are budgeted in each quarter.

Arawa (Tunuru) to Kokopau (NTDP Priority Road)- Historically, the highest rainfall in northern Bougainville occurs towards the end of each year accordingly, the PMC is proposing sufficient funding for emergency works on this road to enable a timely response to adverse events. Funds of K175,250 are budgeted in each quarter which make due allowance for unforeseen events such as that which occurred over central Bougainville in August-September 2010.

Tunuru to Buin- Under this Work Plan the PMC is proposing that funds be made available for emergency works over this section of southern trunk road, K69,960 is proposed in each quarter. These funds will also be used within the Arawa and Buin Townships should that be necessary.

Buin to Jaba River including Kangu Beach Access Road- Heavy rains are commonplace in southern Bougainville in the second half of the year especially between June and August. However, recent maintenance works have restored the road to good condition between Buin and Sovele including the Kangu Beach access road. Funds of K107,300 have been allocated in each quarter and should be sufficient for emergency events.

The budget for Emergency Works under this Work Plan is K1.6M, this represents 7% of the overall budget.

2.7 Materials

Cement- Funds of K20,000 in each quarter are proposed for cement purchases primarily for culvert headwalls undertaken by community groups at various locations along the network. This is comparable to current 2010 expenditure.

Premix material- The PMC procured bagged premix in 2010, which has been used on sealed pavement repairs around Panguna and within the Arawa Township. Further material is required in 2011 to complement works planned between Tunuru and Arakawau and Sivavi and Iaun, K350,000 is proposed for premix purchases in both the first and third quarters of 2011. This represents a 30% increase over 2010 expenditure but recognises an increase in volume of premix material to enable the above works to be completed.

Armco culverts and gabion baskets- The PMC has ordered culverts in 2010 to ensure there is sufficient stock to cater for the destructive flooding that occurred over most of central Bougainville in the second half of 2010, these materials were funded from revision 2.0 of the 2010 Work Plan. However, further supplies will be required in 2011 accordingly the PMC is proposing funding of K400,000 in the third quarter.

The budget for Materials under this Work Plan is K1.2M, this represents 6% of the overall budget.

3. INDIRECT MAINTENANCE ACTIVITIES

Domestic supervision- Funding of K355,681 is proposed for 2011. This is an increase in funding over previous years due to the size of the program in 2011 however, indirect maintenance costs still represent less than 2% of the overall maintenance budget. Recently the PMC gained an experienced counterpart to the Project from the DOW and that incumbent is now working in central Bougainville. The agencies have agreed that they will be responsible for basic counterpart costs i.e. wages and the PMC will provide for overtime, any camping allowances and travel.

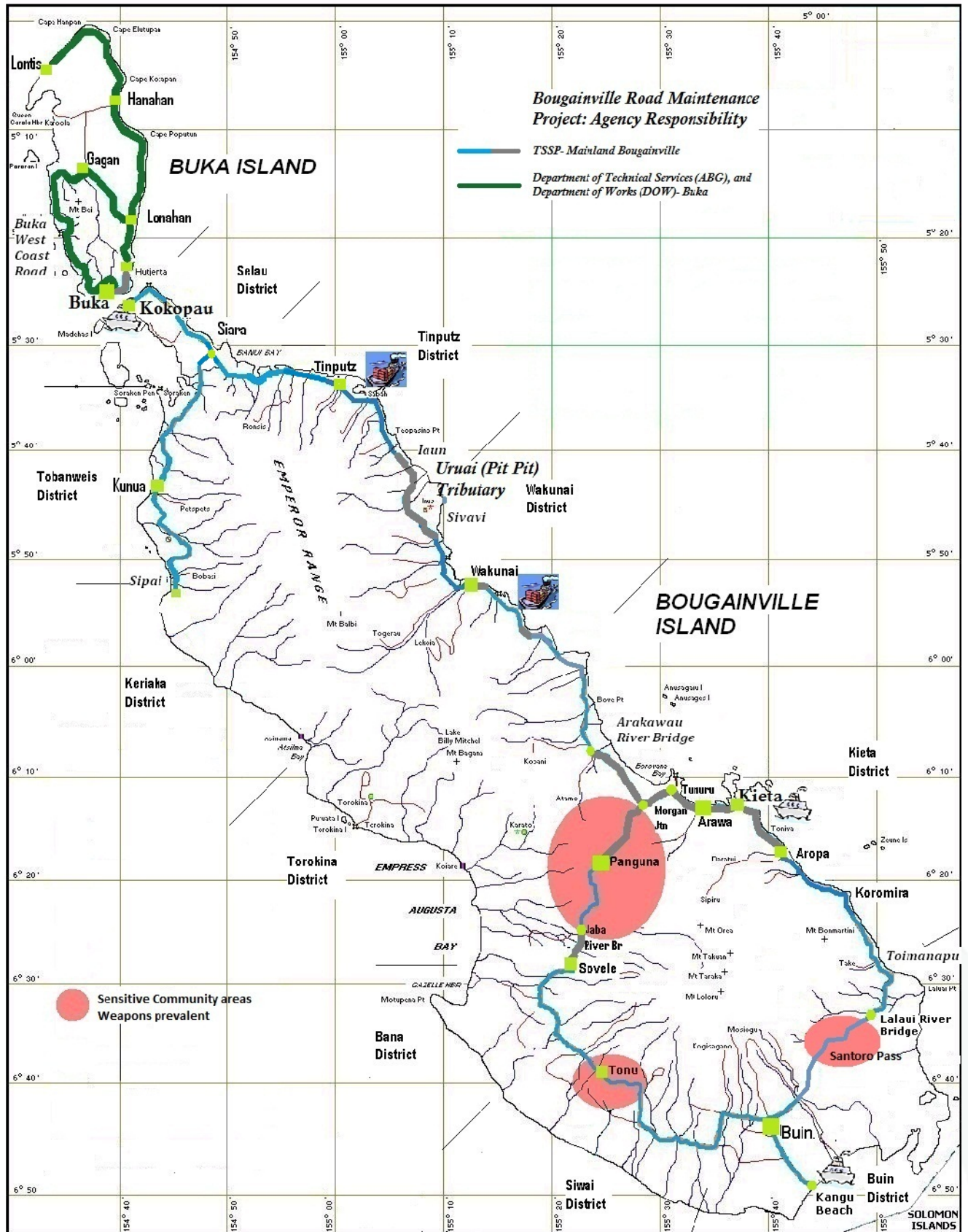
Bank Fees and Charges- The PMC is proposing a nominal allocation of K1,800 in 2011 for miscellaneous bank fees and charges relating to the operation of the Bougainville Asset Management Account.

