

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

*Supported by the Australian Government – AusAID*

## **MONITORING & EVALUATION REPORT and FRAMEWORK**

**November 2007**

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## Glossary

ACR	Activity Completion Report
AMC	Asset Maintenance Contractors
AusAID	Australian Agency for International Development
CAA	Civil Aviation Authority
CDD	Concept Design Document
DoT	Department of Transport
DoW	Department of Works
GoPNG	Government of Papua New Guinea
ISP	Implementing Service Provider
M&E	Monitoring and Evaluation
MTDS	Medium Term Development Strategy
MTR	Mid-Term Review
NMSA	National Maritime Safety Authority
NTDP	National Transport Development Plan
PD	Program Director
PM	Program Manager
PMC	Project Management Consultants
PNGPC	Papua New Guinea Ports Corporation
PSMS	Public Sector Management Specialist
SoS	Scope of Services
TA	Technical Assistance
ToR	Terms of Reference
TSCMIC	Transport Sector Coordinating Monitoring and Implementation Committee
TSSP	Transport Sector Support Program

## Executive summary

Australia has been providing long-term support to the Government of Papua New Guinea (GoPNG) for the infrastructure program through its ongoing aid program. The focus of aid assistance is currently shifting away from a sole focus on maintenance towards an emphasis on capacity building and institutional strengthening as part of a broader holistic approach to supporting maintenance and longer-term development impact.

The Transport Sector Support Program (TSSP) is a flagship program for the Australian Agency for International Development (AusAID) given the level of investment in infrastructure and prominence of the sector in the GoPNGs Medium Term Development Strategy (MTDS). The first phase of the TSSP is for five years but the longer-term strategy details a program involvement of ten to fifteen years.

Monitoring and Evaluation (M&E) is a key element of the TSSP and the report and frameworks outlined in the following sections provide a simple, staged approach to measuring program progress and development impact. A number of frameworks will be utilised over the life of the program. These include: a program framework with broad outcomes across six main areas detailed in the Concept Design Document (CDD) covering the broad key result areas of **governance, capacity building and access (infrastructure)**; the Implementing Service Provider (ISP) contractor performance framework that will assess the contribution of the ISP towards the achievement of program goals; a technical assistance (TA) framework which will be designed in 2008 and a Program Management Consultant (PMC) framework that will assess the performance of contractors undertaking infrastructure work on behalf of the TSSP in partnership with respective line agencies. This framework can also be adapted to cover Asset Maintenance Contractors (AMC) working on other projects as well.

Each framework is independent but interrelated, all will be used as a means to measure program performance, identify resourcing gaps, and assist management and key stakeholders make strategic decisions. A key feature of the M&E framework is that it attempts to utilise existing GoPNG systems and to develop processes that complement and promote these existing systems. Capacity building will be provided to agencies around M&E to develop appropriate information databases and to strengthen agency corporate plans and data gathering so agencies can assume responsibility for their own monitoring and evaluation and prepare suitable annual reports for the GoPNG and other key stakeholders.

The broad outcomes detailed in the program framework are supported by a series of indicators and performance questions that will guide implementation. Attempts have also been made to assign responsibilities to key stakeholders and present guidance on how results should be communicated (reports etc.).

The M&E methodology is straightforward and focuses on working within current systems and within set timeframes. The methodology will involve the ongoing review of TSSP specialist and TA advisor workplans with specific interventions proposed during the course of each year to collect additional data and to compare and contrast results.

A key outcome of the M&E strategy is to develop local capacity and it is proposed to use the Department of Transport (DoT) as a central body for the collection and storage of data. Much of the M&E capacity building effort in 2008 will aim to work with existing advisors in the DoT and to work

with local counterparts to store, analyse and report against the data and results emerging. This coordinating and informing role is a key feature of the DoT mandate.

Cross-cutting themes are an important element and contributor to the success of the program. Issues such as gender engagement and participation, HIV/AIDS awareness and environment protection are key elements of the transport infrastructure sectors. Provisional indicators have been developed to measure the impact these themes have upon the achievement of program objectives and they will be updated accordingly with the input of short-term advisors over the coming months.

The M&E framework and report does not provide all the answers to improving transport infrastructure facilities in PNG, however it proposes and defines the parameters against which progress will be assessed and development impacts measured. It is a staged approach to development, building upon what has already been undertaken and proposes some new approaches that will effectively demonstrate impact in the longer-term.

## 1.0 Monitoring and evaluation as a tool for TSSP

Australia has been providing long-term support to the Government of Papua New Guinea (GoPNG) for the infrastructure program through its ongoing aid program. The focus of aid assistance is currently shifting away from a sole focus on maintenance towards an emphasis on capacity building and institutional strengthening as part of a broader holistic approach to supporting maintenance and longer-term development impact.

The TSSP is a flagship program for the Australian Agency for International Development (AusAID) given the level of investment in infrastructure and prominence of the sector in the GoPNGs Medium Term Development Strategy (MTDS). The first phase of the TSSP is for five years but the longer-term strategy details a program involvement of ten to fifteen years.

The TSSP will assist AusAID in maintaining existing levels of investment in the transport infrastructure sector (roads, maritime and aviation) but also encourage GoPNG to take increasing responsibility for infrastructure maintenance funding and become less dependent upon international donor support. Importantly, TSSP will operate within GoPNG systems and processes and assist to build capacity within them, whilst retaining appropriate checks and balances to promote accountability and transparency and reduce inefficiencies.

Therefore, the emphasis of the TSSP approach is directed towards improving governance (including transparency and accountability in government procurement), public sector management and technical capacity building and institutional strengthening, while continuing to provide funding support for priority maintenance and rehabilitation works.

Both AusAID and GoPNG place a high emphasis on performance monitoring and evaluation (M&E) and this report will detail the approach M&E will take towards the TSSP and outline the various frameworks and indicators against which progress and impact will be measured.

### 1.1 M&E and TSSP

The goal of the TSSP is to ensure improved governance and performance in GoPNGs delivery of transport infrastructure services through effective use of resources.

The overall goal will be addressed through a number of activities directed at four main objectives:

**Objective 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.

**Objective 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.

**Objective 3: Provincial Transport Services** – To support improves performance of provincial, district and local level governments to deliver transport services in selected locations.

**Objective 4: Prioritised Transport Asset Maintenance** – To support delivery of an affordable, contestable and prioritised national transport network.

The implementation of the TSSP (as proposed in the Concept Design Document - CDD) signals a clear change in focus for both GoPNG and AusAID with respects to the transport sector.

Specifically the shift represents a move away from a project-by-project approach to infrastructure maintenance and development towards a programmatic approach that incorporates and addresses key features of public sector reform and governance.

A key feature of the TSSP that has significant effects upon M&E is the proposed incremental and staged approach of the program. This approach enables close monitoring of proposed activities and allows for flexibility in implementation and strategic change if required.

The requirement of M&E under the TSSP is to assist GoPNG line agencies move their current performance reporting activities in the sector (which is largely agency based at the moment) incrementally into a single sector wide monitoring and performance framework. Specifically, the framework shall:

- Be primarily based on GoPNGs own reporting systems and be consistent with the performance framework for the MTDS;
- Pay close attention to the monitoring of key risks in each sub-sector;
- Be based on information current available to and generated by GoPNG agencies; and
- Build capacity for the collection, analysis and interpretation of relevant data and information.

## 1.2 Purpose of monitoring and evaluation

M&E is not – and cannot be – a substitute for good program management. For M&E to succeed, it needs to be driven by the needs of management and stakeholders for information, their use of information and a shared desire to create a learning environment. M&E under TSSP will only be as good as the quality of overall management.

Effective M&E can:

- Provide managers with information needed for day-to-day decisions in the changing context of programs;
- Provide key stakeholders with the information needed to guide program strategy towards achieving stated outcomes and goal statements;
- Provide early warning of problematic activities and processes that need corrective action;
- Help empower key stakeholders by creating opportunities for them to reflect critically on the program's direction and help decide on improvements;
- Build understanding and capacity amongst those involved in the program;
- Motivate and stimulate learning amongst those committed to making the program a success; and
- Assess progress and promote accountability in program delivery and service.

Inadequate M&E has two major consequences:

- *Limited learning* by implementers about the programs progress, opportunities and problems; consequently, the limited ability of those involved to correct operations and strategy, leading to reduced impact;
- *Unclear impact performance* so limited accountability to funding agencies and to primary stakeholders in terms of achievement of key outcomes and goal statements.

In summary, M&E is primarily about improving activity implementation and management. A key feature and in some instances the most important feature of development assistance is the identification of problems and needs and the provision of appropriate solutions to address them. The key is to identify those high level priorities and outcomes that will bring mutual benefit to the GoPNG and Australian Government. Since the goal is for improved governance and service delivery performance in the transport infrastructure sector – outcomes should be assessed in terms of their contribution to improved governance systems and processes, capacity building, and improved access to infrastructure.

The M&E framework for TSSP must help address and consolidate two themes, problem identification and solution specification. This requires a solid understanding of how activities and projects the program is funding will impact on the outcome level. The framework will not and cannot provide solutions to all issues that will arise in the program, however it can provide a framework to assess performance and impact and provide recommendations on strategic direction and change. The main purpose for having an M&E framework are summarised in Box 1.

### **Box 1: Rationale for M&E frameworks**

The main purposes for having an M&E Framework in a development assistance program and then delivering against it are:

- ▶ **Accountability to the Australian taxpayer** — what will AusAID obtain that it can use for this purpose from the M&E Framework? This has two aspects; the first is the demonstration that development assistance is ‘making a difference’, the second is that TSSP is well managed and delivers cost-effective aid that results in the Australian taxpayer receiving value for money.
- ▶ **Accountability to GoPNG** — how will TSSP demonstrate to the GoPNG that it is adding value and that it is fully aware of what the program and each activity are doing and that this is consistent with the GoPNG priorities?
- ▶ **Learning** — is about understanding the causes of underperformance and the drivers of success. Primarily centres on ongoing refinement or continuous improvement through improved and evidence-based decision making during implementation; and periodic, more distilled and often-independent distillation of key lessons.
- ▶ **Guiding TSSP allocation of resources** — how will the M&E framework system inform and help guide the areas in which they will engage to ensure that they have the greatest probability of achieving good outcomes? How will it help in identifying/selecting activities that will make a difference and contribute to the goals?

Improving management — this has three main aspects:

- ▶ How will it provide the lessons to improve the quality of designs and management processes and ensure that the lessons are incorporated?
- ▶ How will it enable real time quality assurance information for management on issues from inputs being delivered on time to ensuring sub-contractors are delivering a quality product?
- ▶ How will it provide records to service the requests for information on performance of the program TSSP team, the sub-contractors, the program as a whole and development partner agencies involved in the activities?

M&E generally tends to be an elusive concept with a variety of theories and practical approaches that in some instances can be quite misleading. The presentation of similar concepts under a variety of explanations can lead to a blurring and confusion of terms. For example, the explanation of management information systems and M&E frameworks, logframes and performance systems can be confusing and the blend of language between results based management and management by objectives can distort the true objectives of M&E. To compound the situation there are various levels at which programs can be evaluated – agency level, program level, policy framework level and activity level.

With these issues in mind, the proposed M&E framework for TSSP is a simple framework aimed at generating results that can be assessed and understood by a range of stakeholders. The framework will be in two steps — a program level framework representing higher-level achievements and individual activity frameworks that can assess results individually or collectively. The activity framework will consist of existing line agency corporate plans and TSSP TA activities as well as internal M&E systems focussing on advisor performance and contribution. The focus of the framework is to measure development effectiveness and impact and through this effort to promote accountability and learning in implementation and management. The framework also uses

a combination of management by objectives and results based management criteria. It is hoped the use of these terms promotes synergies for the program and does not confuse or mislead users of the framework.

### 1.3 Program approach to development assistance

Previously the transport infrastructure sector was supported, in the main, through project-type assistance with significant inputs of technical assistance both at an advisory and maintenance level. The projects were classical output driven, prescriptive activities and often not capacity building friendly. However, the ASF capacity building program is a shift towards a more outcome-focused program through the focus on corporate and not purely technical functions and outputs.

A program approach to aid delivery is the most appropriate approach for the TSSP. It is consistent with the broader program approach currently being implemented by AusAID in PNG through the law and justice, and health and education sectors as it encourages the transport sector to work together and to coordinate reform activities across respective agencies.

A program approach uses a wide range of flexible approaches to:

- Encourage and develop greater partner government ownership of development efforts which in turn should enhance sustainability outcomes;
- Support the use of GoPNG established systems and processes;
- Focus on capacity building of the PNG transport infrastructure sector at all levels; and
- Encourage partner governments to accept responsibility to systematically pursue national sector strategies (National Transport Development Plan) and implement institutional change.

Given the number of agencies in the sector, the wide range of the reform agenda and the varying capacities and capabilities within the sector and its agencies, differing implementation support approaches can be used to support the GoPNG-driven planning priorities based upon clearly defined needs. Under the program approach, GoPNG has a high level of engagement in the planning process and developing ownership through those established systems and processes is a high priority.

From the highest levels of government, the GoPNG has provided a strong message to development partners that it wishes to work with them to achieve a shared understanding on development priorities given the difficult medium-term development outlook. The GoPNG wishes to see its processes and its mechanisms used in the delivery of donor support and this will be supported through activities implemented under the TSSP. This approach has a strong emphasis on:

- Fostering ownership and enhanced engagement with the GoPNG through a focus on development priorities;
- Improving communication with all key stakeholders and partners, including civil society;
- Using incentive-based and community-driven approaches where possible, at the sub national level; and
- The quality of engagement and the achievement of mutually agreed performance targets.

