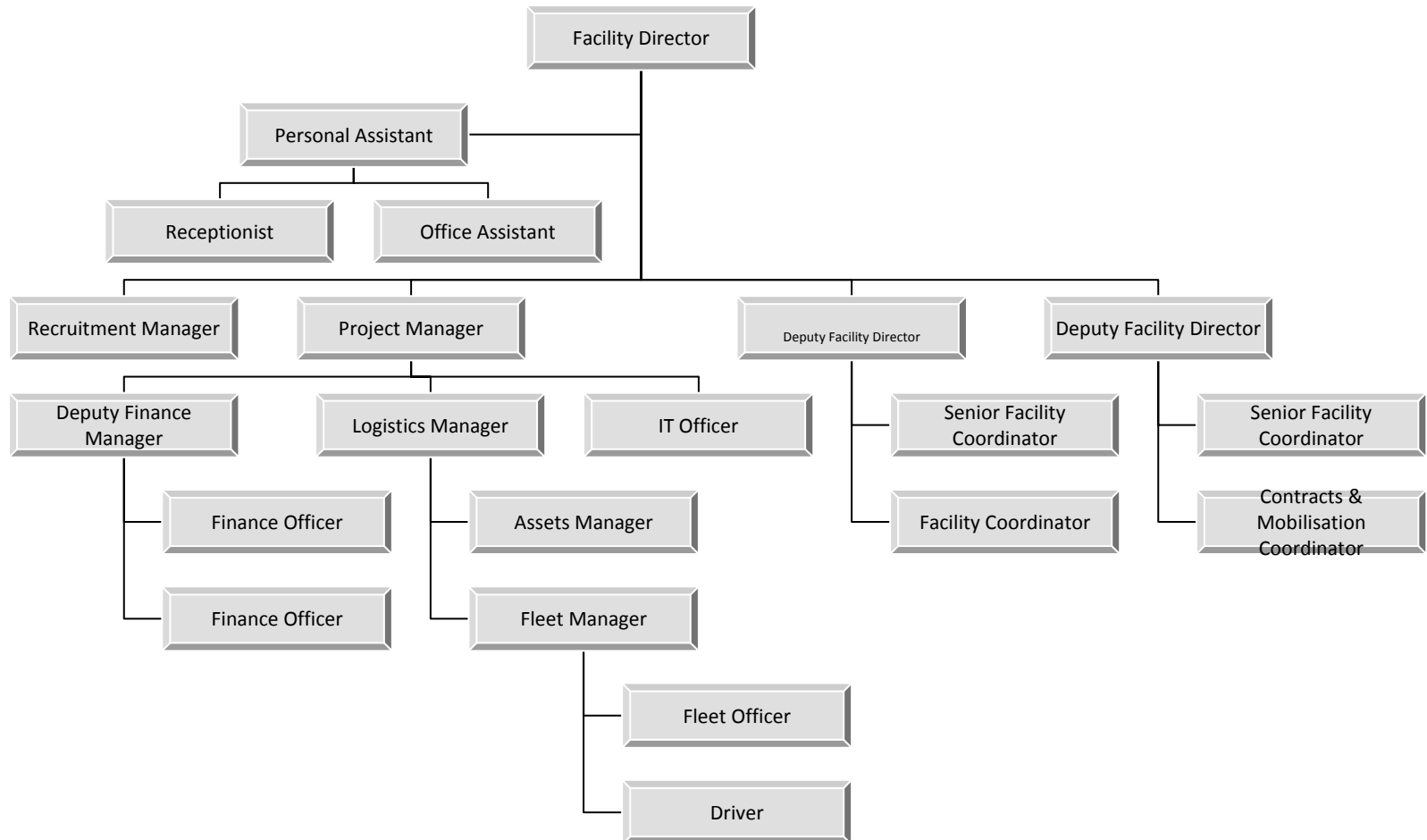


Attachment 1 to Addendum 2
PNG ASF II
Organisational Chart





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Attachment 2 to Addendum 2

Economic and Public Sector Program (EPSP)

Program Design Overview

Pre-Tender Briefing, 5 November 2009

Outline

- Background
- Context for a new phase of assistance
- Goal and objectives
- Approach to implementation
- Governance and management arrangements
- Monitoring and evaluation