LCC meeting costs- Local Coordinating Committee (LCC) meeting costs are proposed at K8,000 bi-annually.

Genset and office costs- An overall funding allocation of K31,320 will be sufficient for fuel and oil supplies for the genset and minor maintenance works on the office.

Indirect maintenance costs are K404,799 which represent 1.9% of the overall maintenance budget under this Work Plan.

Map of Bougainville



Transport Sector Support Program (TSSP) Work Plan # 1.0 2011

Maintenance Activity	Kina (K)
Routine Maintenance -unsealed	K2,644,585
Routine Maintenance -sealed	K2,576,785
Periodic Maintenance	K3,265,230
Specific Maintenance	K8,000,000
Community Based Work Agreements	K1,850,561
Emergency Maintenance	K1,578,040
Equipment and Materials	K1,180,000
Direct Maintenance Costs	K21,095,201

Indirect Maintenance Costs

Domestic Supervision	K355,681
Bank Fees and Charges	K1,798
Other costs (LCC, Genset)	K47,320
Indirect Maintenance Costs	K404,799

Total TSSP Budget	K21,500,000
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Routine Maintenance (unsealed)

Section	Chainage (km)				Total Unsealed	Jan 11-Jun 11 Activity	Jul 11-Dec 11 Activity	Cost per Km (K)	2011				Budget Jan - Dec 2011 Kina (K)
	From	To	Seal	1st Qtr Activity Annum (K)					2nd Qtr Activity Annum (K)	3rd Qtr Activity Annum (K)	4th Qtr Activity Annum (K)		
	Siara to Sipai	0.0	70.0	0.0					70.0	1	1	K1,100	
Arakawau to Kokopau (NTDP Road)	14.4	169.4	14.0	140.9	2	3	K2,200	K304,430	K310,024	K465,036	K465,036	K1,544,526	
Aropa to Buin	32.5	109.6	0.0	77.1	2	2	K1,100	K40,318	K84,788	K84,788	K84,788	K294,682	
Buin to Jaba River	0.0	94.3	13.3	81.0	2	3	K1,500	K58,037	K121,500	K182,250	K182,250	K544,037	
Jaba River to Panguna	28.7	17.8	0.0	10.9	2	2	K1,100	K14,170	K11,990	K11,990	K11,990	K50,140	
Kangu Beach Access	0.0	13.0	0.0	13.0	2	2	K1,100	K14,300	K14,300	K14,300	K14,300	K57,200	
Total Routine Maintenance (unsealed)								K508,255	K542,602	K835,364	K758,364	K2,644,585	

392.9

Routine Maintenance (sealed)

Section	Chainage (km)				Total Unsealed	Jan 11-Jun 11 Activity	Jul 11-Dec 11 Activity	Cost per Km (K)	2011				Budget Jan - Dec 2011 Kina (K)
	From	To	Seal	1st Qtr Activity Annum (K)					2nd Qtr Activity Annum (K)	3rd Qtr Activity Annum (K)	4th Qtr Activity Annum (K)		
	Buka Township	0.0	5.4	5.4					-	1	1	K5,500	
Tunuru to Arakawau River	0.0	20.3	20.3	-	1	-	K45,000	K0	K457,650	K0	K0	K457,650	
Tekanu Br Apprs	44.0	44.5	0.5	-	-	1	K5,000	K0	K0	K2,600	K0	K2,600	
Wakunai Uruavi Br	62.8	63.6	0.8	-	-	1	K5,000	K0	K0	K4,100	K0	K4,100	
Sivavi to Iaun (NTDP Road)	79.5	92.1	12.7	-	1	-	-	K0	K0	K0	K0	K0	
Arawa Township	-	-	6.0	-	1	1	K20,000	K150,000	K0	K0	K0	K150,000	
Tunuru to Aropa	0.0	32.5	32.5	-	1	1	K17,000	K100,000	K552,840	K552,840	K0	K1,205,680	
Buin Township	0.0	1.0	1.0	-	1	-	K20,000	K0	K20,000	K0	K0	K20,000	
Morgan Jtn to Panguna	0.0	17.8	17.8	-	1	-	K30,000	K0	K534,000	K0	K0	K534,000	
Jaba River to Sovele	81.0	94.3	13.3	-	-	1	K90,000	K0	K0	K90,000	K0	K90,000	
Total Routine Maintenance (sealed)								K273,325	K1,594,300	K679,350	K29,810	K2,576,785	

110.3

Periodic Maintenance

Section	Chainage (km)				Total Unsealed	Jan 11-Jun 11 Activity	Jul 11-Dec 11 Activity	Cost per Km (K)	2011				Budget Jan - Dec 2011 Kina (K)
	From	To	Seal	1st Qtr Activity Annum (K)					2nd Qtr Activity Annum (K)	3rd Qtr Activity Annum (K)	4th Qtr Activity Annum (K)		
	Northern Bougainville												
Siara-Sipai (Kunua)	0.0	70.0	0.0	70.0	-	-	-	K0	K0	K0	K0	K0	
Kokopau to Wakunai (NTDP Road)	169.4	62.8	13.5	93.1	1	-	K79,000	K0	K1,064,130	K0	K0	K1,064,130	
Wakunai-Arakawau River (NTDP Road)	62.8	14.4	0.5	47.9	1	-	K46,000	K0	K2,201,100	K0	K0	K2,201,100	
Central Bougainville													
Arakawau River to Morgan Jtn	14.4	0.0	14.4	0.0	-	-	-	K0	K0	K0	K0	K0	
Jaba River to Tunuru	0.0	34.6	23.7	10.9	-	-	-	K0	K0	K0	K0	K0	
Tunuru to Buin	0.0	109.6	32.5	77.1	-	-	-	K0	K0	K0	K0	K0	
Southern Bougainville													
Buin to Jaba River, incl Kangu Bch	0.0	107.3	13.3	94.0	-	-	-	K0	K0	K0	K0	K0	
Total Periodic Maintenance								K0	K3,265,230	K0	K0	K3,265,230	

