



Incentive Fund Phase III

2010–2014

**Strong organisations
strengthening communities**

INCENTIVE FUND
Australia and Papua New Guinea working together,
strengthening organisations, building stronger communities

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Australian High Commission
Papua New Guinea



Foreword

The Incentive Fund Phase III was an A\$60m Australian Aid initiative by the Australian Government with the goal of delivering significant and immediately tangible economic and social development outcomes for men, women and children in Papua New Guinea (PNG). It represents five per cent of Australia's aid budget in PNG over four years.

How it sought to achieve this is what set the program apart. Twenty public and private sector organisations which were proven performers were rewarded with critical infrastructure development funding. This was designed to expand their capacity to deliver and maintain high impact development activities as per PNG and Australian Government policies and objectives. In the process organisational capacity was strengthened in a range of areas including financial and project management. Non-qualifying organisations were encouraged to raise their operation standards in order to meet eligibility requirements, promoting accountability and encouraging competition. Each funded organisation also determined the type and extent of infrastructure works to be completed, thus projects were very much demand-driven.

The PNG Government's policies of free primary education and basic healthcare, introduced in 2012 and 2014 respectively, informed the project's focus on the health and education sectors. The education sector was awarded 63 per cent of the total budget, with the resulting new and renovated infrastructure enabling an increase in overall student numbers - including female students - in secondary, tertiary and technical institutions, as well as smaller class sizes and improved capacity to deliver specialised training. The remaining 37 per cent awarded to the health sector resulted in an increase in the number of people receiving medical treatment, including pregnant women and infants, and improved services for victims of violence and people with HIV/AIDS.

Expanded service delivery in these vital areas contributes to economic development for the long term and, together, the 20 funded organisations significantly increased access to and the quality of service delivery in education and health across nine PNG provinces. Project locations complemented the planned economic corridors detailed in the PNG Government's Medium Term Development Plan. These aim to integrate people in areas of poverty into the mainstream economy by boosting transport and utilities infrastructure, and expanding service delivery in the health and education sectors. This facilitates the effective and low cost operation of local businesses which in turn attracts foreign and/or private sector investment. Historically, development in such rural areas has been slow despite the fact that rural PNG is home to the vast majority of the population.

This phase of the program, which ran from June 2010 to June 2014 and delivered 20 projects worth A\$60m in nine provinces, followed on from previous phases that were implemented between 2000 and 2008, delivering 39 projects valued at A\$110m in 19 provinces.

The following pages bring to life the fruits of the Incentive Fund's innovative, holistic and demand-driven approach.



Fast facts & figures



20 funded organisations across 9 PNG provinces



3000+ people trained in social inclusion awareness

Improved onsite accommodation for...



70+ teachers



116 nurses



76 other medical staff

Education



56 new classrooms

30% average increase in enrolments

30%



1604 new and upgraded dormitory places



Health



28 new and renovated wards

7 new and renovated specialist clinics and services



14 new and renovated rural and remote health centres and aid posts

3 new mama waiting haus



3 new HIV / AIDS clinics

10,000 children immunised in Madang Province



Key aims & outcomes

The Incentive Fund has met the aims of delivering significant and immediately tangible economic and/or social development outcomes for men, women and children in PNG, with all 20 funded projects working towards achieving their planned infrastructure and related outputs.

According to the project's 2012 independent progress review, health and education outputs which can be measured in the short-term include number of classrooms, dormitories and wards completed, increase in school and tertiary enrolments, and inpatient and outpatient capacity. All provide an enabling environment for better longer-term health and education outcomes, hence the project's relevance to the PNG Government's Medium Term Development Plan was also confirmed by the report.

Cumulated across all 20 projects, the expected development outcomes from the Incentive Fund Program will include:

- increases in the number of people accessing primary health care (including supervised births, immunisations and ante- and post-natal care) in Madang, Milne Bay and Sandaun Provinces
- gender benefits accrued from Notre Dame, Marianville, Santa Maria and Caritas Secondary Schools with more girls accessing Grades 11 and 12, vocational and, subsequently, tertiary education
- better access for young women and men to tertiary qualifications and the job market via projects at PNG Maritime College and Divine Word University.