While technical assistance (TA) has played a major part in the delivery of development assistance, there is an increasing interest in other inputs and mechanisms, including the use of sector support programs, and sector and program approaches. There are a number of differing approaches within PNG currently being implemented, such as those adopted by the law and justice sector and health and education sectors. Each of these sectors has adopted a philosophy of progressive engagement (i.e. a cautious phased approach, moving from the fixed 'blue-print' project aid methodology to more flexible mechanisms as capacity is developed). The TSSP will also follow this methodology in implementing a staged approach to program delivery,

A critical factor in determining an appropriate approach for the TSSP is recognising that the transport infrastructure sectors include many agencies, varying committees and boards, individual management styles and work in differing sectors of transport. There are also a number of ministerial responsibilities and legislative requirements that need to be considered. For example, health and education often have a single policy-coordinating agency that can provide a 'base' for program activities. There can be no overarching ministry in the transport infrastructure sector due to the wide scope of work currently being undertaken in the sector as a whole.

The NTDP places significant emphasis on improving performance through improved coordination and inter-agency cooperation. This is a critical feature of the program approach, however it must not be forgotten that each individual agency has its own development agenda and separate corporate plans upon which performance will be assessed. No one agency is greater than the other but the strategy is to identify the linkages and look for opportunities for engagement and shared learning.

#### **1.4 Identifying key stakeholders and performance related information in the transport sector**

The CDD highlights the key agencies the program will support and details the linkages to the Transport Sector Coordinating, Monitoring and Implementation Committee (TSCMIC) as the overarching supervisory committee. The transport infrastructure sector also has a wide range of performance information and frameworks that are currently being used to measure progress and performance. Diagram 2 highlights the range of performance documents and their linkages between agencies.

**Diagram 1: Performance information currently available through GoPNG and AusAID**

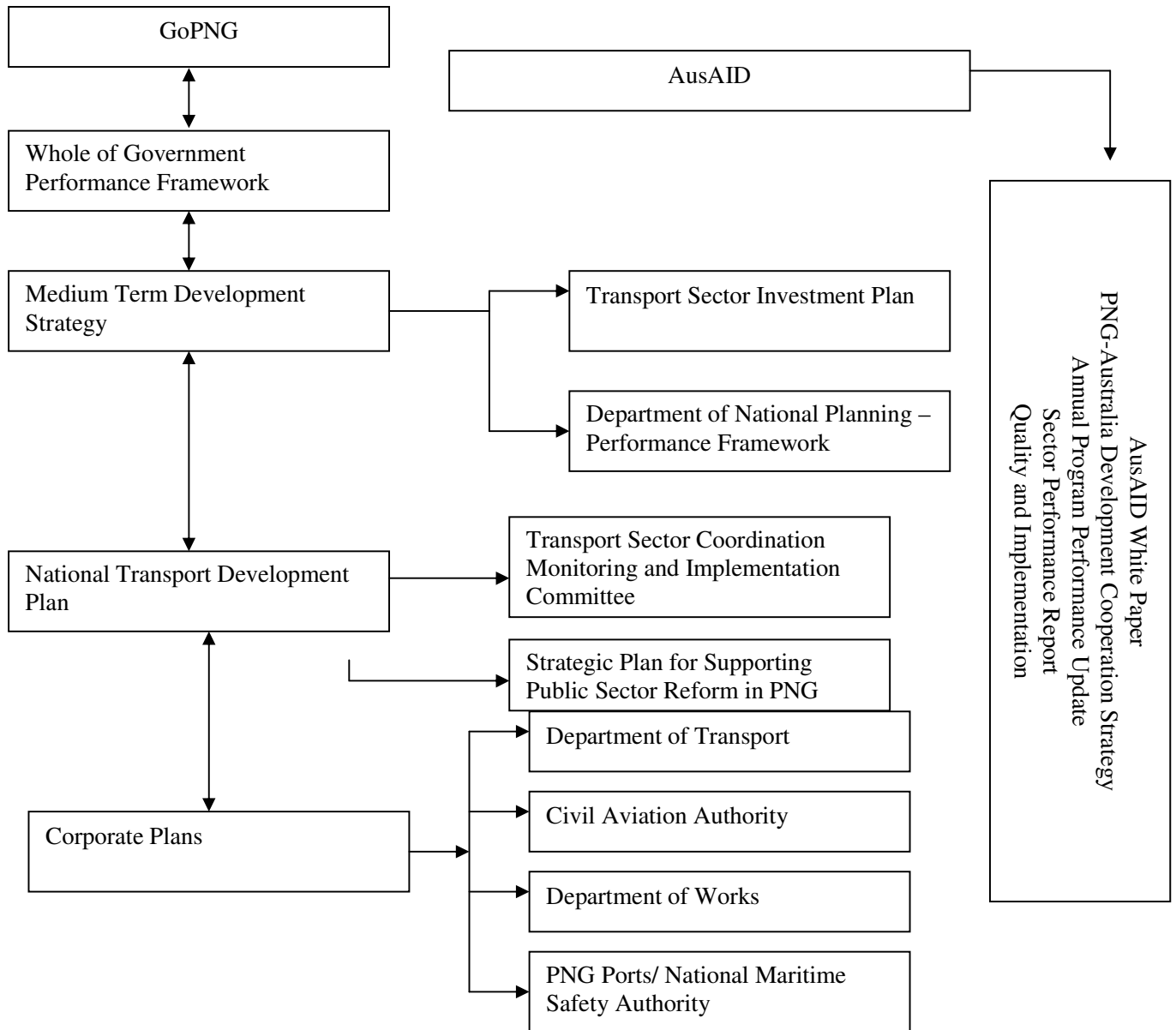


Diagram 1 demonstrates that significant amounts of performance related information exists currently within GoPNG systems. In addition, AusAID has performance frameworks and strategies that complement these systems. TSSP also considers it critical that all TSSP advisors and TA advisors working in the program have a sound understanding of the conceptual framework and the various linkages between agencies in terms of M&E and how the system relies upon a variety of approaches and levels of reporting. Much of this performance information has been reviewed as part of a baseline/situational analysis that is discussed in the next section.

## 2.0 Situational analysis and baseline of line agencies

An initial situational assessment of performance information was undertaken in September 2007. This desk review process involved reviewing performance related documentation contained within AusAID and GoPNG systems. The desk review was followed up with face-to-face meetings with each line agency to introduce M&E and also to discuss how performance information is currently captured within respective agencies.

The report indicated that while each agency has a corporate plan with associated performance indicators (NMSA is currently developing a plan), there is little in the way of systems to assist in the collection, processing and analysis of data. This is a standardised theme across all line agencies and results in an inability to measure individual performance and to communicate results to central agencies. This breakdown in communication has significant impacts for line agencies in that they cannot justify achievements against agreed performance criteria, resource allocation is skewed based upon poor data collection and management decisions are often based in isolation without regard for factual and statistical information.

A summary of the information contained in the situational analysis is included as Attachment 1 and is a preliminary baseline study of performance information currently available in central and line agencies and will be further analysed in greater detail once TA advisors commence work in 2008.

It is important not to confuse stakeholders nor generate information that is not relevant to their needs nor useful in making management decisions. The situational analysis revealed the need to undertake specific baseline studies in early 2008. Interviews by the M&E Specialist and Public Sector Management Specialist (PSMS) indicate that capacity and governance issues remain constrained across all line agencies and there is sufficient information already available through consultation and prior knowledge to support this, primarily through ASF situational reports and analysis. Further baseline requirements and needs will be discussed in a later section.

Face-to-face meetings have been held with each participating line agency and also with AusAID and the TSSP management team. These interviews and discussions have generated significant results and focused the M&E framework towards its current format. Diagram 2 highlights a summary of what each stakeholder considers important from an M&E perspective.

**Diagram 2: Expectations of M&E by transport sector agencies in PNG**

<b>TSSP</b>	<b>AusAID</b>	<b>DoT</b>	<b>CAA</b>	<b>DoW</b>	<b>NMSA/PNG Ports</b>
Progress information Lessons learned Resource allocation Advisor performance	Progress information Impact assessments Contribution to TSCMIC strategic requirements	Improvements in data collection Analysis of results from data Capacity development (HR, Finance) Improved policy development and implementation Improved relations and linkages with other transport sector agencies.	Systems to measure performance and data collection Strengthened governance procedures Capacity of staff departments Improved organisational performance	Capacity development (HR, Finance) Improved contractor management performance Strengthened contract administration	Improved governance functions and board structures Clarity in roles and responsibilities and legislative arrangements

The table highlights a number of expectations on what M&E can provide and what agencies are looking to have M&E measure over the coming years. Some consistent themes have emerged in terms of measuring improved performance at the governance level and also in strengthening capacity. These will be discussed in later sections of the report.

## **2.1 Observations from first M&E input, September – November 2007**

The CDD provides clear direction on the direction of the program, intended outcomes and resourcing requirements. This is supported by a detailed SoS that provides specific detail on the required outputs and deliverables of the program. These documents have provided a sound basis for the development of the proposed M&E framework. The only criticism is that the TSSP CDD is quite ambitious in the targets that it has set and there appears little room to manoeuvre if there is a change in strategic direction by the TSCMIC and what impact this will have on the TSSP as a whole. However, this provides opportunities for M&E to generate results to demonstrate impact and to provide information and advice to the TSCMIC to maintain the current strategy and align policies and procedures to the broader NTDP.

Despite a strong focus on M&E and willingness by central and line agencies to incorporate M&E and performance related monitoring into operations, there is a general lack of understanding on what M&E can achieve for organisations. The situational analysis and interviews with agencies

indicated that many stakeholders feel that M&E will provide them with appropriate 'answers' to solve organisational issues. The approach taken by the M&E advisor has been to suggest that the data and information generated through M&E can validate and support management decisions but tough decisions under the reform process will still need to be completed.

Stakeholders including AusAID will need to understand the phased approach to M&E that is proposed. Results and impacts will not be immediately apparent and time is required for these to emerge as TA is engaged, infrastructure and maintenance works commence and strategic management decisions are enacted. The first six months of TSSP has been a planning phase and results will begin to emerge towards the end of calendar year 2008 as resources are mobilised. However this does not mean results cannot be reported against as there are significant steps that still need to be taken in early 2008 – primarily around the development of survey tools, M&E databases and M&E awareness sessions within line agencies. These foundation steps are critical for the longer-term development of the program and will result in suitable systems and methods that will satisfy the information needs of key stakeholders.

There is also a need for the broader TSSP team to have a detailed understanding of M&E, particularly the agency advisors, as they will need to be able to supervise the collection of data and assist with the analysis of that information. Advisors need to assume some responsibility in this area and not merely take a 'hands-off' or 'advisory' approach as results in their own respective workplans will inextricably linked to the performance of agencies and the reports they are able to produce as a result of the data.

### 3.0 What the TSSP M&E framework will monitor and evaluate

Given the nature of TSSP as a broad level program covering a large proportion of transport infrastructure sector in PNG, the goal and component objectives are defined in quite general terms. The choice of objectives –which normally reflect cause and effect in a clear hierarchy of causality – is problematic in this context. This is because the problem to be solved is defined in such general terms that the combined individual activities and Technical Assistance (TA) may not be adequate to demonstrate impact at the objective level. This has important implications for the design of an M&E framework for the TSSP because indicators at output level are relatively meaningless when trying to assess overall impact.

To address this concern and potential risk it is imperative to define an 'outcome framework' that clearly defines the boundaries through which the TSSP will be monitored and evaluated and to link that framework to the specific corporate plans and TA arrangements that will measure individual activities and events. By establishing the outcome framework, the program can show causal linkages between the achievement of outputs that correspond to changes in outcomes – i.e. behaviour change through capacity development and improved governance systems.

The TSSP is built around four key objectives as outlined in the Concept Design Document (CDD) and Scope of Services (SoS) as detailed in Section 1.1. The outcomes framework proposed for the TSSP covers three broad areas — ***governance, capacity development and access (infrastructure)***.

The definition of these result areas is important, as it will generate data and information that will support the overall strategic framework of the Transport Sector Coordination Monitoring and

Implementation Committee (TSCMIC). As the effective Client of the TSSP, it is vital that the data generated from TSSP inform the TCMIC to assist in strategic and resourcing decisions. The design of the outcome framework will support this process. The logical flow of information is summarised in Diagram 4.

Diagram 4 also details other performance frameworks that make up the entire TSSP M&E framework. Other frameworks include the ISP Contractor Performance Framework, TSSP TA Framework and PMC Contractor Performance Framework.

The ISP Contractor Performance Framework is included as Attachment 2. The framework has developed a series of indicators against the SoS against which the ISP, SMEC International, will be assessed against to receive its full monthly payments. The indicators move beyond simple input achievements and measure the ISP's contribution towards the achievement of TSSP outcomes more broadly through specific interventions (i.e. advisor inputs). The framework will be updated annually to ensure indicators remain relevant and continue to support the achievement of the broad outcome framework. Further refinement will be necessary in the coming weeks to ensure the ISP's views are adequately considered and agreed upon with AusAID. The framework is provided as a draft at this stage for review.

The TSSP TA framework will be developed in February 2008 once the TA and capacity building plan is finalised and support commences in central and line agencies. The framework will be a simple tool that attempts to develop consistent indicators against which to measure the performance and impact of all advisor inputs. Advisor workplans will form the basis for monitoring in this area; however, higher-level indicators are required to measure the development impact of advisor support and input. This framework will be designed in consultation with the PSMS.

The PMC Performance Framework is to be used by line agencies responsible for the implementation of infrastructure maintenance programs. Initially the framework will be rolled out to the DoW since it has a number of ongoing maintenance contracts underway. It is anticipated that a similar framework may be developed further for other agencies using AMC's in early 2008. The DoW has a framework as part of the TSSP-IP and this has been refined and built upon following consultations with the DoW to focus more on development impacts and improved service delivery by consultants. The framework has been discussed with DoW staff and their input has been sought in the initial design. A simple database will also be developed to complement the framework. The PMC Performance Framework is included as Attachment 3.