Specific Maintenance

Section	Chainage (km)				Jan 11-Jun 11 Activity	Jul 11-Dec 11 Activity	Cost (K)	2011				Budget Jan - Dec 2011 Kina (K)	
	From	To	Seal	Unsealed				1st Qtr Activity Annum (K)	2nd Qtr Activity Annum (K)	3rd Qtr Activity Annum (K)	4th Qtr Activity Annum (K)		
	Buka												
Buka Town Road; sealing drainage	0.0	5.4	5.4		1	-	K500,000	K0	K500,000	K0	K0	K500,000	
Northern Bougainville													
Siara-Sipai (Kunua)	0.0	70.0	0.0	70.0	-	-	-	K0	K0	K0	K0	K0	
Kokopau to Wakunai (NTDP Road)	169.4	62.8	13.5	93.1	-	-	-	K0	K0	K0	K0	K0	
Wakunai-Arakawau River (NTDP Road)	62.8	14.4	0.5	47.9	-	-	-	K0	K0	K0	K0	K0	
Central Bougainville													
Arawa Town Resealing					-	-	K7,500,000	K7,500,000	K0	K0	K0	K0	K7,500,000
Arakawau River to Morgan Jtn	14.4	0.0	14.4	0.0	-	-	-	K0	K0	K0	K0	K0	
Jaba River to Tunuru	0.0	34.6	23.7	10.9	-	-	-	K0	K0	K0	K0	K0	
Tunuru to Buin	0.0	109.6	32.5	77.1	-	-	-	K0	K0	K0	K0	K0	
Southern Bougainville													
Buin to Jaba River, incl Kangu Bch	0.0	107.3	13.3	94.0	-	-	-	K0	K0	K0	K0	K0	
Total Specific Maintenance								K7,500,000	K500,000	K0	K0	K8,000,000	

Community Based Work Agreements

Section	Chainage (km)				Jan 11-Jun 11 Activity	Jul 11-Dec 11 Activity	Cost (K)	2011				Budget Jan - Dec 2011 Kina (K)
	From	To	Seal	Total Unsealed				1st Qtr Activity Annum (K)	2nd Qtr Activity Annum (K)	3rd Qtr Activity Annum (K)	4th Qtr Activity Annum (K)	
	Community Agreements											
Buka Township	0.0	5.4	5.4	0.0	-	-	-	K25,000	K25,000	K25,000	K25,000	K100,000
Siara to Sipai	0.0	70.0	0.0	70.0	-	-	-	K25,000	K25,000	K25,000	K25,000	K100,000
Arawa (Tunuru) to Kokopau (NTDP Road)	0.0	175.3	34.3	140.9	-	-	-	K75,000	K175,000	K175,000	K175,000	K600,000
Jaba River to Morgan Jtn (Panguna)	0.0	28.7	17.8	10.9	-	-	-	K50,000	K150,000	K150,000	K100,000	K450,000
Tunuru to Buin (Arawa and Buin T'ships)	0.0	116.6	39.5	77.1	-	-	-	K25,000	K75,000	K75,000	K75,000	K250,000
Buin-Kangu-Jaba River	0.0	107.3	13.3	94.0	-	-	-	K50,561	K100,000	K100,000	K100,000	K350,561
Total Community Based Work Agreements								K250,561	K550,000	K550,000	K500,000	K1,850,561
	503.3	110.3	110.3	392.9								

Emergency Maintenance

Section	Chainage (km)				Jan 11-Jun 11 Activity	Jul 11-Dec 11 Activity	Cost per Km (K)	2011				Budget Jan - Dec 2011 Kina (K)
	From	To	Total Network (km)					1st Qtr Activity Annum (K)	2nd Qtr Activity Annum (K)	3rd Qtr Activity Annum (K)	4th Qtr Activity Annum (K)	
	Emergency Response											
Buka Township	0.0	5.4		5.4	-	-	-	K0	K0	K0	K0	K0
Siara to Sipai	0.0	70.0		70.0	1	1	K600	K42,000	K42,000	K42,000	K42,000	K168,000
Arawa (Tunuru) to Kokopau (NTDP Road)	0.0	175.4		175.3	1	1	K1,000	K175,250	K175,250	K175,250	K175,250	K701,000
Jaba River to Morgan Jtn (Panguna)	0.0	28.7		28.7	1	1	-	K0	K0	K0	K0	K0
Tunuru to Buin (Arawa and Buin T'ships)	0.0	116.6		116.6	1	1	K600	K69,960	K69,960	K69,960	K69,960	K279,840
Buin-Kangu-Jaba River	0.0	107.3		107.3	1	1	K1,000	K107,300	K107,300	K107,300	K107,300	K429,200
Total Emergency Maintenance								K394,510	K394,510	K394,510	K394,510	K1,578,040
	503.3			503.3								

Equipment and Materials

							2011					
Description		Item No.			Jan 11-Jun 11 Activity	Jul 11-Dec 11 Activity	Cost (K)	1st Qtr Activity Annum (K)	2nd Qtr Activity Annum (K)	3rd Qtr Activity Annum (K)	4th Qtr Activity Annum (K)	Budget Jan - Dec 2011 Kina (K)
Materials												
Cement		1	-	-	1	1	K20,000	K20,000	K20,000	K20,000	K20,000	K80,000
Premix material, emulsion		2	-	-	1	1	K350,000	K350,000	K0	K350,000	K0	K700,000
Culverts, gabions		3	-	-	-	1	K400,000	K0	K0	K400,000	K0	K400,000
Total Equipment and Materials								K370,000	K20,000	K770,000	K20,000	K1,180,000

Indirect Maintenance Costs

							2011					
Description		Item No.			Jan 11-Jun 11 Activity	Jul 11-Dec 11 Activity		1st Qtr Activity Annum (K)	2nd Qtr Activity Annum (K)	3rd Qtr Activity Annum (K)	4th Qtr Activity Annum (K)	Budget Jan - Dec 2011 Kina (K)
Domestic Supervision		1	-	-	-	-	-	K55,681	K100,000	K100,000	K100,000	K355,681
Bank Fees and Charges		2	-	-	-	-	-	K298	K500	K500	K500	K1,798
LCC Meeting		3	-	-	-	-	-	K0	K8,000	K0	K8,000	K16,000
Genset/Office		4	-	-	-	-	-	K3,000	K9,440	K9,440	K9,440	K31,320
Total Indirect Maintenance								K58,979	K117,940	K109,940	K117,940	K404,799

Transport Program Annual Plan 2011

Annex 6

Public Bodies 2011 Work Plan

Summary of Asset Maintenance Expenditure & Projected Workplan - 2011
For National Airports Corporation, Air Services Limited, and National Maritime Safety Authority