Longer term outcomes, such as sustained increases in student numbers, and those relating to the UN's Millennium Development Goals, for example reduced maternal and child mortality, will be measured over time.

Whether it's upgraded community infrastructure, a higher standard of performance among organisations or the improved literacy and health of PNG citizens, particularly women, economic development and stability is the goal.

Expanding education

The PNG National Education Plan, Medium Term Development Plan, Strategic Development Plan and Vision 2050 view human resource development as central to sustainable economic growth. They seek to develop a highly literate and numerate workforce within the next 20 years and build a world class tertiary education sector producing high quality graduates.

Underpinned by the PNG Government's 2012 policy to provide free primary education, this goal is further supported by the Incentive Fund which directly targeted the next stage of education by funding organisations working actively and effectively in the secondary, tertiary and vocational education sectors.

Thus 13 of the 20 funded projects address increased access to education, including better enrolments and opportunities for female students. Together, they delivered new and improved classrooms, student and teacher accommodation, and learning resources. The latter ranged from electronic material and digital libraries to fully equipped workshops, labs and simulators. The standard of basic amenities was also improved in assorted ways - water reticulation, sewerage and stormwater system upgrades, administration buildings, dining and assembly halls, student clinics, even footpaths and security fencing. Such improvements have worked to attract and retain students as well as teachers, particularly in remote locations.

Another key outcome was an increase in specialised skills development via technical training. For example, improved facilities have elevated the PNG Maritime College to an international standard of training.

These sorts of advances have a direct bearing on PNG's economic prosperity well into the future.



Incentive Fund Phase III education projects directly support the national government's goal of developing a highly literate and numerate workforce within the next 20 years.



Meet Davidiana

Student, PNG Maritime College, Madang

A 35 year-old mother of two, Davidiana is forging a career in shipping, a traditionally male-dominated field. Nevertheless, she's among an increasing number of seafarers furthering their studies towards master class certification, adding to the pool of skilled officers available to the PNG maritime industry.

Davidiana is making the most of PNG Maritime College's new training resources which include a Maritime Offshore Survival Training Centre, the first of its kind in the region.

Featuring a Helicopter Underwater Escape Trainer (HUET), it delivers training critical to curbing the high rate of helicopter accidents on trips to and from offshore facilities and rigs. Meanwhile a new Ship Bridge Simulator provides students with experience in commanding ships of any size in any part of the world.

"A big ship really swings and this gives us the opportunity to feel how it really is, how to navigate in heavy seas, in the dark, and approaching a harbour," enthuses Davidiana.

Currently working on local shipping routes between New Guinea islands, she looks forward to utilising her new skills and knowledge on international routes. The world really is her oyster.

Better, broader healthcare

Of the 20 funded projects seven have focused on health, directly supporting Key Result Areas outlined in PNG's National Health Plan 2011-2020. Priorities included improved service delivery, child survival and maternal health. They echo the PNG Government's 'back to basics' approach focusing on primary and preventative healthcare in order to curb high maternal and infant mortality and HIV/AIDS infection rates.

Improvements encompassed four major hospitals and rural and remote health services in Madang, Milne Bay, West Sepik, Jiwaka and Western Highlands provinces. They comprised rural and remote clinics, specialist services, dispensaries, clinics for HIV/AIDS counselling and testing, and accommodation for nurses and other medical staff.

Augmenting this were basic infrastructure upgrades such as the addition of water tanks, solar power, incinerators, boats, vehicles, kitchens, laundries, generators and security fencing.

An increase in immunisations of close to 400 per cent from 2012 to 2013 across four health centres is just one of the impressive early outcomes.