Background

- EPSP replaces the **PNG Advisory Support Facility (ASF)** which has operated for 12 years
- Design of EPSP commenced in 2007: **consulted more than 200 people** from 35 organisations across PNG and Australian government, non-government and other donors
- Design was guided by a special **GoPNG Technical Reference Group** comprised mainly of central agencies - DNPM also a member of the design team
- EPSP will be a key program to deliver joint commitments under Priority Outcome 4: Public Service of the PNG-Australia **Partnership for Development**

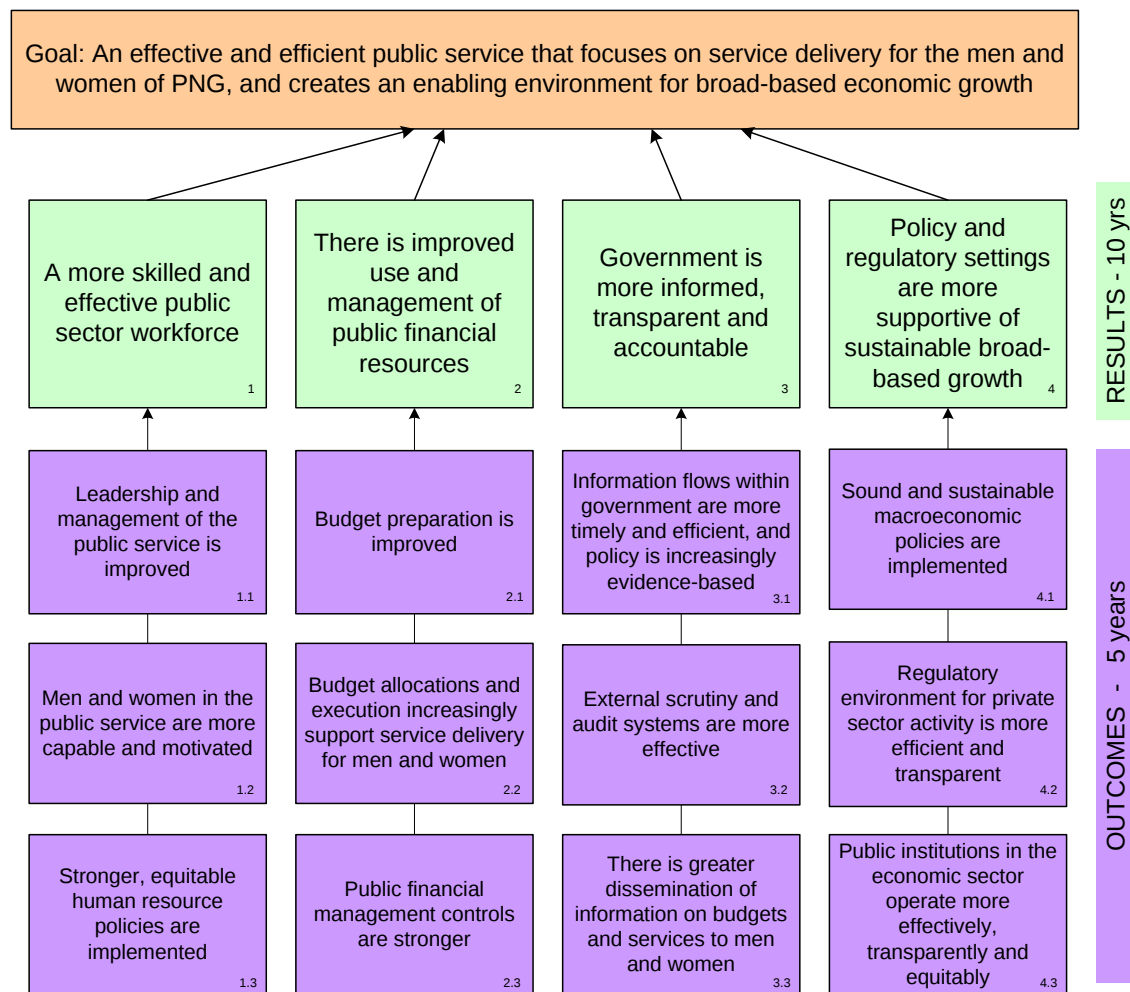
Context for a new phase of assistance

- Greater focus on **central agencies** in their role as key enabling institutions supporting effective government in PNG
- Meet requirements of the **PNG Commitment on Aid Effectiveness**
- Align to **GoPNG policy** frameworks: NSP, LTDS, MTDS, MTFS, PSWDP, FMIP, Public Sector Reform Strategic Plan
- More use of **GoPNG systems** and coordination structures
- Provide a long term **capacity development** approach (5-10 years)
- Shift away from reliance on **technical assistance** over time
- Provide a clear link to **sub-national** level and **service delivery**
- Support **incentives** for change
- Coordinate all Australian resources to the sector (incl. SGP)

Goal and objectives

- Overall goal: **an effective and efficient public service** that focuses on service delivery in PNG and creates an enabling environment for growth
- Long-term commitment to **incremental improvements** in public sector performance
- 4 result areas:
 - A more skilled and effective public sector workforce
 - There is improved use and management of public financial resources
 - Government is more informed, transparent and accountable
 - Policy and regulatory settings are more supportive of sustainable broad-based growth

Results Framework (p.17)



Estimated program budget and duration

- Proposed budget from the Australian aid program is up to **A\$25 million per year** for an initial five years
- Actual program expenditure will depend on the extent to which **effective use of the funding** can be demonstrated in the initial years
- The initial term for EPSP is **10 years**, with scope to expand further if required
- Implementation in **five-year phases** with points of review for each phase

Approach to implementation

- Prioritise, sequence and coordinate program resources in jointly agreed activities through an **annual Strategic Framework**
- Support appropriate and more effective use of **joint diagnostics**
- Tackle **systemic issues** that are considered most essential for improving service delivery
- Build **stronger relationships** with good performing partner agencies and managers
- Provide an opportunity for continual **organisational learning and improvement**

Capacity development approach

- EPSP will use two mechanisms of support:
 - **Partnerships for Capacity Development:** technical assistance; targeted training, targeted research and analysis and twinning
 - **Capacity Development Fund:** incorporating co-financing of GoPNG initiatives and incentive-based grants
- *Design allows for up to 10% of program resources to support emerging issues outside of the Results Framework / Partnerships for Capacity Development*