### **3.1 TSSP research and impact assessments**

Longer-term impact studies are a key feature of the TSSP and specific research and impact study requirements will be discussed and proposed in the first quarter of 2008. Preliminary discussions have been held with the PD and PM around key study areas that could be considered. The main focus at this stage would be to look at a social impact study along the lines of a recent World Bank (WB) report which has looked at the impact of road infrastructure on quality of life and access issues. Aspects of this study could be replicated to focus on the sixteen priority roads the TSSP is covering as part of its scope of work.

Another study can follow along the lines of the Impact Assessment of Australian Aid to Bougainville (IMPASS) study recently undertaken on behalf of AusAID. This study could look at the other

developments that have emerged as a result of improvements in infrastructure – i.e. access to markets, new businesses, improved quality of good and services coming to market etc.

Another study area would be to undertake a detailed cost benefit analysis that could look at the economic rates of return on the length of roads maintained. This study could provide information, surrounding value-for-money considerations and also provide feedback to line agencies on the levels of investment required to maintain roads into the future.

These issues are still in draft form and input is welcome from AusAID as to other areas that could be considered for impact assessments and studies.

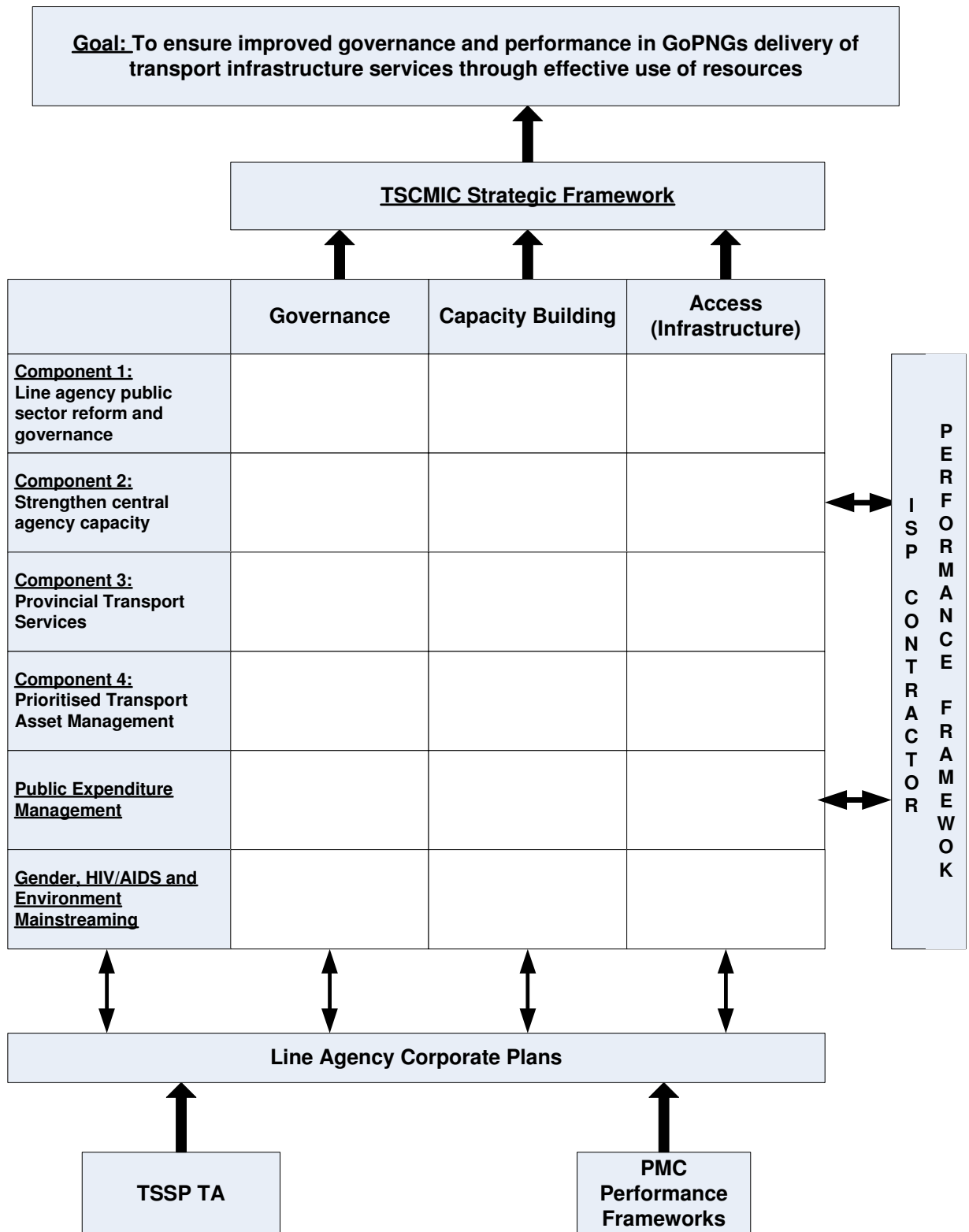


Diagram 3: TSSP M&E framework (indicators are provided in Section 3.2)

Diagram 3 outlines the overall M&E framework for the TSSP and the linkages between the various interventions proposed. The overall strategy is to align performance information to support the strategic framework of the TSCMIC. This will be achieved through the development of an outcome framework with performance indicators that measure impact at the higher level against the four components of the CDD and SoS. Broad indicators have been defined during October/November 2007 and these will be discussed through participatory workshops with relevant agencies in early 2008 (broad indicators are outlined in the next section). The presentation of broad indicators will assist and guide discussion at that time. It is important to note that the framework has been established so that indicators, primarily, are consistent and relevant to all agencies. However, where needed, specific indicators can be developed for specific agencies. For example, although governance issues appear consistent at this stage, there may be a need to monitor more closely the specific nature of board interaction and roles within the NMSA for instance.

Additional line items have been added below the component objectives given the importance of these program activities. Public expenditure management is a key component of the MTDS and an area that the GoPNG has identified it needs to maintain consistent high standards. Cross cutting themes such as HIV/AIDS, gender and the environment are also critical elements of any M&E framework. The framework links in very closely with the sector specialists who have developed appropriate guidelines and indicators. These will be incorporated into this matrix and monitored and evaluated accordingly.

Corporate plans remain a key feature of the M&E framework for three main reasons. Firstly, it is a requirement for the agencies to have a plan for the GoPNG; secondly, agencies have spent considerable time and effort to develop the plans and maintain them, and finally they are understood by agencies and apply to current business models. Where the TSSP can have impact is through the provision of TA to work with each agency to develop stronger plans with clearly defined performance indicators and lines of responsibility.

### **3.2 Broad outcomes and performance questions**

The development of broad outcomes are the targets set for the program for the first three years. The outcomes are what TSSP is hoping to achieve by the end of 2009 and the M&E systems are geared towards generating data and results that meet these outcomes. A broad outcomes framework has been developed and is outlined below.

**Diagram 4: Outcomes Framework – TSSP M&E Framework**

	<b>Governance</b>	<b>Capacity Building</b>	<b>Access (Infrastructure)</b>
<b>Component 1: Line agency public sector reform and governance</b>	Improved clarity in roles and responsibilities between line agencies Corporate plans used as central management documents to provide strategic guidance and promote change	Improved capacity of agencies to implement GoPNG policy using GoPNG systems and procedures	Infrastructure service delivery activities completed on time and within budget
<b>Component 2: Strengthen central agency capacity</b>	Strengthened linkages between line agencies and central agencies so that service delivery and programs are supported	Central agency plans support linkages between central and line agencies	Adequate budgets provided from central agencies to undertake works Evidence of cross agency partnerships and linkages between donors (harmonisation)
<b>Component 3: Provincial Transport Services</b>	Prioritised systems for work and budgets operational Formulation of provincial policies and implementation	Provinces report improved capacity to implement policies and prioritised work	Projects being implemented at the provincial level
<b>Component 4: Prioritised Transport Asset Maintenance</b>	Prioritised lists developed and followed annually Compliance with relevant legislation/policies and priorities		Physical works - #km of roads (% quality) # airports maintained
<b>Public Expenditure Management</b>	Systems in place that link prioritised programs to workplan and corporate plan budgets		Prioritised asset maintained activities completed according to agreed budgets and plans
<b>Gender, HIV/AIDS and Environment Mainstreaming</b>	Gender, HIV/AIDS and Environment policies and plans operational in each line agency	Increased awareness gender, HIV and environment through training, information provision and planning	Both women and men considered in all TSSP activities.

To assist in the planning and staged approach of achievements, it is proposed to set annual performance targets that are aligned to the broad framework. The TSSP M&E framework will use the annual performance targets detailed in the CDD. These are outlined in Section 3.1.1.

The framework is built around six components detailed in Diagram 4 and are discussed in detail below. The first four are the program objectives as outlined in the CDD. The remaining two are important key considerations that will assist in the achievement of the CDD objectives. The tables below provide specific indicators for each outcome and a series of performance questions. The tables also detail who is responsible for the achievement of the outcomes, the processes involved

to achieve the outcome, the tools used to collect information and the format the results will be presented in.

### Component 1: Line Agency Public Sector Reform and Governance

<b>Governance Indicators:</b> 1.1 Improved clarity in roles and responsibilities between line agencies 1.2 Corporate plans used as central management documents to provide strategic guidance and promote change
<b>Performance Indicators:</b> Agencies report improved understanding of roles, Inter-agency meetings occurring, Corporate Plans in place and operational
<b>Performance Questions</b> 1.1.1 Is TSSP advice improving clarity in roles and responsibilities? What evidence exists to demonstrate the improved clarity? 1.1.2 Are corporate plans reflective of strategic direction of agencies? Are corporate plans consistent in their content across agencies? How has TSSP contributed to improve corporate planning and reporting against the plans?
<b>Responsibility:</b> Line agencies have responsibility to define roles and responsibilities as part of their corporate plans and ensure there is clarity internally and also through inter-agency meetings. TSSP has a responsibility to provide advisor support to assist in defining roles and to assist in updating corporate plans.
<b>Process:</b> TSSP advisors will prepare monthly reports and agencies will provide annual reports against corporate plans
<b>Tools:</b> Will be secondary data derived from advisor reports and annual reports. There will also be informal meetings between the TSSP advisors and senior line agency management on achievements derived.
<b>Format:</b> Annual Reports from line agencies

<b>Capacity Building Indicator:</b> Improved capacity of agencies to clearly define roles and responsibilities within and between agencies.
<b>Performance Indicators:</b> Organisational charts demonstrating information flows and responsibilities in place, job descriptions available for each position, effective HR systems in place, inter-agency meetings occurring.
<b>Performance Question:</b> Do organisations demonstrate improved capacity? Are management decisions communicated? Do individuals/agencies have a clear understanding of their role? Are adequate HR plans in place to support staff training and development?
<b>Responsibility:</b> TSSP advisors will be responsible for reporting on areas of improved capacity relative to their work areas – i.e. HR, Finance etc. Line agencies also responsible for reporting on improvements in capacity amongst staff and improved organisation performance.
<b>Process:</b> Annual review of capacity development in agencies
<b>Tools:</b> Organisational survey of agencies as well as formal interviews by advisors of a random selection of staff – six monthly surveys are proposed.
<b>Format:</b> Six-monthly advisor reports and M&E Annual Report

<b>Access Indicator:</b> Infrastructure service delivery activities completed on time and within budget
<b>Performance Indicators:</b> Projects completed on time and within budget
<b>Performance Questions:</b> What numbers of projects are completed on time? Number completed within budget?

<b>Responsibility:</b> Responsibility rests with each line agency and their respective project operations departments to effectively and efficiently manage activities. Also responsible for maintaining and updating project databases.
<b>Tools:</b> Review of databases and also end of project completion reports. Review will also interview staff responsible for project management of individual projects
<b>Format:</b> Results tabulated into the Annual M&E Report

## Component 2: Strengthen Central Agency Capacity

<b>Governance Indicator:</b> Strengthened linkages between line agencies and central agencies so that service delivery and programs are supported
<b>Performance Indicators:</b> Inter-Agency meetings occurring, Joint programs and projects being implemented.
<b>Performance Questions:</b> What linkages have been established (i.e. jointly funded projects)? What is each agency doing to maintain these linkages? What efficiencies have been derived?
<b>Responsibility:</b> Agencies are responsible for arranging and facilitating meetings. The TSSP advisors are responsible for engaging with line agencies to establish contact with central agencies. The TSCMIC will encourage engagement from the central level
<b>Process:</b> Regular review of meetings and interactions and results prepared for the TSCMIC committee
<b>Tools:</b> Meeting and Board minutes as well as monthly TSSP Advisor reports
<b>Format:</b> Annual performance report and short briefing papers provided to TSCMIC

<b>Capacity Building Indicator:</b> Central agency workplans supporting linkages and capacity building between central and line agencies
<b>Performance Indicators:</b> Workplans developed and operational
<b>Performance Questions:</b> Do central agencies have workplans plans? What evidence is there of plans being used to support line agency function (i.e. Financial management)? What is the result of the linkages?
<b>Responsibility:</b> Central agencies responsible for developing appropriate workplans and communicating the linkages with line agencies. Additional support provided to line agencies for them to develop their own plans
<b>Process:</b> Regular interaction between central and line agencies
<b>Tools:</b> Meeting minutes and organisational survey of central agencies to measure usage and impact
<b>Format:</b> Quarterly Progress Report