“ Within the next 20 years the PNG Government aims to achieve an efficient health system which can deliver an internationally acceptable standard of health services. ”

— PNG Medium Term Development Plan 2011-2015





Meet Angella



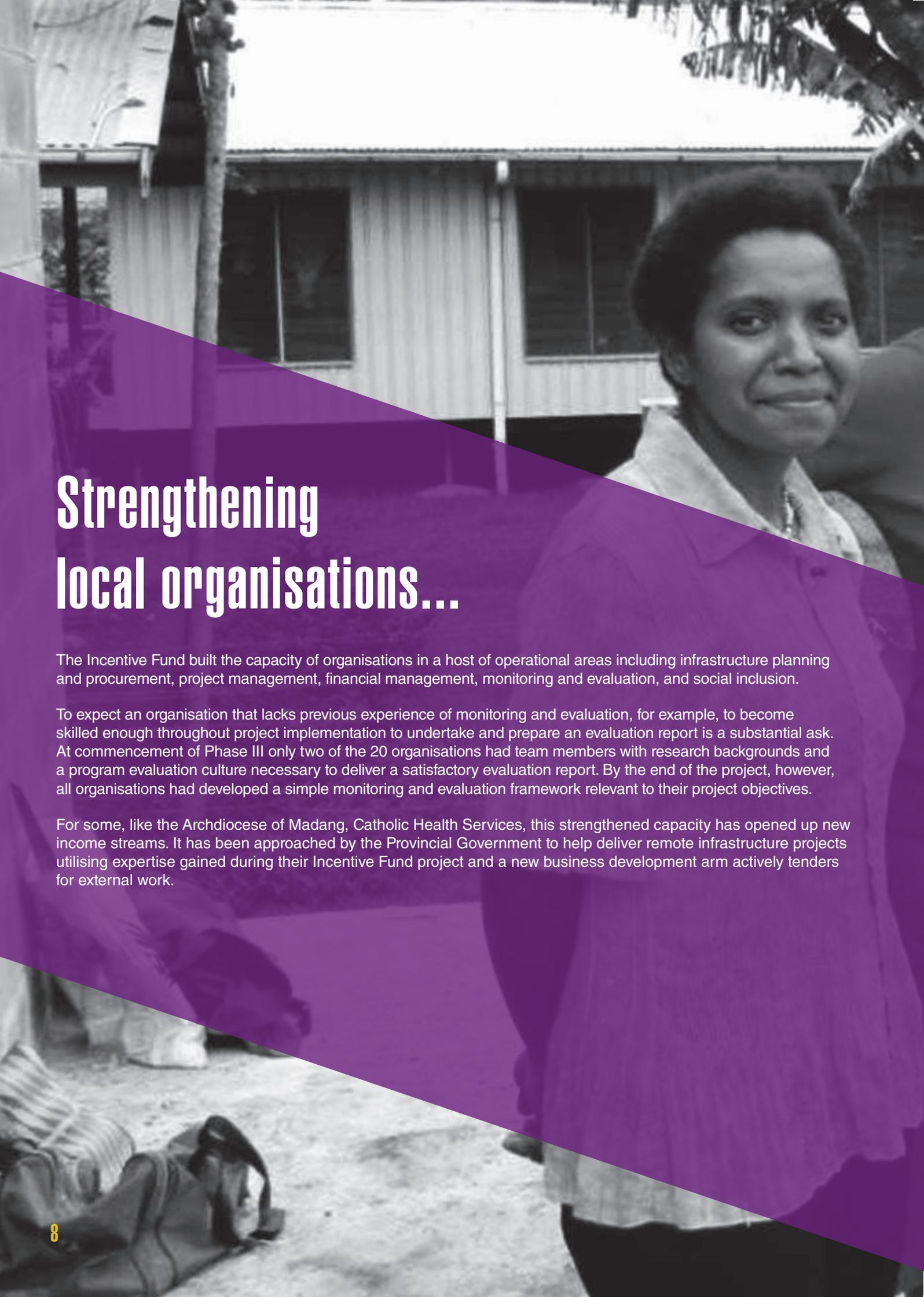
As Parish Women's President, Angella acted as the local area's women's representative to inform the design of the new Sideia Health Centre.

Completed in March 2014, the project created a new fully furnished and equipped health centre building with solar units, ante- and post-natal and maternal child health facilities, patient and family kitchen facilities, five new furnished staff houses and laundry and ablution facilities. Other works included upgrading of driveways, a water supply system upgrade, reconstruction of a mission jetty, and purchase of a new tractor, trailer and spare outboard motor.

Located east of the mainland, Sideia Island's remote location meant health concerns were previously referred to the hospital, located some 30 km north-west across Milne Bay.