Annex 6

National Airports Corporation

Project Description	Approved Funding	Expenditure 2008	Expenditure 2009	Expenditure 2010	Total Expenditure	% of Contract	% Remaining	Projected Expenditure 2011
Projects Agreed for Completion in 2011								
Pavement Evaluation - Hoskins, Tokua & Madang* (ongoing)	138,522	115,261			115,261	83.2%	16.8%	23,261
Baggage Security Screening Upgrade International & Domestic (not yet commenced)	5,000,000				0	0.0%	100.0%	5,000,000
International Arrivals Domestic Transfer Facilities Improvement* (ongoing)	1,091,100			837,269	837,269	76.7%	23.3%	253,831
Airports Certification QA Check* (ongoing)	1,042,095	208,635	770,949		979,584	94.0%	6.0%	62,511
Building Management Systems Upgrade (not yet commenced)	4,800,000							4,800,000
Total National Airports Corporation	12,071,717	323,896	770,949	837,269	1,932,114	16.0%	84.0%	10,139,603

National Airports Corporation Projects Under Discussion for Completion during 2011-2012

Approach Survey Conducted for 18 Airports								800,000
Aerodrome Safety Officer Training for Certification								700,000
Potential Additional National Airports Corporation Expenditure								1,500,000

PNG Air Services Limited

Project Description	Approved Funding	Expenditure 2008	Expenditure 2009	Expenditure 2010	Total Expenditure	% of Contract	% Remaining	Projected Expenditure 2011
Projects Agreed for Completion in 2011								
Nav aids Replacement Project* (not yet commenced)	7,757,777				0	0.0%	100.0%	7,757,777
Domestic V-SAT Completion* Note 1 (ongoing)	2,025,000			1,000,000	1,000,000	49.4%	50.6%	1,025,000
Radar Maintenance (not yet commenced)	500,000				0	0.0%	100.0%	500,000
Supply of Miscellaneous Equipment & Spare Parts (not yet commenced)	700,000				0	0.0%	100.0%	700,000
WGS84 Survey for GNSS (not yet commenced)	2,000,000							2,000,000
GNSS/PBN (not yet commenced)	7,370,000							7,370,000
Total PNG Air Services Limited	20,352,777	0	0	1,000,000	1,000,000	4.9%	95.1%	19,352,777

PNG Air Services Limited Projects Under Discussion for Completion during 2011-2012

VHF Radio Coverage Improvement - Mt Dimodimo (new installation) and Mt Mission (Upgrade)								8,955,000
HF Radio Replacement Madang and Port Moresby								7,500,000
Nav Aids Replacement (PoM only)								5,000,000
Potential Additional PNG Air Services Limited Expenditure								21,455,000

National Maritime Safety Authority

Project Description	Approved Funding	Expenditure 2008	Expenditure 2009	Expenditure 2010	Total Expenditure	% of Contract	% Remaining	Projected Expenditure 2011
Projects Agreed for Completion in 2011								
Maritime Radio Communications System incl GMD&SS (not yet commenced)	4,000,000				0		100.0%	4,000,000
Total National Maritime Safety Authority	4,000,000	0	0	0	0	0	100.0%	4,000,000

2011 Grand Total (excluding Potential Additional Expenditure)	36,424,494	323,896	770,949	1,837,269	2,932,114	8.0%	92.0%	33,492,380
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*

Projects contracted, amount is the AusAID approved funding per the LoNO

Note 1

Contract amount K2,509,604, agency agreed to fund the additional amount above AusAID approved funding

Transport Program Annual Plan 2011
TSSP Risk Management Matrix – 2011 Revision





Likelihood and Consequence Rating

LIKELIHOOD			CONSEQUENCE		
5	Almost Certain	Expected to occur in most circumstances	5	Severe	Would stop achievement of functional goals and objectives
4	Likely	Will probably occur in most circumstances	4	Major	Would threaten goals and objectives; requires close management
3	Possible	Might occur at some time	3	Moderate	Would necessitate significant adjustment to the overall function
2	Unlikely	Could occur at some time	2	Minor	Would threaten an element of the function
1	Rare	May occur only in exceptional circumstances	1	Negligible	Routine procedures sufficient to deal with the consequences

Risk Level

LIKELIHOOD		CONSEQUENCE				
		Negligible	Minor	Moderate	Major	Severe
		1	2	3	4	5
Almost Certain	5	H	H	E	E	E
Likely	4	M	H	H	E	E
Possible	3	L	M	H	E	E
Unlikely	2	L	L	M	H	E
Rare	1	L	L	M	H	H

Tolerances

	Preferred
	Acceptable
	Undesirable
	Unacceptable

- Extreme Risk** E Most likely to occur and prevent achievement of objectives; causing unacceptable cost overruns or schedule slippages
- High Risk** H Could substantially delay the project schedule or significantly affect technical performance or costs and requires a plan to handle
- Medium Risk** M Requires identification and control of all contributing factors by monitoring conditions and reassessment at Program milestones
- Low Risk** L Normal control and monitoring measures sufficient

L	M	H	E
LOW Risk	MEDIUM Risk	HIGH Risk	EXTREME Risk

Risks: Governance

ID	Risk event	Impact(s) on Program	L	C	R	Risk Treatment(s)	Responsibility ⁴
G1.	Cessation or failure of public sector reform in PNG	Cessation of GoPNG reform in relation to enabling environment. Limited focus on infrastructure asset maintenance	3	4	E	<ul style="list-style-type: none"> Monitor changes to reform efforts Communication program to ensure political leaders kept informed of TSSP activities and their importance Monitoring by TSSP specialist staff 	PD (TSCMIC)
G2.	Policy and planning skills/capacity in provinces is low	Difficult to implement and achieve results in those provinces	4	4	E	<ul style="list-style-type: none"> Initial focus on selected provinces Move to other provinces as supported by capacity building programs at provincial level 	PSMS / DoT
G3.	GoPNG funding directed to new infrastructure projects of low economic priority	Weakens GoPNG's ability to fund contribute to TSSP and fund priority maintenance	3	4	E	<ul style="list-style-type: none"> Mentoring of senior agency personnel Sound communication strategy to inform leaders Prioritisation approach to be adopted and embedded in budgeting and planning system Link donor funding to GoPNG expenditure according to policy and plan 	PD
G4.	Ability to get agencies to work as a coherent sector <ul style="list-style-type: none"> Lack of formal committees 	Impacts on long term goal of moving towards a Sector Wide Approach (SWAp) TSCMIC becomes battleground for control of resources	3	4	E	<ul style="list-style-type: none"> Continue to develop capacity of TSCMIC to operate at a strategic and whole of sector level Clearly articulate criteria for use of TSSP resources Ensure TSSP supports decision making with sound policy rationale Establish working groups/committees 	PD (PM)
G5.	External economic factors impact on the funds available to support asset maintenance across the sector (e.g. currency exchange rates; commodity price declines)	Reduced ability of donor agencies and/or GoPNG to contribute to infrastructure asset maintenance	3	4	E	<ul style="list-style-type: none"> Renegotiate asset maintenance contributions Collaborate with other donors to contribute more to infrastructure maintenance Assist the GoPNG focus on priorities 	PD TSCMIC
G6.	Changes in political circumstances or policies of either the Government of Australia or GoPNG preclude placements of staff	Significant impact on program delivery; lack of continuity	4	4	E	<ul style="list-style-type: none"> Liaison with AusAID, GoPNG and In-country Managers Monitoring of political developments in PNG and Australia Explore alternative capacity building strategies to technical assistance 	PD (PM)
G7.	Political interference in work packages selection	Low priority works included in the work plan over higher priority works. Reduces Program efficiencies and reduces	3	3	H	<ul style="list-style-type: none"> Maintain transparency in project modelling and prioritisation data; agree on priorities Field data checks by senior personnel to identify inconsistencies 	PD (TSCMIC)