<b>Access Indicator:</b> Adequate budgets provided from central agencies to undertake work. Evidence of cross-agency partnerships between donors (harmonisation)
<b>Performance Indicators:</b> Budgets prepared and operational, Donor agencies meeting and implementing joint projects.
<b>Performance Questions:</b> Are budgets adequate for project needs? Are budgets spent according to workplans? Adequate planning and preparation from line agencies into budgets? What has been the result of cross-agency meetings?
<b>Responsibility:</b> Responsibility rests with line and central agencies to communicate regarding budget needs and project requirements. Agencies also need to regularly meet to ensure

information is communicated and needs clearly understood.
<b>Process:</b> Six-monthly meetings to discuss budgeting requirements
<b>Tools:</b> Meeting minutes
<b>Format:</b> Quarterly Progress Report

### Component 3: Provincial Transport Services

<b>Governance Indicator:</b> Prioritised systems for work developed and budgets operational. Provincial policies being implemented.
<b>Performance Indicators:</b> Prioritised systems developed, Policies developed to support prioritisation
<b>Performance Questions:</b> Are works being prioritised? How has this improved planning? Do policies link to prioritised systems and budgets and support provincial agencies?
<b>Responsibility;</b> Responsibility lies with provincial government authorities to develop programs and policies
<b>Process:</b> Six-monthly review of provincial processes to gauge progress.
<b>Tools:</b> Documents provided from provincial authorities
<b>Format:</b> Prioritised systems and policy statements. Impacts measured in Quarterly Progress Reports

<b>Capacity Building Indicator:</b> Provinces report improved capacity to implement policies and prioritise work
<b>Performance Indicators:</b> Provincial Transport Plan developed highlighting policies and priorities.
<b>Performance Questions:</b> What capacities have been improved? What new policies have been developed? How is work now prioritised?
<b>Responsibility:</b> Provincial authorities required to develop own prioritised lists and policies with the advisory support of TSSP and DoT
<b>Process:</b> Review of capacity achievements and development priorities
<b>Tools:</b> Agency workplans and TA advisor workplans
<b>Format:</b> Monthly progress reports and quarterly progress reports

<b>Access Indicator:</b> Projects being implemented at the provincial level
<b>Performance Indicators:</b> # new projects being funded against agreed workplans and prioritised lists
<b>Performance Questions:</b> Are the new projects improving access to transport services? Are communities reporting improved quality of life? Is infrastructure cost effective?
<b>Responsibility:</b> Provincial line agencies are responsible for the management of projects and for liaising with consultants to complete work
<b>Process:</b> Six-monthly reports provided on progress
<b>Tools:</b> PMC Consulting framework and site inspections by DoW staff at the central and provincial levels
<b>Format:</b> Contracting documents and monthly progress reports

#### Component 4: Prioritised Transport Asset Maintenance

<b>Governance Indicator:</b> Improved governance and planning through priority lists. Compliance with relevant legislation, policies and priorities
<b>Performance Indicators:</b> Agencies have agreed management structures in place; Line agencies complying with all relevant legislation and relevant policies and priorities under NTDP
<b>Performance Questions:</b> How have prioritised lists contributed to better systems and planning? What legislation is now compliant? Are the priorities outlined in the NTDP being followed?
<b>Responsibility:</b> Responsibility of boards and senior leadership to ensure systems and processes are communicated to broader organisational staff and to ensure all legislation and policies are considered in management decision making and strategies are aligned to the NTDP
<b>Process:</b> Board meetings and senior management meetings and evidence that priority lists are being utilised.
<b>Tools:</b> Review of board meetings and survey of board structures
<b>Format:</b> Board minutes and quarterly reports

<b>Access Indicator:</b> Functioning physical works
<b>Performance Indicators:</b> % roads in good/poor condition, % of population reporting improved access, # airports certified, % freight moved.
<b>Performance Questions:</b> Quality of projects? Improved economic conditions and quality of life?
<b>Responsibility:</b> Relevant agencies undertaking maintenance works and relevant contractors commissioned to complete work
<b>Process:</b> Relevant contract documentation in place and contract administration procedures also in place. Adequate supervision of consultants and monitoring of results
<b>Tools:</b> Contract documents, PMC performance framework and monthly progress reporting. Site inspections will also form an important part of the process.
<b>Format:</b> Monthly report formats and project completion reports.

#### Public Expenditure Management

<b>Governance Indicator:</b> Systems in place that link prioritised programs to workplan and corporate plan budgets
<b>Performance Indicators:</b> Prioritised systems in place that are linked to workplans and budgets
<b>Performance Questions:</b> Is there sufficient funding available to meet corporate plan objectives? What management systems are involved in resource allocation? Are these efficient and effective?
<b>Responsibility:</b> Responsibility lies with relevant finance departments within line agencies and the Department of National Planning and Monitoring and the Department of Treasury to communicate and coordinate priorities.
<b>Process:</b> Demonstrated system of planning within line agencies and effective communication between line agencies and central agencies. Preparation of suitable corporate plans that are achievable and set an agenda that is also economically feasible.
<b>Tools:</b> Corporate Plans and the annual performance reviews on budget expenditure.
<b>Format:</b> Annual performance reports

<b>Access Indicator:</b> Prioritised assets maintained activities completed according to agreed budgets and plans
<b>Performance Indicators:</b> # projects completed within time and budget
<b>Performance Questions:</b> Have finances been expended within 90% of budget provisions? Have there been any cost overruns?
<b>Responsibility:</b> Responsibility lies with relevant finance departments within line agencies in coordination with relevant operations departments responsible for project management.
<b>Process:</b> Systems that supervise construction/asset work used to monitor performance and report against achievements
<b>Tools:</b> Project completion reports in accordance with contract administration arrangements
<b>Format:</b> Project completion reports

### Cross Cutting Themes (Gender, HIV/AIDS, and Environment)

<b>Governance Indicator:</b> Gender, HIV/AIDS and Environment policies and plans operational in each line agency
<b>Performance Indicators:</b> Policies and plans operational and aligned to National HIV/AIDS strategy and legislation, staff aware of policies and plans
<b>Performance Questions:</b> Have plans been developed? Are they being used? Who is aware of the plans?
<b>Responsibility:</b> Responsibility of senior management within line agencies to develop appropriate plans in accordance with relevant TSSP short-term assistance.
<b>Process:</b> Policies and plans developed and communicated and annual evaluation to ensure they are being distributed, used and applied
<b>Tools:</b> Organisational survey with select individuals also surveyed to measure awareness and understanding.
<b>Format:</b> Annual performance report.

<b>Capacity Building Indicator:</b> Increased awareness of gender, HIV/AIDS and environment through training, information provision and planning.
<b>Performance Indicators:</b> Cross-cutting themes discussed at all trainings. Awareness training linked to contracts for PMCs and AMCs
<b>Performance Questions:</b> What actions have been taken as a result of training? How are these issues mainstreamed into projects?
<b>Responsibility:</b> Responsibility of agencies to work within national policies and legislation for these issues and for each line agency to develop appropriate policies and plans specific to their own operation.
<b>Process:</b> Training undertaken to increase awareness and the importance of mainstreaming these themes into maintenance programs
<b>Tools:</b> End of workshop surveys and also annual reviews of application and awareness
<b>Format:</b> End of workshop survey and organisational survey annually.

<b>Access Indicator:</b> Both women and men considered in all TSSP activities
<b>Performance Indicators:</b> Women and men report being involved and consulted
<b>Performance Questions:</b> How are both women and men consulted? How are different needs prioritised and respected?

<b>Responsibility:</b> Responsibility of operations departments within line agencies undertaking maintenance programs
<b>Process:</b> All projects engage with men and women prior to implementation of projects and all people followed up at the completion of activities
<b>Tools:</b> Community surveys to determine needs and satisfaction surveys at the completion of projects
<b>Format:</b> Project completion reports.

### 3.2.1 Annual targets for TSSP

The broad performance questions and indicators detailed above are for the first three years of the program. For TSSP to measure performance on an annual basis, it is proposed to establish annual targets that will link to the broad outcomes detailed above.

The CDD details a series of annual targets for the first year and these will be adopted for the first year of the TSSP. These targets will be updated on an annual basis as part of the Annual Planning Process. A table summarising the targets for Year One is detailed below.

Key Performance Area	Proposed Year One Indicators (as at end of calendar year 2007)
<b>Financial Flows and Responsibility</b>	GoPNG Outturn 2007 within 90% of budget provision (recurrent and development budgets taken separately)
	AusAID contribution to sector expenditure for 2007 and 2008 agreed based on PNG budget provision
	Criteria for statutory authority access to funds
<b>Policy and Planning Development</b>	National Transport Development Plan updated and results reported against the operations plan.
	Prioritised sectoral maintenance programs in place
<b>Sector management and leadership (capacity building)</b>	Definition of roles and responsibilities in delivering and monitoring and sector programs.
	Agency and Ministry corporate plans reviewed, targets set and reported against.
	Improved dialogue between International Finance Institutions (World Bank and ADB) and GoPNG and evidence that new commitments link to sectoral priorities
	ISP contractor in place and delivering services and requirements against the SoS.
<b>Sector Coordination and communication</b>	Information flows between central and line agencies reviewed and systems established for improvements. Improved budget provisions and allocations communicated and improved expenditure (and revenue) forecasting.
<b>Prioritised asset maintenance</b>	Prioritised asset maintenance activities planned for 2008 completed according to agreed plans
<b>HIV/AIDS and Gender</b>	Sector HIV/AIDS and Gender plans in place with appropriate M&E frameworks.

The rationale for annual targets is that it allows the TSSP to measure more clearly specific results and analyse their impact and contribution to the overall program framework and movement towards the achievement of higher order goal and purpose statements. The results and indicators will be reviewed on an annual basis with the support of the TSSP team and PD to ensure all targets are in

line with the overall performance framework and to identify gaps and issues that need further attention and resources. A detailed methodology for M&E is outlined in the next section.

### 3.3 M&E methodology

M&E for the TSSP as stated in earlier sections has been designed in a simple fashion to identify key areas of influence and to establish simple indicators that will demonstrate the success and impact of the program. Initially there needs to be recognition of who will actually use the data and information that is generated through the TSSP and how the data and information will be used. There are three core uses of performance data under the TSSP:

The sector needs to be responsive to the NTDP and adhere to the performance requirements detailed in the Strategy. The key performance measures should provide evidence on matters that are raised in the Strategy. The sector needs to generate data that highlights to the TSCMIC that achievements are being realised and presented in manner that allows for effective communication and decision-making. This information will allow the TSCMIC to discuss issues, priorities and future directions with stakeholders on an even footing, because everyone will have the same information to draw conclusions from.

The transport infrastructure sector must satisfy the GoPNG that the public interest is being met and that public funds are being allocated and used for the purposes for which they were appropriated. Given AusAID's commitment to provide value for money for Australian taxpayers, the GoPNG will need to know if they too are receiving value for money for PNG citizens. GoPNG will also want to know if current strategies, policies and plans are appropriate to meet targeted needs and if resources are being used to have the desired impact.

Leaders in transport agencies at the Provincial and National level, as well as those responsible for sector coordination (TSCMIC), need information on performance. This enables them to use information as the basis for analysis and planning, and to manage.

Data collection for the TSSP must be as simple as possible. These processes will:

- Provide meaningful measures of performance for the transport sector agencies and TSCMIC;
- Enable levels of performance to be compared over time through annual data collection, and in some cases quarterly data collection;
- Use information collected by agencies in the course of their work through the corporate plans rather than create additional workloads;
- Ensure that data collection processes are transparent and as simple as possible, relying on information that is collected which is of relevance to the transport sector as a whole;
- Be useful to managers and leaders at provincial and national levels as diagnostic tools; and
- Promote greater accountability, transparency and rigorous discussion on future strategic directions of the sector.

### 3.3.1 Agency level M&E

All transport agencies have corporate plans and these will form the basis of M&E at the agency level. Annual plans are derived from the corporate plans with funding requests under recurrent and development budgets supporting the annual plans. All corporate and annual plans support the NTDP, its goals and strategies however, some additional work is required to strengthen the performance indicators to ensure they reflect the strategic direction of the agency and also provide the necessary information for management to make decisions. There are some positive steps currently being undertaken in agencies towards M&E which will be supported and further enhanced under the TSSP:

- All agencies are completing and publishing annual reports as required;
- Some agencies have undergone organisational review processes and have adopted new structures to reflect new performance realities
- Strategic and corporate planning is viewed as essential and agencies are now holding formal workshops to develop appropriate plans and strategies.
- GoPNG is keen to improve its performance-monitoring framework but this is leading to too many frameworks.

### 3.3.2 Specific steps in the M&E methodology

The specific M&E methodology proposed for the duration of the program will include four key themes:

- Ongoing reporting data from the TSSP and delivery partners on what was delivered (the outputs and achievements of the specific activities undertaken) – TA inputs, advisor workplans and achievements against the workplans will be reviewed on a monthly basis. Six-monthly TA analysis reports are also requested that will provide more in-depth analysis and synthesis of data and provide recommendations for future action.
- Regular (6 monthly) cross-program consistent data on the key strategies of the overall facility (governance, capacity building and access) using an instrument (or methodology) developed to capture the progress and outcomes achieved in these areas across all projects/activities. The tool(s) will be developed in consultation with the PM and PD in February 2008. The tools will primarily be individual and organisational surveys to measure primarily governance and capacity building issues.
- The cross program review each six-months will include a formal ‘survey’; or series of questions asked of activities by M&E staff in individual/group interviews; or workshop process which engages all the counterparts collectively on these issues. Questions under the three result areas (governance, capacity building and access) can be very closed specific questions, or more open-ended and capturing more qualitative data that will require further analysis and synthesizing; or something else appropriate. Performance questions detailed in Section 3.1 will be used for this purpose.
- Periodic (annual) secondary analysis of available data from GoPNG and other sources (i.e. other donors, independent sector monitoring groups, media, published material) on GoPNG performance in the delivery of transport infrastructure services. This should be a technical assessment, probably undertaken by the members of the external evaluation team, to

document the current environment situation in PNG and highlight key policy changes and provide a summary of the results of other programs (if available). This should be AusAID's 'state of the sector' report, not necessarily directly related to the projects' interventions, but to AusAID's country strategy goals and how GoPNG policies are impacting upon that achievement.