Angella recalls the extended and costly boat trips to Alotau General Hospital many locals in the nearby isolated island communities had to endure to access treatment.

"After many years of our struggles, our cries from sickness and referrals to the Alotau General Hospital by long boat trips, I feel the new Sideia Health Centre will give us great help to our health needs and reduce our financial burden on costly boat trips."



Strengthening local organisations...

The Incentive Fund built the capacity of organisations in a host of operational areas including infrastructure planning and procurement, project management, financial management, monitoring and evaluation, and social inclusion.

To expect an organisation that lacks previous experience of monitoring and evaluation, for example, to become skilled enough throughout project implementation to undertake and prepare an evaluation report is a substantial ask. At commencement of Phase III only two of the 20 organisations had team members with research backgrounds and a program evaluation culture necessary to deliver a satisfactory evaluation report. By the end of the project, however, all organisations had developed a simple monitoring and evaluation framework relevant to their project objectives.

For some, like the Archdiocese of Madang, Catholic Health Services, this strengthened capacity has opened up new income streams. It has been approached by the Provincial Government to help deliver remote infrastructure projects utilising expertise gained during their Incentive Fund project and a new business development arm actively tenders for external work.



...far and wide!



**Meet Ashan
Project Manager**

Ask Ashan how the project impacted the Alotau General Hospital team and he'll speak of the increased experience and confidence among team members.

"It was an opportunity to engage our young technical officer to be involved in the project in different areas such as design, drafting supervision, tendering, procurement and

contract administration."

From the project experience a Project Manager Unit was established for the Milne Bay Provincial Health Authority (under which Alotau General Hospital sits) and the team was able to obtain project management fees from the Works Supervision Unit and Provincial Government.

Even the government system designed to procure project requirements was tested during the course of the project and more than proved its capability.



**Meet Tau
Project Building
Contractor**

According to Tau, the project has helped him and his four other local contractors bid for bigger projects.

"It has helped us learn to manage our finance well, especially cash flow to successful project completion."

With these critical business skills, they can now compete with other bigger and more established competitors with confidence.

Upskilling the workforce

Capacity building within an organisation begins with its staff. This human scale of development cannot be underestimated in terms of building vital social capital.

Specialised skills lead to wider employment opportunities, the ability to utilise local knowledge and insights in a deeper capacity, greater income earning capacity and increased personal confidence and job satisfaction. This also sets a new benchmark for future generations.

Virtually all of the Incentive Fund projects entailed upskilling of participants, with these key stakeholders reporting a high level of learning as a result.

This extended beyond staff to include local construction and maintenance contractors. For example, innovative new technology was introduced through skills transfer by volunteers at Kudjip Hospital and Caritas Secondary School.

A photograph of an elderly woman with a joyful expression, wearing a white headscarf and a vibrant blue dress with a white collar. She is standing in a brightly lit hallway with light-colored walls and doors. The background shows a continuation of the hallway leading to an outdoor area with greenery.

“ Human resource development is central to sustainable economic development. ”
— PNG Medium Term Development Plan 2011-2015

“ Sustainability of any project is only possible if those directly involved have the capacity to uphold it for the long haul. ”

— Rosary Secondary School, Kondiu



Meet Paul

When the Rosary Secondary School - Kondiu first applied for funding from Incentive Fund, its goal was to increase the capacity not only of the school's infrastructure, but also that of its staff. Self-reliance was seen as a guarantee of project success for the longer term.

Paul Baka, a young teacher and draftsman at the school, had already drawn some of the plans for the approved project. However he lacked confidence in detailing certain design components like plumbing. Rather than using an external resource to complete the plans, the Incentive Fund team offered Paul

the opportunity to skill up with staff at their Port Moresby office where he learned how to refine the drawings himself and finalise documentation for tender. The school couldn't be more impressed with the young man from Simbu.

A photograph of two women in a meeting. The woman on the right is in the foreground, smiling and resting her chin on her hand. The woman on the left is slightly out of focus in the background, looking towards the camera. A large yellow diagonal shape covers the bottom half of the page, containing the text.