⁴ Responsibility for a risk is assigned to single owner, even if several people work to mitigate it

ID	Risk event	Impact(s) on Program	L	C	R	Risk Treatment(s)	Responsibility ⁴
		value for money Delays in disbursement of counterpart funds due to reallocation of monies to fund election promises				of data and levels of priority against actual field conditions <ul style="list-style-type: none"> Ensure advocacy and ownership and engage with appropriate decision makers to ensure ongoing prioritisation of the Program Maintenance packages were selected by NRRSP and NRBMP together with DoW prior to closure of those projects; tenders have been called via CSTB. Thus most packages are already selected on priority basis and are fixed 	
G8.	Lack of co-ordination with other donors	Overlap or gaps resulting in waste or lack of maintenance	3	3	H	<ul style="list-style-type: none"> Form a co-ordination group Maintain support for TSCMIC Sub-Committee on Aid effectiveness 	PD/AusAID PD/TSCMIC
G9.	Other donor or lender agencies decide not to contribute to TSSP	Reduces effectiveness of TSSP to provide benefits long term Opportunities for harmonization and synergy lost	3	3	H	<ul style="list-style-type: none"> Develop donor harmonisation Meetings arranged 	PD
G10.	Corporate Plans do not reflect national priorities and policies	Impacts on capacity of Program to assist agencies in better aligning their plans and activities with GoPNG policies and practices	3	3	H	<ul style="list-style-type: none"> Provide support to assist agencies better align Corporate Plans which reflect GoPNG policies and practices 	PSMS M&ES
G11.	Lack of capacity of agency staff/resources/systems for management	Poor contract administration, claims control, cost overruns, disputes	3	3	H	<ul style="list-style-type: none"> Place clear contractual responsibility on PMC for contract administration High quality documents Review systems to ensure integration with PMC Audit performances of PMC and PWMs Clearly define roles and relationship between PMC and PWMs in the PMC contract 	RMMS PSMS/PM
G12.	Lack of capacity for project design/documents	Poor quality documents leading to delays, cost variations and claims	3	3	H	<ul style="list-style-type: none"> Include document review in PMC contracts Propose engaging contract and design Technical Advisers for review/advice 	RMMS / PSMS
G13.	Capacity of contracting industry – over extended	Increased costs; poor quality; claims; time overruns	4	3	H	<ul style="list-style-type: none"> Co-ordinate with other donors, tax credit Communicate with contractors Letting of tenders is being programmed to match capacity 	RMMS / PSMS
G14.	Delays in tendering/procurement process	Delays, cost increases, claims by PMC	3	3	H	<ul style="list-style-type: none"> Agree on procurement rules with DoW and CSTB and rigidly follow these A line of communication has been established with CSTB chairman Tenders already received for nine packages. 	RMMS / PSMS
G15.	PMC performance is not satisfactory	Disputes, delays, poor quality , possible fraud,	3	3	H	<ul style="list-style-type: none"> Pre bid briefing conducted 	RMMS / PSMS

ID	Risk event	Impact(s) on Program	L	C	R	Risk Treatment(s)	Responsibility ⁴
		loss of value for money				<ul style="list-style-type: none"> ▪ High quality documents and selection procedures (QCBS) ▪ Identify and monitor performance indicators ▪ Develop and monitor road works progress and quality 	
G16.	Maintenance performance. Maintenance not carried out in compliance with drawings and specifications	Quality of maintenance suffers. The design expectation will not be achieved and maintenance costs will increase	4	3	H	<ul style="list-style-type: none"> ▪ Maintenance contractor to meet responsibilities ▪ PMC undertakes responsibilities in monitoring and administering contract as per approved design ▪ Propose to appoint (two) full time roving technical Advisers to audit quality and mentor/train PMC and PWO staff. 	RMMS / PSMNS
G17.	Tender evaluation process not transparent and competent	Possibility of fraud and delays due to disputes/objections	3	3	H	<ul style="list-style-type: none"> ▪ Ensure that processes are correct, understood and rigidly applied ▪ AusAID NOL policy is maintained. ▪ Transparency to be continued for establishment of contracts and selection of PMCs – through CSTB systems and processes 	RMMS/PSMS FMS
G18.	PNG's Medium Term Development Strategy and/or the NTDP is changed to reduce the priority of transport infrastructure asset maintenance; and or its focus	Reduction in resources for infrastructure maintenance; reduced sustainability of TSSP activities	3	3	H	<ul style="list-style-type: none"> ▪ Mentoring of senior public service personnel ▪ Sound communication strategy to inform political and other leaders 	PD
G19.	Unpredictable and frequent changes in personnel in PNG's transport sector agencies	TSSP implementation slowed; commitment to Program lowered Agencies commitment to anti-fraud and corruption strategies weakened	3	3	H	<ul style="list-style-type: none"> ▪ Focus on organisational capacity building and strategies <ul style="list-style-type: none"> ○ To enhance performance and job satisfaction ▪ Ensure Program manuals are available and clear ▪ Ensure that anti-fraud and corruption prevention strategy document is distributed to agencies ▪ Repeat training programs ▪ Continued mentoring of agency management staff 	PSMS / PM FMS PSMS/Advisers
G20.	Funding for infrastructure asset maintenance projects withdrawn when donor funds known to be available	Inhibits sustainability and ownership Pressure on use of donor funds Projects under funded	3	3	H	<ul style="list-style-type: none"> ▪ Key criterion for TSSP support is GoPNG budget allocation ▪ Implementation of robust performance management and monitoring systems 	PD / PM RMMS / PSMS
G21.	Political interference and/or instability leads to non-transparent tendering and decisions about which infrastructure activities receive support	Inefficient use of Program resources; diversion of effort to lower priorities; fragmented Program	3	3	H	<ul style="list-style-type: none"> ▪ Program to strengthen tendering systems ▪ Communication Plan to inform senior public sector staff and politicians about TSSP and the criteria for prioritising activities 	PM / PD
G22.	Unresolved disagreements over the priorities for maintenance between transport sub-sectors and lack of on-ground cooperation between agencies	Reduced focus on sector and program approach; inefficient resource use on low priority activities	3	3	H	<ul style="list-style-type: none"> ▪ Clear criteria for use of TSSP resources ▪ Mentoring of counterpart staff by TSSP technical specialists and advisers 	PM / PSMS TSCMIC