- Impact assessment studies undertaken prior to the Mid-Term Report (MTR) and end of program Activity Completion Report (ACR) that selects individual projects/activities for case study examination, to look at more broadly examining and explaining how change is taking place in this sector. This can then be more open-ended looking at positive and negative, intended and unintended consequences, and draw out any linkages from the KRAs to the broader changes taking place in the transport infrastructure sector in PNG.
- The completion of TTSP research and impact assessments is another branch of this approach and specific studies can be undertaken to complement program activities and to provide more detailed insight into results from activities.
- The TSSP M&E Specialist will also provide capacity building training to other advisors and supervise the collection of data and information from the respective line agencies through the advisor inputs. This approach will reduce duplication of roles and result in clearer lines of communication and coordination.

## 4.0 M&E strategies for local ownership

Capacity building is a key outcome of the program, not only in terms of the transfer of technical knowledge but knowledge on the systems and processes required for effective M&E.

Initial consultation and discussion with key agencies indicates that M&E capacity within potential partner agencies is quite limited and is primarily based on activity monitoring. The collection and provision of performance data is limited and strategic and resourcing allocations are based on experience, traditions or 'gut feelings' with little emphasis on statistical data or review of results. This approach does not promote an ideal environment for accountability and learning which is a key feature of M&E under TSSP.

Work has already commenced with the PSMS to identify capacity building needs around M&E within line agencies. Where possible, local staff will be identified to capture information however there will be a need initially to bring in external assistance to assist in the areas of corporate planning, data collection and analysis and M&E reporting.

Once the M&E framework is finalised, the M&E Specialist will develop a capacity building plan based upon the information derived from this first input and what is required from the selected counterparts. The plan will detail the steps required to provide training and support to the partner agencies to ensure long-term ownership of the framework and responsibility for the collection of relevant data. The M&E Specialist will be able to gradually reduce his role over the life of the program and provide technical support and advice as required.

In terms of ownership of the data, it is proposed to have a central database established within the DoT given their coordinating and policy role. Much of the capacity building input from an M&E

perspective will be directed towards strengthening DoTs capacity to collect data, analyse it and develop strategies to act upon it. This will be done in conjunction with advisors currently based within the DoT (who will transition to TSSP by February 2008).

## **5.0 Systems that need to be developed**

The major system requirement in the short term (once the framework is finalised) is the development of an appropriate database to collect and store information for analysis. The database does not need to be a complex instrument. The M&E Specialist will require the assistance of an external consultant and/or advisor to assist in the design and development of an appropriate database for the TSSP.

Additional TA assistance is also required to develop databases within each of the line agencies to underpin the corporate plans. The CAA has a simple tracking database that has been developed but is not operational. The database is linked to the performance information in the corporate plans and could be replicated for other agencies. This process will be discussed in more detail in early 2008

The proposed systems will need to remain flexible and dynamic to measure changing priorities and to ensure a balanced response rate. Surveys will be maintained to a minimum to remove disruptions or distractions and much of the data can be collected through the placement of TA advisors into the agencies. This approach will ensure a greater success of data collection and ensure its validity. Responsibility for surveys and data collection over time will become the agencies.

## **6.0 M&E and Risk Management**

The nature of the program introduces new monitoring and evaluation requirements and the proposed process is in its early stages of development. Initial risks have been identified, but ideally a detailed risk assessment should be undertaken, when the process has been signed off and potentially the first pass of monitoring and evaluation has been completed. This should be completed by the TSSP Specialists for their respective agencies in consultation with the M&E Specialist.

Key mitigation strategies in this area revolve around the review process that will be undertaken both within TSSP and externally by AusAID to ensure the appropriate monitoring and evaluation strategy is instituted.

In general, risks in this area revolve around the quality of Corporate Plans and their performance reporting structures and the availability of baseline data. A monitoring and development framework and associated strategies and process are currently under development to identify these areas of concern and address them accordingly.

One other risk currently being mitigated through discussion and review is the requirement for the M&E Specialist to develop both the framework for the delivery evaluation by the ISP and the

program itself. External reviews or a potential group assessment currently being considered will address this risk.

From an ongoing perspective, the monitoring and management of identified risks will be included as activities in the responsible specialist or adviser's workplan. As the Program evolves, an element that could be added to the monitoring and evaluation criteria is the presence of a risk management strategy and plan within each of the Agencies.

## **7.0 M&E and cross-cutting themes**

This section introduces separate M&E frameworks for the important cross-cutting areas of gender, HIV/AIDS and environment. In each of these areas, the TSSP has developed a brief strategy for how it will support the sector to develop its response. These issues will be incorporated as part of the advisors broader workplans. The indicators will be updated and reviewed with the input of the short-term Environment and Gender advisors during their respective visits in November 2007 and January 2008.

The indicators detailed below are in the main process indicators that are intended to measure how effective TSSP's program assistance has been. In some instances the indicators may appear more output orientated but this does not mean that the indicators form part of the broader framework but it highlights the areas where the TSSP is seeking to have impact.

These frameworks will be used as part of the Annual Report and Monitoring and Evaluation Report.

### **7.1 Gender engagement indicators**

#### **Corporate Planning and Coordination**

- Number of briefings to program advisors and agency section heads.
- Corporate and Annual Plans include strategies to address gender issues.
- Agency activities include indicators to measure gender outcomes.

#### **Agency Level**

- Agencies have equal employment opportunities and gender policies and procedures.
- Gender specific activities are allocated funding in agency budgets.
- Activity plans include specific actions to ensure both men and women are considered in the planning and delivery of transport services.
- Agencies report regularly on the implementation of gender strategies.

#### **TSSP Role**

- Advisor workplans include specific gender related activities.

- Annual workplans demonstrate consideration of gender impacts to ensure equitable participation and engagement.
- TSSP has its own gender strategy in place.

## 7.2 HIV/AIDS engagement indicators

### Corporate Planning and Coordination

- Number of HIV/AIDS briefings to program advisors, agencies and agency section heads.
- Completion of agency 'mapping' of sector HIV/AIDS activities.
- Corporate and Annual Plans include strategies to address HIV/AIDS issues.
- Agency activities include indicators to measure HIV/AIDS outcomes.

### Agency Level

- Agencies have HIV/AIDS policies in place.
- Workplans include specific actions to support mainstreaming of HIV/AIDS.
- HIV/AIDS activities are allocated funding in agency budgets.
- Agencies report to National AIDS Council Secretariat (NACS) on implementation of HIV/AIDS strategies.

### TSSP Role

- Advisor workplans include specific HIV/AIDS related activities.
- Advisors report on HIV/AIDS activities.
- TSSP has its own HIV/AIDS strategy and procedures in place.

## 7.3 Environment indicators

### Corporate Planning and Coordination

- Corporate and annual plans include strategies to address relevant environmental issues.
- Agency activities include indicators to measure impacts (both positive and negative) upon the environment.

### Agency Level

- Agencies have environmental policies in place and comply with relevant GoPNG legislation.
- All sub-contractors are required to adhere to environmental standards and suitable levels of protection.
- Agencies regularly report on environmental impacts.

### TSSP Role

- Sufficient systems in place to measure environmental impacts in programs.
- Advisor workplans include environment related activities.
- Annual workplans highlight activities that address specific environmental issues.

## 8.0 M&E workplan in 2008

The TSSP requires a long-term M&E commitment in terms of consulting services and associated resources. An M&E plan is attached which highlights in broad terms specific interventions that are required during the course of 2008 and the associated input of the M&E Advisor and required support staff.

Specific dates and schedules of inputs can be negotiated and planned in accordance with other TSSP program activities and resource needs. A draft workplan is included as Attachment 4 that details specific dates, inputs and milestones for 2008.

Specific activities to consider in 2008 include:

- Undertaking of a baseline study of selected households in three targeted villages.
- Preparation of survey instruments for baseline survey.
- Development of TSSP and line agency databases to collect and analyse data.
- Development of M&E tools to assess project activities and TA inputs – TA framework – organisational and executive surveys.
- Capacity development of line agencies on M&E and the linkage to corporate plans.
- Development of revised corporate plans with clearly defined performance criteria and indicators.

A local firm or individual should ideally be recruited to undertake a baseline study in February/March 2008 and this firm/individual will be recruited through the ISP's recruitment/contracting strategy and formal transparent steps will be followed. A report similar to the World Bank impact assessment is recommended and meetings held with the author of that report who is based in DoW indicate that the same company could be commissioned to undertake a further baseline report on specific areas where the TSSP will operate. A ToR can be drafted prior to the end of this year and resources mobilised quickly if this option is preferred.

A database manager is also required to assist in developing a central database in DoT and associated databases in each line agency. A central database will also be developed in TSSP as a back up to the DoT database. The CAA database model could be adapted and modified for this purpose as it is already in existence and is linked to the CAA corporate plan. An existing IT advisor could be used for this purpose if there is sufficient time and capacity within their current workplan and commitments. This would minimise the time required in recruiting another external consultant and would also promote consistency as the ASF advisor would be familiar with the systems and information requirements of one (if not more) of the agencies involved in the TSSP. One advisor

would need to be engaged on a part time basis to assist with updating the databases and supervision of local counterparts inputting data.

A corporate planner with an understanding of M&E and reporting requirements is also recommended to provide additional technical support. Again, this person could be an existing strategic and change management advisor or a number of advisors currently working in respective line agencies. Their specific role would be to assist line agencies further strengthen their corporate planning techniques and assist in developing and preparing appropriate performance indicators on an annual basis. The planner(s) would work closely with the IT/database advisor to ensure information is updated and captured on a regular basis to satisfy reporting requirements. Ideally the corporate planner(s) will be one individual who could work across the five agencies at strategic points during the calendar year to provide input into the development of corporate plans and also to assist the M&E advisor prepare performance reports on an annual basis. Suitable advisors are currently based in DoT, DoW and NDPM. Additional assistance will need to be provided to CAA and PNG Ports and NMSA.

It is recommended the TSSP M&E Specialist return for an initial input from February – April 2008. Additional time can be worked out subject to appropriate support staff being identified and clarity of work roles and responsibilities is established. A provisional workplan is attached indicating time inputs and major deliverable required for the coming year.

## **9.0 Reporting and M&E implementation**

Reporting is an important element of the TSSP and M&E data and information is critical in generating the results that feed into the report to demonstrate progress and impact. Program reporting will be linked to the various frameworks proposed as part of the overall M&E framework. The agreed schedule of TSSP reports follows below.

### **9.1 TSSP Reports**

#### **Quarterly Progress Report**

- Provide an update on the implementation of the program (including M&E) activities as compared to the workplan.
- Document and comment on data collection, including data quality and timeliness, and respond to issues emerging from the data and information collected.

#### **Annual Performance Report**

Data and information generated during the course of the program year to feed into the broader TSSP annual performance report.

### **Monitoring and Evaluation Reports**

- Prepare an annual report detailing achievements against the M&E frameworks.
- Include detailed data analysis.
- Report on the status of the outcome framework and other associated frameworks, including, but not limited to, newly available data and progress in achieving targets and outcomes.
- Identify and discuss issues likely to affect the success of the project, and remedial actions proposed and taken in response to the identified issues.

### **Baseline Studies**

- Sample household surveys in selected provinces completed and report used to measure impact and performance of road maintenance activities

## **9.2 Agency Reports**

### **Annual Reports**

- TSSP will assist all agencies complete annual reports against corporate plans.
- TSSP assists all agencies to complete their quarterly financial reports and general management reports.

## **Attachments**

- 1. Situation Analysis and Review of Line Agency Performance Information**
- 2. ISP Contractor Performance Framework**
- 3. PMC Contractor Performance Framework**
- 4. M&E Workplan 2008**

# **Attachment 1**

## **Transport Sector Support Program (TSSP)**

### **Assessment of Performance Information in the Transport infrastructure Sector**

**Papua New Guinea**

**September 2007**

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## Glossary

APPU	Annual Program Performance Update
AusAID	Australian Agency for International Development
CAA	Civil Aviation Authority
DoT	Department of Transport
DoW	Department of Works
GoPNG	Government of Papua New Guinea
KRA	Key Result Area
M&E	Monitoring and Evaluation
MDG	Millennium Development Goals
MTDS	Medium Term Development Strategy
NEC	National Executive Council
NMSA	National Maritime Safety Authority
NTDP	National Transport Development Plan
NTDP IIP	National Transport Development Plan Investment Infrastructure Plan
PPMF	Performance Planning Monitoring Framework
QAI	Quality at Implementation
SPR	Sector Performance Report
TSCMIC	Transport Sector Coordination Monitoring and Implementation Committee
TSSP	Transport Sector Support Program
WofG	Whole of Government

## 1.0 Introduction

Australia has been providing long-term support to the Government of Papua New Guinea (GoPNG) for the infrastructure sector through its aid program. The focus of aid assistance is currently shifting away from a sole focus on maintenance towards an emphasis on capacity building and institutional strengthening as part of a broader holistic approach to supporting maintenance and longer-term development impact.

The Transport Sector Support Program (TSSP) is a flagship program for the Australian Agency for International Development (AusAID) given the level of investment in infrastructure and prominence of the sector in the GoPNG's Medium Term Development Strategy (MTDS). The first phase of the TSSP is for five years but the longer-term strategy details a program involvement of ten to fifteen years.

The TSSP will assist AusAID in maintaining existing levels of investment in the transport infrastructure sector (roads, maritime and aviation) but also encourage GoPNG to take increasing responsibility for infrastructure maintenance funding and become less dependent upon donor support. Importantly, TSSP will operate within GoPNG systems and processes and assist to build capacity within them, whilst retaining appropriate checks and balances to promote accountability and transparency and reduce inefficiencies.