More inclusive communities

A key component of the Incentive Fund Phase III was greater inclusion of marginalised men, women, children and people living with disabilities and HIV/AIDS. This involved raising awareness and understanding of the importance of equitable access to project activities and outputs for stakeholders and beneficiaries alike.

A partnership with PNG's custodian agency of social inclusion - the Department of Community Development (DfCD) - led to the formation of the DfCD Cross-Cutting Issues Working Group. This included representatives from the National AIDS Council, National Department of Education, National Department of Health, National Maritime Safety Authority and Department of Transport - Women in Maritime Association. Through this working group the department delivered gender and child protection training, with social inclusion workshops attended by over 3000 people including management, staff, contractors and beneficiaries.

Meanwhile organisations appointed champions, formed committees and consulted with relevant community representatives to develop and implement action plans. A three-dimensional approach saw social inclusion incorporated across corporate policies and processes, in project design and management, and through more responsive and sensitive services to beneficiaries. The result elevated the relevance and value of what would otherwise have been standard infrastructure projects.

New positions for social inclusion officers were created, people with disabilities were employed and numerous staff members were certified as child protection officers. What's more, a disability association was established in the Milne Bay province, several building contractors employed female workers on projects and the Milne Bay Provincial Supply and Tenders Board now requires contractors to show evidence of providing access for women to employment in all tender documents.

Empowering women to participate in the economy, leadership and education because of their critical untapped role in development is a key focus of Australian aid policy.

Meet Paru



“With little knowledge in cross cutting issues, I was eager to learn and the champion role has opened my mindset to really see the need to address these issues. The school organised guest speakers from various organisations and institutions to make staff and students aware. Some have become our partners in addressing cross cutting issues.

The training in gender and child protection is seen as the first of its kind in Papua New Guinea. The workshop was a success and participant responses are all positive.

The experience has broadened my knowledge on cross cutting issues, which are becoming part of my everyday conversations. My mind has opened up through this project where my understanding of developmental issues has increased, the importance of gender participation, awareness on child protection and networking with relevant organisations.

I believe the experience has given me new direction in viewing social issues and I now teach with a purpose.”



Flexible and responsive

The Incentive Fund's flexibility and responsiveness to changing priorities was put to the test with Manus Island's Lorengau Market upgrade. In dire need of maintenance the market structure posed a serious public safety hazard. Fortunately the Australian Government and Manus Provincial Administration were able to provide restoration works through the Incentive Fund framework. Works for the Manus Market Special Project include new roofing and concrete flooring, new and upgraded toilets, security lighting, fencing and gates, new market benches and access for people with disabilities.

The project's completion date is January 2015.



Meet the Incentive Fund Phase III Team

Building upon learnings

The relevance, effectiveness and efficiency of the Incentive Fund program have been assessed and confirmed by independent review. Success was largely due to the sound establishment and management of the Incentive Fund office, team and Management Group, which consistently met expectations relating to resourcing, and financial and risk management. This facilitated reflection and innovation critical to continual improvement, as learnings from the first and second phases of the project informed the final phase.

The most significant of these was the introduction of a four-stage application process which transformed efficiency. Prior to its introduction, a total of 338 concept proposals were narrowed to 217 detailed proposals, of which 62 (29%) were presented to the Management Group and 39 approved for funding. The remaining were prepared at great time and resource cost to PNG organisations and the Incentive Fund team without success.

For Phase III, however, 226 concept proposals were narrowed to 26 detailed proposals, of which 22 (85%) were presented to the management group and supported throughout that process. Of these, 20 were approved for funding, making the intensive use of resources far more focused and productive.

This improved process proved vital in expending project funds in a timely fashion and getting infrastructure works underway on time.

The E-granary electronic education database was introduced to four funded schools. Soon the idea was taken up by a major network and replicated nationwide.

Extended outcomes

NEW SAVINGS & INCOME

- St Mary's Hospital opened a Project Office to manage future projects and use the experience gained under the Incentive Fund to secure other donor funding.
- Madang Catholic Health Services established an infrastructure project management arm in response to provincial government and private sector requests to manage future infrastructure projects in the province.
- Pacific Adventist University has adopted the Incentive Fund tendering and procurement approach for all future contracts with consequent savings of more than K1m in such things as transport services.
- Rosary Secondary School appointed a new farm manager to manage the profits from the sale of its produce.