ID	Risk event	Impact(s) on Program	L	C	R	Risk Treatment(s)	Responsibility ⁴
G23.	Limited attention to developing management and planning capacity	Existing institutional weaknesses not addressed and long-term transport infrastructure planning weakened	3	3	H	<ul style="list-style-type: none"> ▪ Capacity needs assessments undertaken in all agencies in Year 1 and capacity building strategies identified and implemented ▪ Engage Technical Assistance/ in areas where limited capacity exists ▪ Technical Assistance trained/supported in implementing staged capacity building model 	PSMS
G24.	Lack of strategy in prioritisation of projects	Low priority works included, reduced value for money	4	3	H	<ul style="list-style-type: none"> ▪ Maximise use of Road Asset Management System (RAMS) ▪ Agree on procedures for selection ▪ Majority of packages have been selected thus 	RMMS / PSMS PM
G25.	Increased project costs due to fuel cost increases, material and labour shortages	Delays; increased costs; project indicators not achieved	3	2	H	<ul style="list-style-type: none"> ▪ Co-ordination with other donors and contractors ▪ Contingency plan for reduced km of road maintenance ▪ Engineers' estimates factors into account ▪ Tenders already received approximate the estimates 	FMS
G26.	Pace too fast to move to a Sector Wide Approach (SWAp) impacts on the sector and TSSP effectiveness	Inadequate focus and sector discipline Poor performance indicators and measures will be chosen	3	2	M	<ul style="list-style-type: none"> ▪ Use Monitoring and Evaluation techniques to evaluate ▪ Develop appropriate indicators ▪ Ensure move to SWAp - controlled and graduate 	M&ES PSMS PD (PM)
G27.	Commitment of senior management within agencies	Changed model may exacerbate poor practices	3	2	M	<ul style="list-style-type: none"> ▪ Provide clear instructions re responsibilities ▪ Maintain strong communications links and continue training 	PM PSMS
G28.	Sub-sector agencies do not commit strongly to the TSSP and/or are unable to provide appropriate counterpart support	Low levels of local ownership, commitment and support; reduced project impacts	3	3	H	<ul style="list-style-type: none"> ▪ Management and communication structures and strategies support active involvement of counterpart agencies ▪ Regular management meetings ▪ Regular monitoring of Technical Assistance performance and progress 	PM PSMS
G29.	Institutional changes in agencies (e.g. large reorganizations) render TSSP unviable	Widespread changes occur to quickly and create uncertainty in Agency Agency personnel unlikely to be proactive and/or willing to take risks	2	3	M	<ul style="list-style-type: none"> ▪ TSSP maintains cross sector rather than individual agency focused ▪ TSSP encourages gradual, incremental change ▪ Allocation of TAs within Agencies – providing consistency of TSSP approach 	PSMS

Legal

ID	Risk event	Impact(s) on Program	L	C	R	Risk Treatment(s)	Responsibility ⁵
L1.	Myriad of Acts in various state of legislation <ul style="list-style-type: none"> What is applicable ACT to agencies Agencies Public entities Privatisation 	Difficulty in establishing functional responsibilities	3	3	H	<ul style="list-style-type: none"> Legal TA reviewed legislation and recommended priorities for revision/reform Legal TA assisted in drafting Legal TA due to cease Quarter 1, 2011: need to explore alternative delivery strategies 	PM
L2.	Lack of regulation & compliance in Transport industry	Inconsistent and unfair advantages	3	3	H	<ul style="list-style-type: none"> Problem areas identified by legal TA 	PM

Financial – General

ID	Risk event	Impact(s) on Program	L	C	R	Risk Treatment(s)	Responsibility ⁶
F1.	Imprest accounts cannot be reconciled – lack of details	Delays and disputes; possible fraud	5	3	E	<ul style="list-style-type: none"> Transitioning MCs instructed to provide full details Investigate with agencies Locate a financial support cell within DoW to monitor expenditure of AusAID funds. 	FMS FCS
F2.	Delay in establishment of new Imprest account due to lack of availability of Finance personnel	Delay and disputes	4	3	H	<ul style="list-style-type: none"> Agency management to support Finance personnel Assist improved liaison between agencies and DoF/DoT 	FMS DoW FMA
F3.	Applications for CFF competitive grants focus on private benefits rather than public goods; and/or impose unrealistic capacity strain within organizations (manage and monitor)	CFF funds used ineffectively; public good outcomes not achieved Organisational/sectoral learning does not occur	4	3	H	<ul style="list-style-type: none"> Development of clear criteria and transparent processes; consistent application of criteria Consider providing agencies with additional support to project manage and monitor 	PM/ FMS
F4.	AusAID could change policy on overhead funds leading to potential misappropriation of these funds	Possibility of fraud and delays due to disputes/objections	3	2	M	<ul style="list-style-type: none"> Engage financial TA to perform reconciliation/clean up of all allocated funding dating back over the last five years 	FMS
F5.	Gap demonstrated between TSSP procedures and practices	Audit reports critical of performance. TSSP not demonstrating best practice to	3	4	E	<ul style="list-style-type: none"> Initiate internal audits. 	PM

⁵ Responsibility for a risk is assigned to single owner, even if several people work to mitigate it

⁶ Responsibility for a risk is assigned to single owner, even if several people work to mitigate it

ID	Risk event	Impact(s) on Program	L	C	R	Risk Treatment(s)	Responsibility ⁶
		stakeholders from whom Program is working to assist strengthen similar links and improve governance.					