Therefore the emphasis of the TSSP approach is directed towards improving governance (including transparency and accountability in government procurement), public sector management and technical capacity building and institutional strengthening, while continuing to provide funding support for priority maintenance and rehabilitation works.

## 2.0 Performance Management and M&E – TSSP

Performance management is recognised as a key theme by the GoPNG and AusAID given the significant levels of investment and the high profile nature of transport infrastructure in promoting broad based economic development.

In its simplest form, performance management is the process of addressing progress toward achieving predetermined goals. Performance management is an essential tool that is relevant at all levels of government – both at the individual and organisational level. It provides a means to improve organisational (and program) performance by linking and aligning individual, team and organisational objectives and results. It also provides a means to recognise and reward good individual performance and to manage under-performance.

Performance management is an essential component of a corporate governance framework, allowing boards, Ministers and committees to lead, monitor and respond to how an organisation delivers against its goals, mission and the outcomes required of it by the government. Effective performance management requires a framework that integrates organisational, business and individual planning and performance. It generally involves:

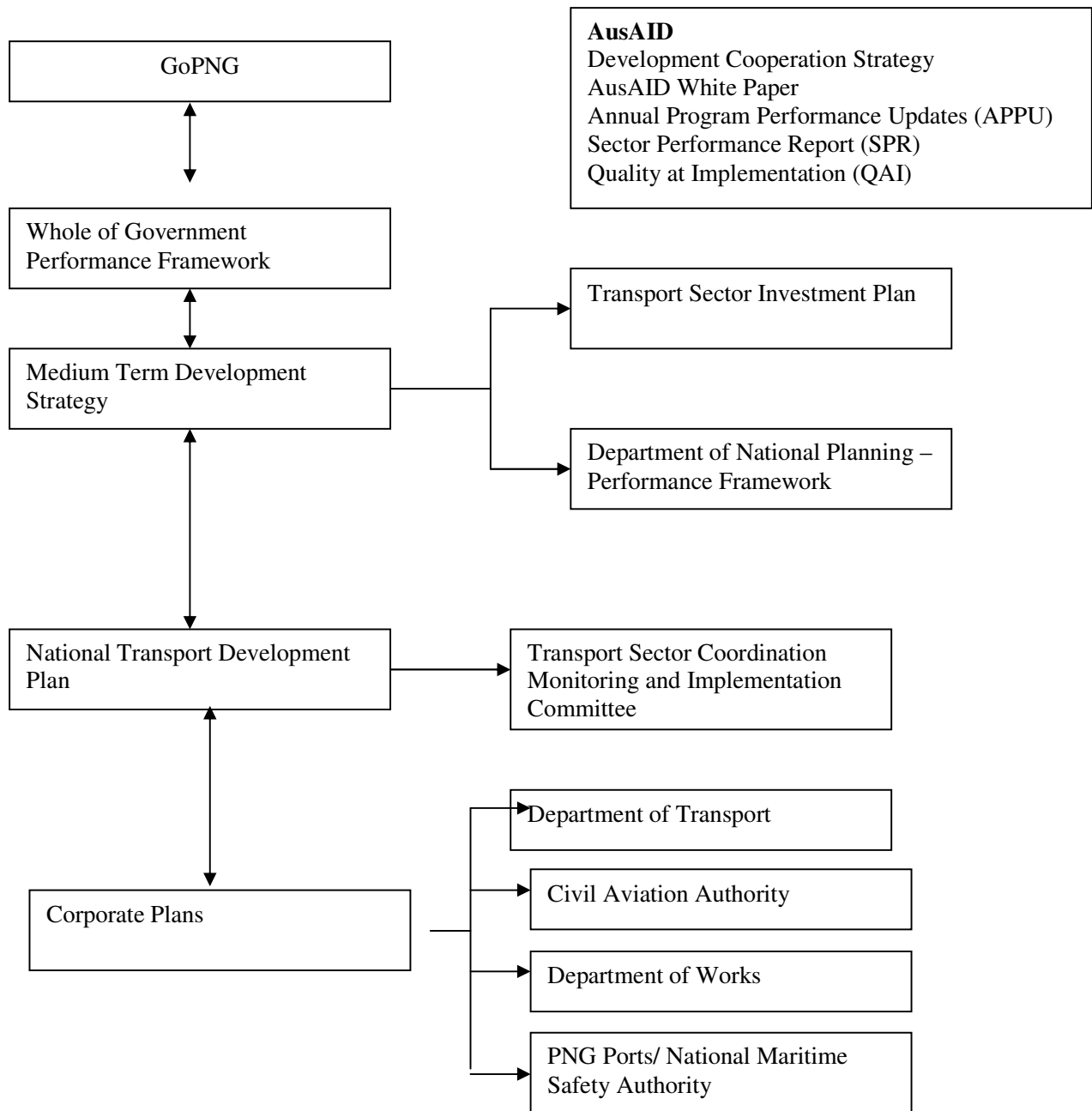
- clarifying performance objectives (this could include tasks, outcomes, behaviours and values based systems or a combination of these) and linking these with organisational and corporate plans;
- periodic performance appraisal of individuals or teams against the achievement of these objectives and feedback from appraisals;
- recognition or reward for performance, including in some instances performance pay and salary progression guided by performance;
- team and individual development to build capabilities and counselling, or other action to deal with poor performance;
- establishing a link between the development of capabilities with organisational and corporate planning (i.e. not only cascading down from corporate and business planning outcomes but also having a system that feeds back up); and
- evaluating the contribution of individual, team and organisational performance.

Whilst the M&E performance framework for TSSP will focus primarily on program achievements and outcomes, there will also need to be elements focused on individual performance within the team and also to link in with existing human resource management systems and procedures within GoPNG to measure improvements in capacity and governance.

The purpose of this paper is to review existing performance systems and frameworks currently in existence within AusAID and respective line agencies involved in TSSP. The intention is not to assess the quality and coverage of this information but to highlight what currently exists and to identify the gaps that exist or potentially exist and where the TSSP can play a role in collecting data and information that will complement these existing systems and frameworks.

## **2.1 Performance information to the considered**

There is no shortage of performance information and frameworks within AusAID and the GoPNG. The challenge is to find these frameworks and assess their applicability to the TSSP program and how the frameworks interrelate and contribute towards overall measurement of AusAID and GoPNG development agenda. The diagram below highlights the hierarchy of performance information in existence:



**Diagram 1: AusAID/GoPNG Performance Information relating to transport/infrastructure sector**

### 3.0 Stakeholder Performance Frameworks – A Discussion

#### 3.1 AusAID

The Papua New Guinea – Australia Development Cooperation Strategy articulates how Australian development assistance and cooperation support will contribute to the implementation of GoPNG's MTDS and achievement of development outcomes.

The Strategy identifies broad areas through which Australian assistance will contribute: improved governance and nation building, sustainable economic growth and productivity, improved service delivery and stability, and a strengthened, coordinated and effective response to the HIV/AIDS epidemic.

The Strategy also provides a framework through which it will fund activities under the four pillars, however there is no broad level performance information upon which to guide program implementation and performance. This is not expected in a strategy document and is referred to in other policy and guiding principle papers related to the program. The framework however does assist TSSP in identifying the key priorities of the aid program and how transport infrastructure can contribute to the achievement of these.

The GoPNG is currently developing a Whole-of-Government (WofG) performance planning and monitoring framework (PPMF) that will support and underpin progress in the Strategy. More importantly, the PPMF will be closely aligned to existing GoPNG systems and frameworks. There is an opportunity under this PPMF for the TSSP to contribute valuable performance information, particularly from the unique position of the TSSP covering a broad sector approach and response.

The PPMF has been designed in response to the National Executive Council (NEC) directive to promote a coordinated, coherent approach to planning, budgeting, performance implementation and monitoring by:

- Summarising GoPNGs policy agenda – highlighting priority areas and expected outcomes
- Clarifying agency's responsibilities for achieving GoPNG outcomes; and
- Providing a basis for GoPNG to monitor progress and outcomes in priority areas.

A key aspect of the PPMF is the recognition that activities do not occur in isolation and that the issues of planning, budgeting, implementation, and M&E occur in a coordinated manner. The PPMF is not currently operational but does provide an opportunity for the TSSP M&E Framework to contribute significant amounts of information, particularly around sector approaches and performance.

It is also important that the TSSP M&E Framework align itself closely to the PPMF to ensure consistency and allow for ease of reporting by AusAID to broader stakeholder groups.

### **3.2 Government of Papua New Guinea (GoPNG)**

The MTDS 2005-2010 is the GoPNG's overarching plan for economic and social development. The MTDS has three main functions – articulate a core development strategy that provides the guiding framework for the government's expenditure program; to identify the supporting policy framework that will help put in place the enabling conditions for recovery and development; and to strengthen GoPNG's Public Expenditure Management system.

The MTDS provides a broad framework in which GoPNG will achieve its development priorities. It links itself towards the achievement of Millennium Development Goals (MDGs) that is appropriate but lacks to some degree the specific indicators on how to achieve MDG requirements

The National Transport Development Plan (NTDP) is a key strategic document for the transport sector generally in PNG. The National Government has three main strategies under the plan:

- To maintain and improve the existing infrastructure and services
- To upgrade, rehabilitate and undertake new construction works only where economically feasible; and
- To conduct business on a 'Safety and Security First' basis.

The NTDP does contain some performance information as part of its implementation schedule that covers land, water and air transport. The framework, on the face of it, looks quite comprehensive, however the number of indicators and the broad nature of some make it difficult to measure achievement let alone development impact. Interviews with key stakeholders indicate that not much progress has been made against the framework as it currently stands, despite specific government agencies being assigned responsibility for the delivery of key outputs and indicators.

The NTDP is complemented by the NTDP Infrastructure Investment Program (IIP) that highlights the level of expenditures required to meet the three main strategies outlined above.

The Transport Sector Coordination Monitoring Committee (TSCMIC) supports the NTDP and the NTDP IIP and Implementation and has the goal of ensuring improved governance and performance in the GoPNGs delivery of transport infrastructure services through the effective use of resources. The TSCMIC has developed a performance framework that provides strategic direction on what key priorities need to be achieved.

The Strategic Plan for Supporting Public Sector Reform in PNG is another critical document in shaping the broader reform agenda within GoPNG. The plan has four major objectives: A public sector with a clear sense of direction, affordable government, improving performance, accountability and compliance, and improving service delivery. The plan also contains a series of indicators aligned to these broad reform goals however information is not available which demonstrates if information is being collected against these indicators.

### **3.3 Line Agency Corporate Plans**

The following section outlines the current performance information currently available within each respective line agency. The findings discussed are based upon a review of the existing corporate plans and also face-to-face meetings with key staff and advisors within each agency.

#### **3.3.1 Department of Transport**

The Department of Transport (DoT) is accountable to the Minister for Works, Transport and Civil Aviation for the efficient and effective management, implementation, monitoring and coordination, organisation and control of its approved functions. The core functions of the DoT are:

- Provide transport policy, strategy and planning advice across all three modes (land, water and air) of transport;
- Coordinate and monitor the implementation of GoPNG policies, strategies and plans for the 3 modes;
- Administer relevant legislation for all transport modes; and
- Monitor and ensure the effective execution of delegated authorities and legislation implemented by other transport sector bodies.

The vision of DoT is to strive for excellence by working in partnership with the community to facilitate a well integrated and sustainable transport system for PNG. The DoT has a corporate plan for the period 2006–2010 and has been developed to facilitate the GoPNG's overarching plan for economic and social development for transport under the MTDS. The DoT is working towards four main goals:

- Provide a transport system that is effective, efficient, safe, secure, affordable and accessible to the community;
- Create and sustain effective internal and external communication and networking
- Create a working environment conducive to enhancing identity, performance and accountability; and
- Ensure that adequate resources are available for the Department to effectively implement its policies and programs.

Performance information is contained in the plan but is quite general and focuses on the high level. Meetings with the DoT indicate that data collection strategies and frequencies are not sufficient to monitor performance effectively. Baseline data is out dated and the figures presented in the NTDP from line agencies do not equal the figures provided by the DoT.

There is also a need to review internal systems to measure achievements against stated performance criteria and how the DoT effectively monitors the performance of other line agencies (CAA, Ports PNG and DoW). In theory, line agencies should report through the DoT and this is the desire of the GoPNG however there is a degree of conflict and tension between the DoT and line agencies and this is hampering the DoT implement its own mandate. Specifically, the focus of the DoT needs to initially focus on its core business as a policy unit and through this align other line agencies to respond and align accordingly.

### **3.3.2 Civil Aviation Authority**

The CAA is commercial entity of the GoPNG. At present it both a regulator of the aviation industry as well as a service provider providing air traffic services and maintains and operates the national airports. The CAA has the vision to manage and operate 22 national airports in an efficient, effective and commercial manner that will meet the expectations of all stakeholders and users of the airport. The CAA has five main strategies for the period 2007-2010: enhance safety and

security, improve service provision, good corporate governance, better financial management, better management of human resources.

The corporate plan does detail some specific performance indicator information relating to the five main strategies outlined above. The main issue to follow up with the CAA is the timeliness of the achievement of the indicators. Much of the time period is centred on the period January-December 2007. These timeframes may be unrealistic given the number of indicators to achieve and the complex nature of some.

The CAA is also undergoing a major organisational restructure which will see the regulatory functions separated from operations. There will be a need for TSSP to provide strategic support and advice to this effort.

### **3.3.3 PNG Ports Authority/NMSA**

PNG Ports has recently undergone a strategic and organisational review undertaken by external consultants. The organisation is currently preparing to release a revised strategic plan based upon the recommendations of the report and recent planning events. PNG Ports currently has no operational corporate plan and this needs to be discussed with the Maritime Sector Specialist and how best to measure performance using existing information and previous experiences.