COMMUNITY CHAMPIONS

- At Rosary Secondary School the planned renovation of five staff houses grew to a total of 21 thanks to positive engagement with local communities. Locals also undertook large scale excavation and tree removal for project savings of K80,000.
- In response to the issue of unusable roads, community members helped rebuild Josephstaal airstrip for delivery of building materials and cleared areas for helicopter delivery at more remote sites. Fishing and hunting rights and food were also given to construction teams.
- At Kudjip Hospital the volunteer Project Manager will stay on for a further 12 months to train local staff to manage the hydro plant.

BUSINESS SUPPORT

- Caritas Secondary School received donated materials and services by local businesses.
- Lays Biscuit Company donated supplies to Marianville Secondary School's student Breakfast Club initiative.



Meet Sister Mary-Claude



A project manager on the Madang Catholic Health Services project, Sister Mary-Claude was sent to Kundiawa to help prepare a funding proposal and social inclusion policies for Rosary Secondary School.

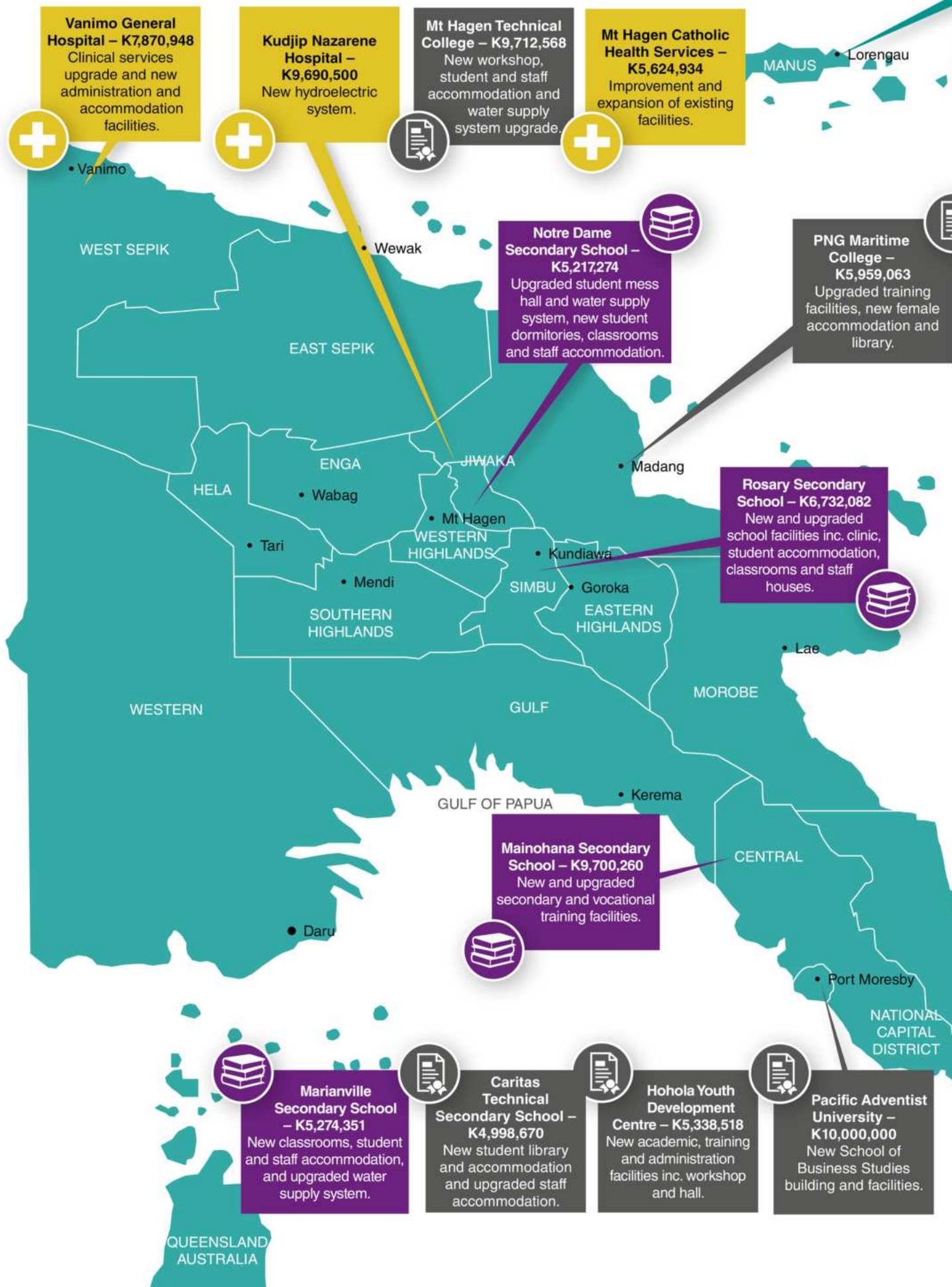
Having prepared a child protection policy for the Madang project, she went on to plan and implement an impressive campaign to promote the LPA to the community and leaders in the Simbu Province and Catholic Church over three years.