Financial – Anti-Fraud and Anti-Corruption Control

These risks are as documented in the Probity (Anti-Fraud and Anti-Corruption) Strategy and will be managed as part of that strategy, they are included here for a complete view from a risk management perspective.

ID	Risk event	Impact(s) on Program	L	C	R	Risk Treatment(s)	Responsibility
F6.	Adherence to GoPNG systems and procedures poor	Probability of fraudulent and corrupt activities increased Probability of such activities being detected reduced	4	4	E	<ul style="list-style-type: none"> Focus on capacity building with emphasis on systems and procedures Initiate or advise strict application of sanctions when fraudulent and corrupt activities are detected 	FMS
F7.	Poor financial management	Non-accountable use of funds Financial losses Reduced Program outcomes	4	4	E	<ul style="list-style-type: none"> Training of local personnel Documented guidelines for use and access of funds Strict application of available sanctions 	FMS
F8.	Fraudulent and corrupt use of trust funds	Non-accountable use of funds Financial losses Reduced Program outcomes	4	4	E	<ul style="list-style-type: none"> TA assistance to strengthen internal audit capacity within agencies Financial management capacity building TSSP monitoring of transactions to detect non-adherence to documented procedures or evidence of fraud and /or corruption Strict application of available sanctions 	FMS
F9.	Non-transparent decision making	Sub-optimal decision making Loss in confidence in TSSP among stakeholders Financial losses Reduced Program outcomes	4	4	E	<ul style="list-style-type: none"> Capacity building Documented guidelines re decision making transparency 	FMS
F10.	Failure to declare conflicts of interest	Sub-optimal decision making Inefficient use of Program resources Reduced Program outcomes Loss of confidence in TSSP among stakeholders	3	4	E	<ul style="list-style-type: none"> Monitoring adherence to documented procurement and contracting procedures Procurement and contracting capacity building Strict application of available sanctions 	FMS
F11.	Political interference and/or instability leading to non-transparent tendering and/or decisions about which infrastructure activities to support	Inefficient use of Programs resources Diversion of effort to lower priorities Fragmented Program	4	3	H	<ul style="list-style-type: none"> TA support to strengthen tendering systems Communications program to inform senior public servants and politicians about TSSP and the criteria for prioritising activities 	FMS

Program – General

ID	Risk event	Impact(s) on Program	L	C	R	Risk Treatment(s)	Responsibility ⁷
P1.	Difficult relationship between ISP and PD, and/or increased bureaucracy with ISP/PD structure constrains Program	Retard Program implementation, Program efficiency and effectiveness	3	3	H	<ul style="list-style-type: none"> ▪ Clear guidance and direction from PD ▪ Clear statements of responsibilities for Program Manager and PD agreed and documented in Inception Phase ▪ Communications Plan develop ▪ Agreed management/decision processes implemented. 	PD/PM
P2.	Difficulty in gaining support and cooperation of other development partners, coordinating sector activities	Program approach and eventual move to SWAp threatened; competition for contractor and institutional resources	3	3	H	<ul style="list-style-type: none"> ▪ Maintenance of coordination with other donors with support from AusAID; regular briefings to key donors about TSSP and ongoing activities ▪ Make use of overarching policy agreements (Millennium Development Goals, Paris Declaration/PNG Commitment on Aid Effectiveness, PNG-Aust Partnership Agreement, by reminding GoPNG and donors of commitments and harmonization agenda 	PM (AusAID/PD)
P3.	Environmental issues. Negative environmental impacts leading to construction delays	Construction delays resulting in construction prolongation claims Community disputes	3	3	H	<ul style="list-style-type: none"> ▪ Environmental conditions included in contract documents ▪ Environmental compliance guidelines produced and implemented 	RMMS
P4.	Program management planning and control is not effectively implemented	Uncontrolled scope creep and changes implemented without appropriate control, resource and cost management Schedule Impacts due to delays in developing and approving changed requirements	2	2	L	<ul style="list-style-type: none"> ▪ Dedicated Program director and Program manager in place. ▪ Realistic and achievable activity schedule and work plans in place ▪ Risk management plan drafted ▪ Quality Assurance Audits conducted randomly 	PM

⁷ Responsibility for a risk is assigned to single owner, even if several people work to mitigate it.

Program – Communications – Reporting

ID	Risk event	Impact(s) on Program	L	C	R	Risk Treatment(s)	Responsibility ⁸
P5.	Lack of consistent communication leads to areas of confusion both internal and external to the Program	Confused/inconsistent messages to agencies and TSSP personnel	3	2	M	<ul style="list-style-type: none"> ▪ Communications Plan implemented ▪ TSSP website maintained 	PM
P6.	Required number of reports and timing of the reports may impact on the Program manager's ability to manage the Program	Prioritisation of work load required Commitment to reporting may cause conflict with other deliverables	3	2	M	<ul style="list-style-type: none"> ▪ Agree reporting requirements and schedule 	PM
P7.	Increasing reporting and information needs	Program personnel hampered from achieving agreed activities	3	2	M	<ul style="list-style-type: none"> ▪ Reporting mechanism and framework agreed and monitored 	PD

Program – People

ID	Risk event	Impact(s) on Program	L	C	R	Risk Treatment(s)	Responsibility
P8.	Span of control for TAs as large numbers come on board	Lack of management and monitoring of TA's performance Commitment of TA to TSSP	4	3	H	<ul style="list-style-type: none"> ▪ Organisational structure with TAs reporting to Agency Specialist or Senior Adviser implemented ▪ Induction program implemented ▪ Work plans in place and monitored with all TAs 	PM PSMS M&ES
P9.	Lack of consistent and clear communication to TAs	Confused messages to TA Confused messages by TA to Agency	3	3	H	<ul style="list-style-type: none"> ▪ Communications Plan developed and monitored ▪ Information sharing mechanism agreed ▪ Induction program for all TAs continued 	PM PSMS
P10.	Lack of skills transfer, coaching and mentoring by TA to Agency staff	TA just completes work No capacity building occurs	3	3	H	<ul style="list-style-type: none"> ▪ SCBPM developed and adopted across whole Program ▪ CBS recruited to reinvigorate SCBPM ▪ ToR's with skills transfer requirement included in all TA responsibilities ▪ Work plans and performance management implemented for all TAs ▪ Regular feedback from Agencies sought 	PSMS PM
P11.	Major external event effects capacity to operate throughout PNG or in key geographic areas eg biosecurity.	Loss of staff Loss of continuity of project	2	4	H	<ul style="list-style-type: none"> ▪ Safety, Security and Emergency Plan (deals with this type of situation) – in place and reviewed regularly 	PM