PNG Ports also held a presentation meeting with TSSP staff in September 2007 to provide broad overviews of the functions of the organisation, future strategic directions and priority needs. The focus of the assistance centres around five main areas – corporate governance, operations/engineering, financial management, strategic planning and human resource development.

Although separate from PNG Ports, the National Maritime Safety Authority (NMSA) is an integral part of the maritime system. However, the relationship between PNG Ports and the NMSA appears strained with little consultation and engagement between the bodies. This appears to be over a clarification of roles and responsibilities and the registration of each body under different legislation and relevant acts. The NMSA works under the National Maritime Safety Authority Act 2003. The Act has been criticised by NMSA staff for its lack of clarity and lack of direction in defining the role of the NMSA. The NMSA has no corporate plan and limited resources to promote strategic organisational change. The main focus of assistance needs to be around legislative reform, improved governance and strengthened management capacity.

### **3.3.4 Department of Works**

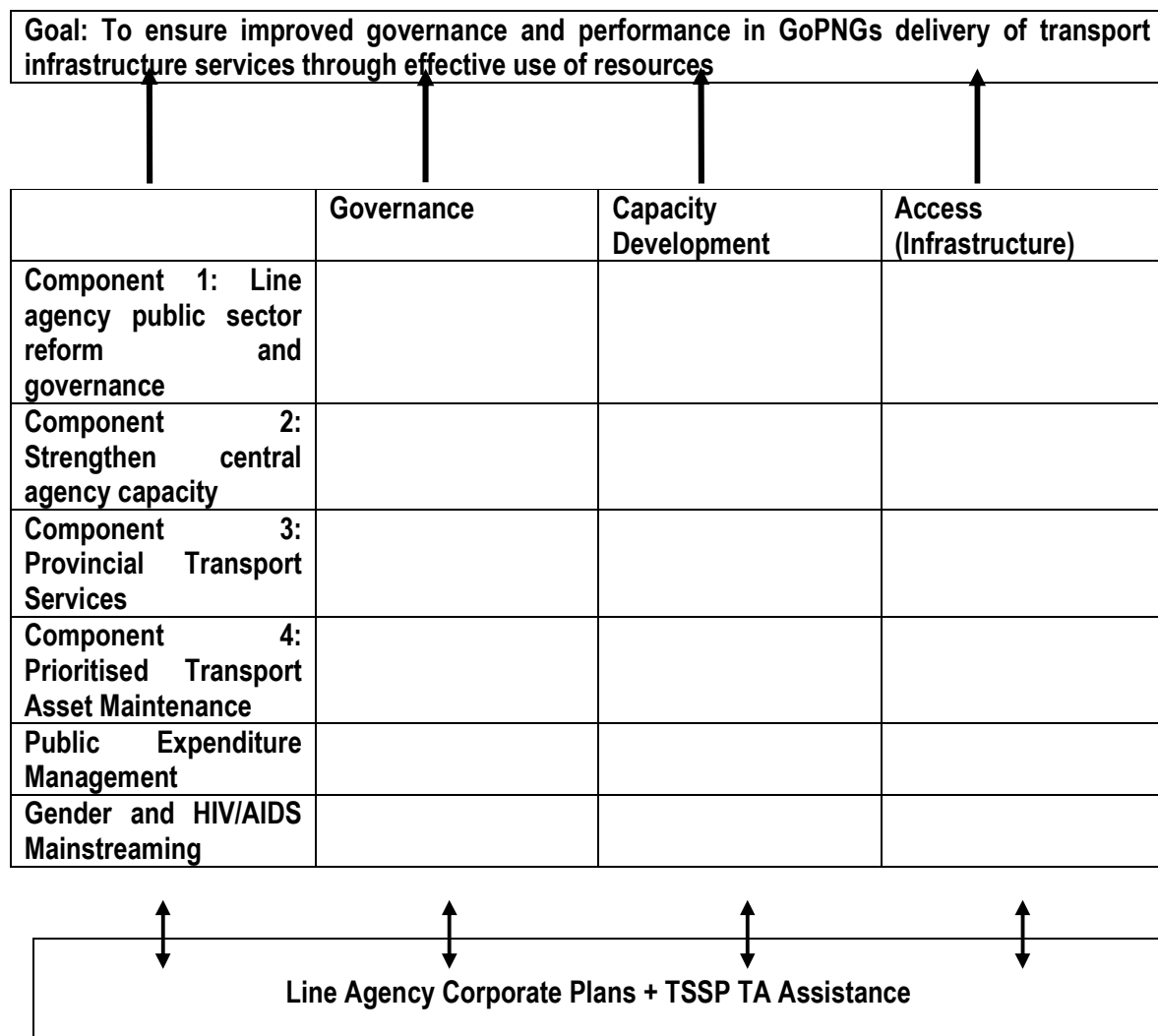
The DoW plays a leading role in the implementation and management of the GoPNGs infrastructure plans. The purpose of the DoW's corporate plan is to identify core activities and strategies that the department will follow to support and implement the GoPNGs infrastructure agenda. The DoW's vision is to be recognised as the GoPNGs primary infrastructure sector advisor and implementation agency, uniting the country through a reliable road network, and contributing to the economic and social development of PNG.

## **4.0 Broad TSSP M&E Framework**

Both AusAID and GoPNG place a high emphasis on performance monitoring for development programs and operational performance. It is pleasing to see that all line agencies have operational corporate plans that contain performance information. The key is developing and rationalising these result areas and performance criteria to further promote growth and development and improve understanding of the need for this information.

The proposed M&E approach for the TSSP is to identify three broad Key Result Areas (KRAs) to measure development impact at the higher level. The three proposed KRAs are **–governance, capacity development and access (infrastructure)**. Indicators at the outcome level will be defined around these KRAs for each participating line agency. Some indicators may be the same but the framework has flexibility to allow for individual outcome indicators.

Diagram 2 outlines the broad framework



To support the M&E Framework, it is proposed that line agency corporate plans be used to underpin the defined outcome level performance criteria for the TSSP. The rationale is appropriate given that we will be using existing performance information understood by line agency management and staff; supports existing GoPNG systems and corporate plans can be updated and modified accordingly to provide strategic direction and alignment to support the broad TSSP goal.

## 5.0 Proposed Next Steps

The presentation of this report is the first step towards the development of a performance monitoring framework for the TSSP. Further work is required to build upon the broad outline presented above.

Overall the performance information contained within AusAID and GoPNG (including line agencies) is satisfactory but often targeted at the high level and is often uncoordinated. This means that agencies tend to act in isolation without consideration of the impacts on agency has upon another. For example, the implementation of a road has tangible effects upon port and aviation activities as well. The proposed framework presented is an attempt to have all agencies come under one performance umbrella where all agencies are working towards the same outcomes and all stakeholders can see the inter-linkages and relationships and how all contribute to the broad program goal.

The following tasks are proposed in the coming month to assist in this process:

- Program launch and brief outline of M&E
- Formal workshops held with each line agency (separate or joint) to discuss M&E generally and to identify key priority areas
- Discussions with the public sector management specialist to identify capacity building needs for M&E and how capacity building feeds into the framework (i.e. what are we seeking to achieve with capacity development?)
- Development of M&E framework and linkage of corporate plans to the broad framework
- Presentation of framework to line agencies and other relevant stakeholders – i.e. AusAID.

## **Attachment 2**

# **Monitoring and Evaluation Framework**

## **Transport Sector Support Program (TSSP)**

### **Implementing Service Provider (ISP) Contractor Performance Framework**

**November 2007**

## 1.0 Introduction

Australia has been providing long-term support to the Government of Papua New Guinea (GoPNG) for the infrastructure sector through its aid program. The focus of aid assistance is currently shifting away from a sole focus on maintenance towards an emphasis on capacity building and institutional strengthening as part of a broader holistic approach to supporting maintenance and longer-term development impact.

The Transport Sector Support Program (TSSP) is a flagship program for the Australian Agency for International Development (AusAID) given the level of investment in infrastructure and prominence of the sector in the GoPNG's Medium Term Development Strategy (MTDS) and National Transport Development Plan (NTDP). The first phase of the TSSP is for five years but the longer-term strategy details a program involvement of ten to fifteen years.

The emphasis of the TSSP approach is directed towards improving governance (including transparency and accountability in government procurement), public sector management and technical capacity building and institutional strengthening, while continuing to provide funding support for priority maintenance and rehabilitation works.

The TSSP will assist AusAID in maintaining existing levels of investment in the transport infrastructure sector (roads, maritime and aviation) but also encourage GoPNG to take increasing responsibility for infrastructure maintenance funding and become less dependent upon donor support. Importantly, TSSP will operate within GoPNG systems and processes and assist to build capacity within them, whilst retaining appropriate checks and balances to promote accountability and transparency and reduce inefficiencies.

SMEC International is the Implementing Service Provider (ISP) for the TSSP and is responsible for the implementation and management of the program for the first three years. A key aspect of M&E to ensure the success of the TSSP is to ensure the performance of the ISP is closely monitored. The purpose of the ISP Contractor Performance Matrix is primarily for AusAID to assess the performance of the ISP in delivering the required deliverables under the Scope of Services (SoS). However the framework also provides valuable feedback to the ISP so that strategic direction can be set and resources allocated accordingly.

## 2.0 Structure of the ISP Performance Matrix

The ISP performance matrix is a simple framework that is based on best practice and on independent performance frameworks used on other programs internationally. As a starting point, the framework addresses the performance information requirements detailed in the SoS and also addresses other pertinent performance questions that measure the contribution of the ISP towards overall program goal achievements. Consultations with TSSP team members and the Program Director (PD) have also been considered in the development of the framework.

The purpose of the framework is to measure not only the contracting deliverables of the SoS by the ISP but also the quality of that delivery. The framework is closely linked to the broader TSSP M&E

framework in that it measures what the ISP is doing to ensure success at the program level. Therefore it is an integral part of the overall M&E system.

The matrix specifies outputs with both quantitative and qualitative performance indicators. The rationale for this approach is an attempt to remove subjective or biased views entering in to decision-making and for performance decisions to be based upon the data generated through the TSSP M&E system and framework. This approach will provide a basis for decision-making and promote accountability and transparency in the payment and approval process against agreed performance criteria.

The matrix also contains a series of performance questions that will guide monitoring and will demonstrate the achievement of outputs. Some outputs are quite straightforward but additional performance questions are included to allow the TSSP team to critically analyse and appraise ISP performance.

### 3.0 Performance Indicators and Questions

This section describes the specific outputs detailed in the matrix and provides further information on how each indicator will be measured and what performance questions will be asked to measure that performance.

Performance questions help focus the information-seeking and information-analysis processes on what is necessary in order to know if the ISP is performing as per the contract and SoS and if not, why not. Performance questions make it easier to analyse different kinds of information together by providing a structure for combining the information. This is particularly helpful at the higher level and will also be used as part of the overall program framework. In defining performance questions it is helpful to ask the following questions to help shape relevant performance questions:

***What questions would you need to answer to know the extent to which you are achieving the objective and to explain the success or failure of actual results?***

The formulation of performance questions gives opportunity to explore a range of responses and provide some analysis. The methodology is chosen so not as to constrain the program through the uses of set indicators. It will allow for more comment on the quality and impact of the outputs and their contribution towards the program framework.

*1.1 Reporting completed as specified in Part B Standard Conditions and Section 4 of Schedule 1 (Inception Report, Informal Reporting, Exception Reporting, Progress Reports, Quarterly Financial Reports, Annual Performance Report and Completion Reports) following review from AusAID external committees*

**Performance Questions:** Have all reports been submitted on time? Have AusAID's and the external review committee's comments been favourable? Has the report been accepted? Are recommendations from earlier reports being acted upon and implemented?

*1.2 Program procedures manual, financial procedures manual, ISP mobilisation and contractor procedures manual and technical assistance trust account material submitted and accepted and reviewed annually.*

**Performance Questions:** Are the manuals being used in recruitment and management processes? Are the manuals updated to reflect changes annually?

*1.3 M&E framework and associated systems established, operational and maintained to measure program performance*

**Performance Questions:** Is the M&E system providing adequate information and data? Is it relevant to the needs to transport sector agencies?

*1.4 Recruitment strategy developed and approved. Recruitment strategy being followed and is appropriate technical support to achieve TSSP objectives?*

**Performance Questions:** Are there appropriate recruitment and mobilisation strategies in place within the ISP? Has a recruitment strategy been prepared and is it used? What evidence is there that strategies and procedures are being followed?

*1.5 Satisfactory support of PD role on coordination between transport sector agencies – quality reporting, constructive advice by advisors and innovative approaches*

**Performance Questions:** Has the reporting and advice provided by advisors to the PD influenced improved coordination?

*1.6 Adequate quality control of tendering procedures, and contracting for maintenance and technical assistance services*

**Performance Questions:** Has a contracting strategy been developed and is it operational? Are tendering and contracting procedures followed? Have there been positive reports from agencies on the quality of advisors?

*2.1 Advisor annual workplans plans aligned to needs to line agencies and appropriate support mobilised.*

**Performance Questions:** Are advisor workplans identified and prepared? Are they signed off and agreed to by line agencies?

*2.2 Evidence TA activities are using GoPNG systems and contributing to their development and refinement*

**Performance Questions:** Evidence of TA advisors using GoPNG systems? What improvements/modifications have been made to systems as a result of TSSP? Are the new systems being utilised?

*2.3 Satisfactory administrative, procurement, personnel, operational and contract management support provided to TSSP TA activities*

**Performance Questions:** Are all TA services delivered and mobilised within a reasonable schedule of time? Do advisors report receiving adequate support from ISP to complete their workplan tasks?