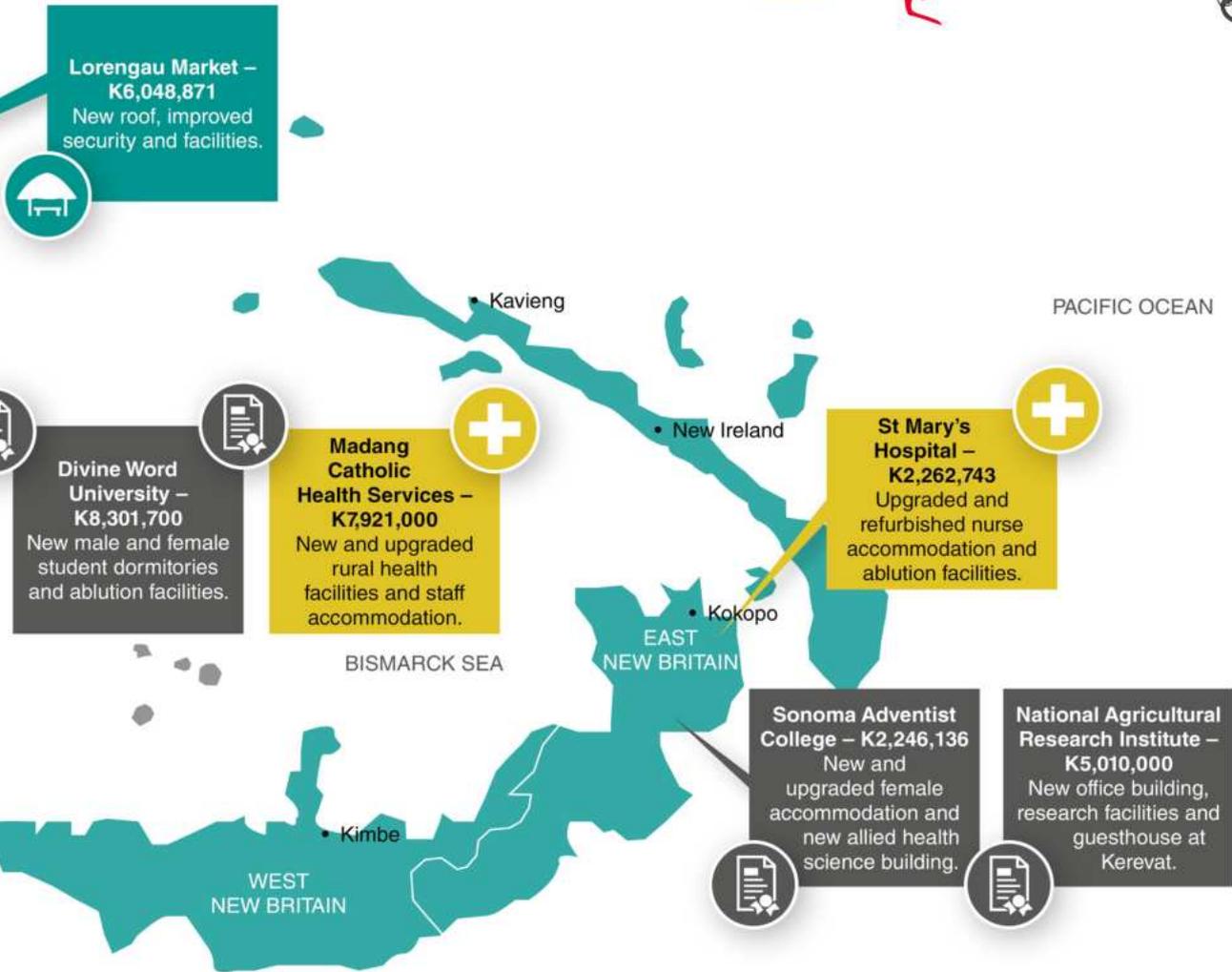
In the first half of 2014, the Sister ran 21 workshops reaching 1496 influential participants (Papa groups, Boards of Management, school staff, pastoral workers, youth leaders, police, provincial leaders and Catholic Health Services). More workshops are planned.