⁸ Responsibility for a risk is assigned to single owner, even if several people work to mitigate it

ID	Risk event	Impact(s) on Program	L	C	R	Risk Treatment(s)	Responsibility
P12.	Major external event effects capacity to operate throughout PNG or in key geographic areas - Terrorism	Loss of staff Loss of continuity of project	2	4	H	<ul style="list-style-type: none"> ▪ Safety, Security and Emergency Plan (deals with this type of situation) – in place and reviewed regularly 	PM
P13.	Delays in recruitment process <ul style="list-style-type: none"> ▪ Numbers to be recruited ▪ Process itself 	Technical assistance needs of agencies not addressed in a timely manner	2	3	M	<ul style="list-style-type: none"> ▪ Recruitment priorities developed and followed ▪ Recruitment processes and work practices developed and implemented ▪ Majority/all adviser positions filled as at start of 2011 	PM/PSMS
P14.	Inability to attract high calibre TAs	Delays in Program	3	4	H	<ul style="list-style-type: none"> ▪ Recruitment Strategy in place ▪ ToR's defined ▪ Extensive recruitment plan enacted and monitored 	PM PSMS
P15.	Loss of significant staff - Program Director, Program Manager, specified personnel or key local staff	Delays in Program Loss of continuity	2	3	M	<ul style="list-style-type: none"> ▪ Performance management system ▪ Organisational development plan (succession planning) ▪ Recruiting processes in place 	PM

Program – Monitoring & Evaluation

ID	Risk event	Impact(s) on Program	L	C	R	Risk Treatment(s)	Responsibility
P16.	TSSP resource developing ISP performance measurement framework	Lack of transparency and subjectivity	3	3	H	<ul style="list-style-type: none"> ▪ External review ▪ Group assessment 	M&ES
P17.	Lack of understanding and acceptance of M & E by agencies	Unable to plan/report	3	3	H	<ul style="list-style-type: none"> ▪ Capacity building ▪ Placement of advisers 	M&ES
P18.	Linkage between Corporate Plan KPIs and M&E	Inability to measure performance effectively	3	3	H	<ul style="list-style-type: none"> ▪ Capacity building ▪ Placement of advisers 	M&ES
P19.	Lack of baseline data	Inability to measure impact of Program	3	3	H	<ul style="list-style-type: none"> ▪ Use external baseline study 	M&ES FMS
P20.	Planned staged process <ul style="list-style-type: none"> ▪ Expectation risk – (immediate results/outcomes) 	Difficulty in defining specific outcomes and targets	3	3	H	<ul style="list-style-type: none"> ▪ Flexible M&E framework with annual targets 	M&ES

Program – Social

ID	Risk event	Impact(s) on Program	L	C	R	Risk Treatment(s)	Responsibility
P21.	Social issues. Negative social impacts during construction	Community disputes will occur which will delay construction and result in cost increases through prolongation claims	4	3	H	<ul style="list-style-type: none"> Relevant agencies ensure ongoing community consultations are undertaken during construction to identify and resolve issues in timely manner. Documents to reflect this HIV/AIDS Policy and Implementation Plan implemented and monitored 	HIV/AIDS Consultant
P22.	Health issues if HIV/AIDS not addressed	Construction sites promulgate spread of HIV to local communities Program delays if Agency staff affected	3	3	H	<ul style="list-style-type: none"> HIV prevention provisions included in Construction contracts. Enforce these via contract payments 	HIV/AIDS Consultant
P23.	Continued expansion of HIV/AIDS epidemic affects TSSP or TSSP contributes to epidemic	Staff losses reduce institutional capacities; reduced productivity for people living with HIV; TSSP leads to greater spread	3	3	H	<ul style="list-style-type: none"> TA support; capacity building/training for participating agencies Cross-sectoral cooperation with Health, NGOs and others involved in HIV/AIDS programs 	HIV/AIDS Consultant
P24.	Social issues. Gender and vulnerable group issues inadequately addressed	Demand is driven disproportionately from a male-oriented perspective. Activities do not adequately address the demands of women, girls and vulnerable groups. Civil discontent is exacerbated	3	2	M	<ul style="list-style-type: none"> Ensure an integrated approach to the inclusion of gender policies and issues. Each adviser responsible for this integration in areas such as training and community consultation 	Gender Consultant

Program – Roads Maintenance

ID	Risk event	Impact(s) on Program	L	C	R	Risk Treatment(s)	Responsibility
P25.	Health/accidents/safety. Poor construction and safety management	Delays to traffic. Road users become impatient thus interrupting and delaying works. Risk to road users and workers	3	3	H	<ul style="list-style-type: none"> Investigate and identify areas of concern Document places responsibility on Contractors, Safety plan require by documents. Supervise closely to ensure proper management. Risk level reduced 	RMMS
P26.	Quality of contractual problems detected in current contracts (including Village contracts	Contract disputes and delays, design expectations not achieved, increased maintenance	4	3	H	<ul style="list-style-type: none"> Employ TAs to assess the situation and drive and agree solutions with DoW. Appoint contracts expert TA 	PSMSRMMS
P27.	Low capacities of private sector contractors, including ability to bid for and manage work, meet financial commitments and remain viable	Loss of funds and cessation of specific activities; few opportunities for smaller companies; poor quality work	4	3	H	<ul style="list-style-type: none"> Information for contractors, including workshops and information sessions Capacity building support, e.g. in preparing and managing bids TA support 	RMMS

ID	Risk event	Impact(s) on Program	L	C	R	Risk Treatment(s)	Responsibility
P28.	Shortage of construction materials	Construction will be delayed and construction costs may increase Tenderers source materials off site, with higher cost of work	2	3	M	<ul style="list-style-type: none"> ▪ Site investigation during design phase checked the availability and sources of construction materials that meet specification ▪ Identify sources of construction material by Contractor ▪ Contingency plan to reduce extent of work ▪ Introduce Quality Assurance service 	RMMS

Program – Security

ID	Risk event	Impact(s) on Program	L	C	R	Risk Treatment(s)	Responsibility
P29.	Security issues. PNG remains susceptible to social unrest Community issues, elections, displaced populations, costs may generate social unrest in the region	Social unrest creates insecurity for Program staff and Program viability	3	3	H	<ul style="list-style-type: none"> ▪ Remain abreast of social and security issues relating to conflict through communication with local governments, communities and AusAID ▪ PWMs to take responsibility for local community issues 	PM