*2.4 TA activities support agency functions, promote communication between agencies and strengthen management and financial procedures*

**Performance Questions:** Are TA's providing adequate support to TA functions? Are agencies communicating and meeting more regularly? Are advisors actively promoting linkages between agencies? Have financial and management systems been strengthened?

*2.5 Recommendations outlined by TA activities accepted and implemented by agencies.*

**Performance Questions:** Are recommendations being developed by the TA (what are some significant examples)? What recommendations have been accepted and implemented? If they have not been accepted, why not? Have these recommendations impacted upon improved performance?

*2.6 Appropriate management of risks to TSSP and refinement of risk matrix and strategy*

**Performance Questions:** Have risks been identified? Has the Risk Management Plan been updated? What specific risks have been managed? What risks have not been addressed? What new risks have emerged that may threaten the program? Are risk and its management being effectively communicated to ISP and AusAID?

*2.7 Appropriate support provided to DoW to identify, plan, and manage the Asset Management Systems (RAMS & BAMS) in a timely manner*

**Performance Questions:** Is the AMS operational and is the DoW managing it appropriately? Is the costing of workplans accurate and being produced on time? Are PMC's submitting correct invoices and is payment being processed on time?

*3.1 TSSP Technical Assistance Facility operational and managed in a timely and efficient manner*

**Performance Questions:** Are all TA advisors recruited in a timely manner? Are advisors delivering inputs against agreed workplans?

*3.2 Effective support provided to agencies to manage Infrastructure Asset Maintenance Imprest Accounts*

**Performance Questions:** Have clear processes for the management of the Imprest Account been established? Are processes for the approval of claims being followed? Are payments being made correctly and on time? Are monthly bank reconciliations being prepared within 7 days of the end of each month?

*3.3 TSSP Challenge Fund guidelines established and agreed to by AusAID and Trust Account established, implemented and monitored accordingly. Innovative activities funded and managed.*

**Performance Questions:** Are relevant systems established and operational (guidelines & trust account)? Are proposals being submitted that meet the guidelines? Are funds being released to approved projects? Are projects being supervised and managed against technical and financial considerations?

*4.1 Supportive work environment provided through TSSP – clarity in roles between advisors, communication plan and gender, HIV/AIDS and environment policies in place and available*

**Performance Questions:** Is the communication plan being used? Do all advisors have a clear understanding of reporting roles and responsibilities within the ISP? Have all staff read and understand ISP workplace gender, HIV/AIDS and environment policies? Have all staff read and understood the Procedures Manual – does the ISP have a clear pre-mobilisation/inception briefing?

*4.2 Timely and effective performance by all TSSP advisors*

**Performance Questions:** Are appropriate advisors identified (externally and in-house)? Are advisors mobilised on time? What number complete tasks satisfactorily and achieve positive feedback from agencies?

*4.3 Demonstration of initiative in identifying opportunities and constraints to achieve TSSP objectives and implementation of solutions*

**Performance Questions:** What processes and activities exist that enable the identification of opportunities and constraints? What opportunities have been identified? What are the constraints? What is the result on the program?

*4.4 Evidence of lessons learned being applied to program implementation and management*

**Performance Questions:** How have lessons learned been identified? What lessons learned have been adopted? What impact have these lessons had on project implementation and management?

Component	Performance Indicator	Performance Rating				M&E Tool Used to Assess Performance	Responsibility for Collection and Frequency
		Fully Satisfactory	Satisfactory	Marginally Satisfactory	Unsatisfactory		
<b>ISP Outcomes</b>	<b>1. Timely delivery and enhanced quality of all service requirements under the SoS</b>					Agency client satisfaction surveys	M&E Specialist
<b>1. Establish and Manage Contractor Services</b>  <b>30%</b>	1.1 Reporting completed as specified in Part B Standard Conditions and Section 4 of Schedule 1 (Inception Report, Informal Reporting, Exception Reporting, Progress Reports, Quarterly Financial Reports, Annual Performance Report and Completion Reports) following review from AusAID external committees and proposals and recommendations actioned.					Reports prepared and submitted on time Feedback comments from AusAID Review of workplans to view recommendations being implemented	PM & M&E Specialist (As required), ISP (QA)
	1.2 Program procedures manual, financial procedures manual, ISP mobilisation and contractor procedures manual and technical assistance trust account material submitted and accepted and reviewed annually.					Manuals prepared, submitted and accepted  TSSP and agencies using the manuals	As required (ISP –QA) – reviewed annually
	1.3 M&E framework and associated systems established, operational and maintained to measure program performance					M&E framework accepted and in use Annual M&E performance report	M&E Specialist (Annually)
	1.4 Recruitment strategy developed and approved. Recruitment strategy being followed and is appropriate technical support to achieve TSSP objectives?					Advisors recruited on time and interviews with advisors on recruitment process	PD, PM and M&E (monthly)

	1.5 Satisfactory support of PD role on coordination – quality reporting, constructive advice by advisors and innovative approaches					Meeting briefing papers prepared and board minutes Feedback from PD	PM, PD and FMS (monthly)
	1.6 Adequate quality control of tendering procedures, and contracting for maintenance and technical assistance services					Contracting documents (documents exist and are being used – number of contracts and number of issues with contracts)	PM, PSMS, RMS, M&E Specialist (as required)
<b>2. Prepare and Manage the Technical Assistance Facility</b>  <b>30%</b>	2.1 TA workplans aligned to needs to line agencies and appropriate support mobilised.					Capacity Assessment Strategy	PSMS (annually)
	2.2 Evidence TA activities are ensuring and encouraging the use of GoPNG systems and contributing to their development and refinement					Advisor workplans and monthly reports reviewed for evidence. Interviews with agency/section heads	PSMS (monthly)
	2.3 Satisfactory administrative, procurement, personnel, operational and contract management support provided to TSSP TA activities					TSSP procedures manual(s) accepted and being used	PD, PM PSMS (annually)
	2.4 TA activities support agency functions, promote communication between agencies and strengthen management and financial procedures					Advisor workplans and monthly reports Interviews with agency/section heads	PM, PSMS & M&E Advisor (six-monthly)
	2.5 Recommendations outlined by TA activities accepted and implemented by agencies.					Advisor workplans and reports	PM, PSMS, & M&E Advisor (six-monthly)
	2.6 Appropriate management of risks to TSSP and refinement of risk matrix and strategy					Risk management plan TSSP Quarterly and Annual Reports	M&E Advisor (annually)
	2.7 Appropriate support provided to line agencies to identify, plan, and manage the Asset Maintenance Systems in a timely manner					Asset Maintenance Systems	RMS, ASS, MSS, FMS (quarterly)
<b>3. TSSP</b>	3.1 TSSP Technical Assistance Facility operational					Financial Statements	FMS, PSMS, PM

<b>Financing Facilities</b> 30%	and managed in a timely and efficient manner					TSSP Quarterly and Annual Reports	(quarterly)
	3.2 Effective support provided to agencies to manage Infrastructure Asset Maintenance Imprest Accounts					Imprest Account statements	RMS, FMS (monthly)
	3.3 TSSP Challenge Fund guidelines established and agreed to by AusAID and Trust Account established, implemented and monitored accordingly. Innovative activities funded and managed.					Project guidelines, Project Reports and Financial Statements	PM, FMS (quarterly)
<b>4. Personnel Management</b> 10%	4.1 Supportive work environment provided through TSSP – clarity in roles between advisors, communication plan and gender, HIV/AIDS and environment policies in place					Six-monthly and annual report	SMT
	4.2 Timely and effective performance by all TSSP advisors					Workplans Monthly Reports	PM & M&E Advisor (as required)
	4.3 Demonstration of initiative in identifying opportunities and constraints to achieve TSSP objectives and implementation of solutions					Workplans/ Monthly reports Interviews with agency/section heads	PM & M&E Advisor (as required)
	4.4 Evidence of lessons learned being applied to program implementation and management					Wokplans Monthly reports TSSP Quarterly Reports.	PM & M&E Advisor (as required)

The framework presented above complies with the broad service requirements detailed in the SoS along with some additional indicators that will assist AusAID and the ISP measure performance fairly and effectively.

It is recommended that data collection and reporting occur on a quarterly basis. Some indicators can be measured on a more regular basis but official performance reviews should occur quarterly. This will also need to be aligned to the payment schedule between AusAID and the ISP. Performance reviews will be conducted on a quarterly basis and collated for an annual performance report to present to AusAID.

Table 2 details the payment amounts based upon the performance matrix above. By quantifying the figures the process should be transparent and accountable.

Performance Ranking	Payable Quarterly on Claim (a)	Actual Performance Payment Percentages (b)	Total Payable (a) + (b)	Performance Indicators
Unsatisfactory	80%	0%	80%	A weighted average score of less than 70% for the criteria
Marginally Satisfactory	80%	10%	90%	A weighted average score of between 70% and 80% for the criteria
Satisfactory	80%	15%	95%	A weighted average score of between 80% and 90% for the criteria
Fully Satisfactory	80%	20%	100%	A weighted score of more than 90% for the criteria

**Table 2: Performance Ranking Table**

Table 3 outlined below is a qualitative framework that allows the ISP to identify high achievement areas and also to outline areas and reasons for underperformance. More importantly the matrix allows the ISP to document key lessons learned during the reporting period. It is imperative to consider lessons learned and how they impact upon development activities. Lessons need to be considered for:

- The need for accountability (a client focus of providing timely performance information;

- The need for efficiency and effectiveness – ‘continuous improvement’ etc
- Recognition that those who are most closely involved with the program (i.e. TSSP advisors and PD) have the ability and responsibility to identify a lesson.

<b>This Section Needs to be Completed at the end of each month to support results in the main framework</b>
1. Factors Affecting Performance
2. Summary of TSCMIC/AusAID Comments
3. Performance Against Key Tasks/Results
4. Lessons Learned and Strategies to Improve Underperforming activities
<p>5. Assessment of Overall Performance</p> <p><input type="checkbox"/> Fully Satisfactory   <input type="checkbox"/> Satisfactory   <input type="checkbox"/> Marginal   <input type="checkbox"/> Unsatisfactory</p> <p>This assessment result is a weighted average score of ____%. The consequent performance ranking for Q __ is determined as _____</p>

## **Attachment 3**

# **Monitoring and Evaluation Framework**

## **Transport Sector Support Program (TSSP)**

### **Project Management and Supervision Consultants**

**November 2007**

<b>Performance Framework Outcome</b>	<b>Performance Indicators</b>	<b>Means of Verification</b>	<b>Responsibility and Frequency of data collection</b>	<b>Risks and Assumptions</b>
Outcome: Improved service delivery by DoW and PMCs	<ul style="list-style-type: none"> <li>- All programs implemented according to agreed contracts</li> <li>- % reduction in contract disputes</li> <li>- Programs completed within agreed timeframes and within budget</li> </ul>	<p>Contract documentation</p> <p>PMc Surveys and Contracts</p>	Annual Performance Reviews of PMC and DoW	Performance framework captures relevant information and data for review.
<b>Performance Framework Outputs</b>	<b>Performance Indicators</b>	<b>Means of Verification</b>	<b>Responsibility and Frequency of data collection</b>	<b>Risks and Assumptions</b>
Output 1: Initial Contract Awarded	<ul style="list-style-type: none"> <li>- Letter of acceptance signed and returned</li> <li>- Lodgement of Performance Security Bank Guarantee</li> <li>- Appropriate Insurance acquired;</li> <li>- GST Certificate of Compliance</li> <li>- Work Program and Cash Flow</li> </ul>	Contract Documents and relevant supporting documentation (letters to PMC from DoW)	<p>PMC during contract mobilisation period</p> <p>All documentation submitted prior to construction start date</p>	Contractor is unable to provide necessary documentation.
Output 2: Pre Mobilisation Meeting	<ul style="list-style-type: none"> <li>- Scope of Services and Work agreed to and communication lines established</li> </ul>	Meeting attendance and minutes	PMC during construction contract mobilisation period	
Output 3: Implementation of Maintenance Works	<ul style="list-style-type: none"> <li>- Work undertaken in compliance with contract conditions</li> <li>- Verification of works completed and days worked</li> <li>- Adequate standards of safety maintained</li> <li>- Gender, HIV/AIDS and environment awareness</li> </ul>	<p>Site inspections and contract documents</p> <p>Site inspections</p> <p>Road signage and markings verified</p> <p>Attendance at awareness sessions and</p>		

	measures performed	reports		
Output 4: Contract Administration	<ul style="list-style-type: none"> <li>- Contracts administered according to standards</li> <li>- Records and files maintained and inspected</li> <li>- # inspection of sites and meetings held</li> <li>- Payment/Claims processed</li> <li>- # contract variations and \$ value of variations</li> </ul>	DoW systems and Contract Administration Guide Records and files updated and maintained Meeting takes place and sites inspected and records kept DoW payment system Contract documents	Monthly reviews by DoW	-Contracts are not adhered too nor maintained.
Output 5: Appropriate monitoring and evaluation systems in place for road maintenance	<ul style="list-style-type: none"> <li>- M&amp;E system and database developed to supervise contractors</li> <li>- # monitoring reports submitted</li> </ul>	M&E system  Project reports	Monthly update and review by DoW  PMC as required	M&E system not maintained or updated
Output 6: Post-Completion Issues finalised efficiently and effectively	<ul style="list-style-type: none"> <li>- Liquidated damages</li> <li>- Defects Liability</li> <li>- Certificate and release of retention</li> </ul>	Contract documentation	As required at project completion between PMC and DoW	Contract disputes
Output 7: Effective partnerships with DoW and other stakeholders	<ul style="list-style-type: none"> <li>- # of contract disputes</li> <li>- # formal meetings between PMC and DoW</li> <li>- Timeliness of reports</li> </ul>	Contract documentation Meeting Minutes  Project Reports	DoW records as required	Partnerships not formed or maintained.

## **Attachment 4**

### **M&E workplan in 2008**