She also sought Caritas sponsorship for a quarterly newsletter with a circulation of 12,000, wrote and produced 2,000 copies of a resource book for parents and took child protection to the airwaves with 200 CDs of broadcasting material. To follow are posters, promotional wristbands and training for 20 couples to deliver the LPA workshop in bush areas. Perhaps most significantly, the Sister has changed the child protection policy of the Catholic Church in PNG.

Says Sister Mary-Claude of the experience: "Perhaps it is true (to some extent) that God sometimes writes with crooked lines!"

Incentive Fund Phase III projects





Key:

-  Market
-  Tertiary/vocational/research institution
-  Secondary school
-  Hospital/health clinic

Beyond 2014

Extending focus beyond specific education and health infrastructure to include supporting infrastructure to improve access, services and security ensures the longevity of project outcomes.

Sustainability of outcomes has been integral to the Incentive Fund approach. This is contingent on smart project design that doesn't necessarily rely on ongoing funding, for example:

- consultation with end-users at the design stage
- agreement on requirements and long-term arrangements
- appropriate technology
- integration of facilities upgrades as well as new additions
- social inclusion activities
- management and community ownership.

Organisations are also ensuring adequate ongoing funding to execute their maintenance plans in the longer term.

Mt Hagen Technical College - new equipment listed on the National Department of Education's assets register for annual maintenance grants.

St Mary's Hospital - appointed housing committee to set housing rental to fund upkeep of new dormitories.

Marianville Secondary School - installed water and easy-pay meters for staff to cover expenses.

National Agricultural Research Institute - proportion of income generated at the new guest house will be available for maintenance.

Sonoma Adventist College, Caritas Technical Secondary School, Hohola Youth Development Centre and other organisations - accrued practical skills in maintenance and construction.

Through its social inclusion focus, the Incentive Fund has also shown that infrastructure or similar projects can be a catalyst for attitude and behaviour change which leads to longer term impacts.

All in all results and learnings arising from Phase III bode well for the next phase of the Incentive Fund.





Our thanks to:

Alotau General Hospital
Archdiocese of Madang, Catholic Health Services
Australian Government
Caritas Technical Secondary School
Catholic Diocese of Alotau
Catholic Diocese of Bereina
Central Provincial Government
Divine Word University
East New Britain Provincial Government
Government of Papua New Guinea
Hohola Youth Development Centre
Incentive Fund Management Group
Jiwaka Provincial Government
Madang Provincial Government
Marianville Secondary School
Milne Bay Provincial Government
Mt Hagen Catholic Health Services
Mt Hagen Technical College
National Agricultural Research Institute
National Capital District Commission
Nazarene Health Ministries
Notre Dame Secondary School
Pacific Adventist University
PNG Department for Community Development
PNG Department of National Planning and Monitoring
PNG Maritime College
PNG National Department of Education
PNG National Department of Health
Rosary Secondary School Catholic Diocese of Kundiawa
Sandaun Provincial Government
Santa Maria High School
Simbu Provincial Government
Sonoma Adventist College
St Mary's Hospital Vunapope
Vanimo General Hospital
Western Highlands Provincial Government



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Incentive Fund - Phase III was managed by Coffey on behalf of the Australian Government.