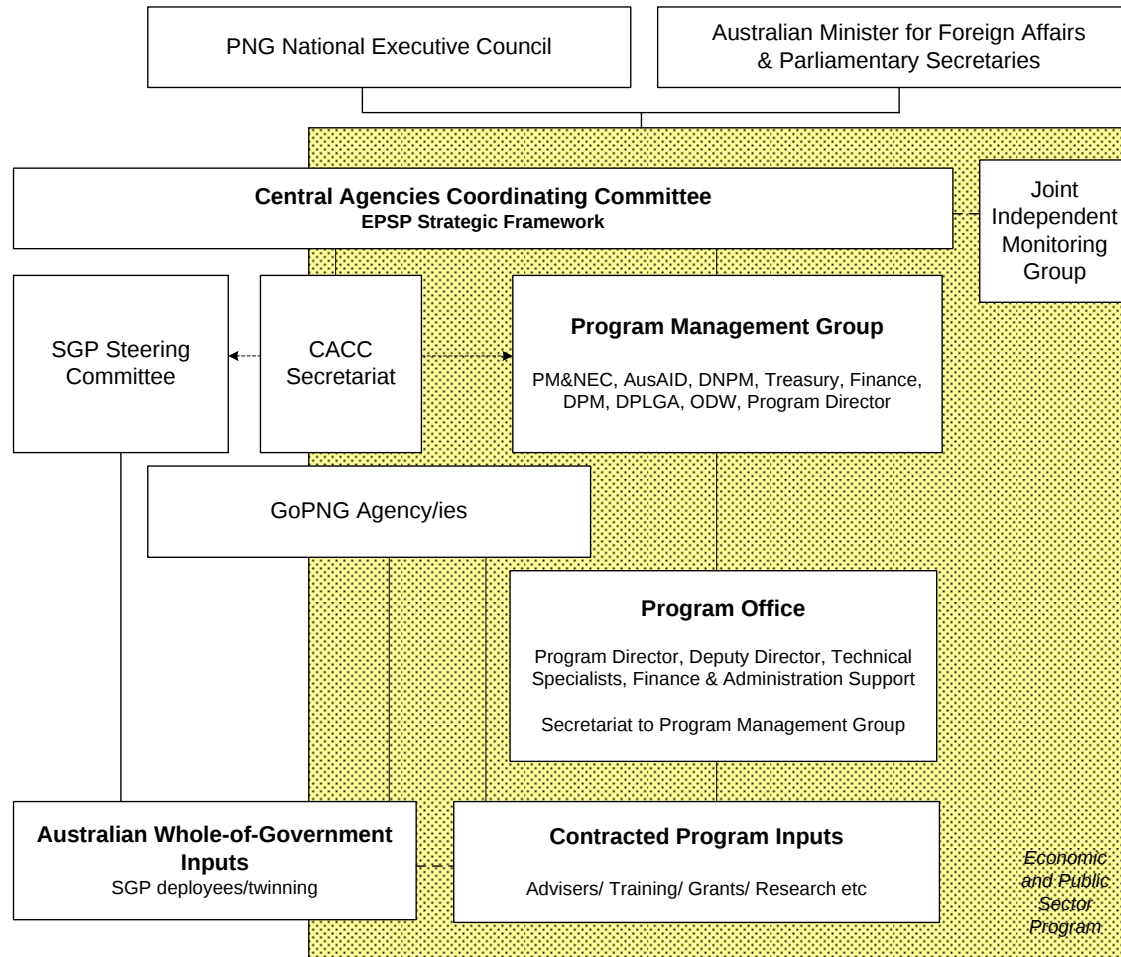
Partnerships for Capacity Development

- Formalises **packages of assistance** to partner agencies (may include PM&NEC, DPM, DNPM, Treasury, Finance, DLIR, IRC, AGO, CSTB and PNGIPA)
- Strategically identify and access development resources: TA (incl. SGP), training, research, twinning
- Informed by **capacity diagnostics** of each partner agency
- Linked to whole-of-government reforms and agency-specific objectives
- Enhance **agency ownership** and management of resources and outline mutual responsibility and accountability

Capacity Development Fund

- Comprise up to 30% of program value and takes two forms:
- **Co-financed grants** – support implementation of existing and new GoPNG initiatives (PSWDP, FMIP, etc)
- **Incentive-based grants** – for training, training materials, outreach between centre and provinces, database management and improved information flows, IT upgrades, work-related equipment and consumables, and workplace repair and maintenance
- *Maximum annual budget of A\$1 million for incentive-based grants, with an initial ceiling of A\$100,000 per sponsored activity*

Governance and management structure



Roles and responsibilities

- **Central Agencies Coordinating Committee (CACC):** peak body for EPSP and provides high-level strategic guidance
- **Program Management Group (PMG):** home of operational decision-making and oversight of program implementation and comprises 6 central agencies (PM&NEC, DNPM, DPM, Treasury, Finance and DPLGA), the Office for Development of Women, AusAID and the Program Director
- **AusAID/Public Sector Adviser:** a role in setting the strategic direction of the program and responsibility for management and coordination of AusAID assistance to the sector
- **Managing Contractor:** through the Program Office/Program Director provides contracted inputs, administrative support, and technical resources in the areas of capacity development, gender, M&E, and training and learning
- **Economic and Public Sector Coordination Group:** a GoA forum to discuss sector issues and provide coordinated policy advice on program implementation
- **Independent Monitoring Group (IMG):** conduct independent evaluations of the program and made up of experts from both governments and contracted technical experts

Coordination with GoA inputs

- GoA (SGP and twinning) inputs are considered part of the whole envelope of EPSP assistance:
 - Annual Strategic Framework (whole-of-government)
 - Partnerships for Capacity Development (whole-of-agency)
- SGP Steering Committee will make decisions on SGP placements based on advice from the EPSP PMG
- SGP and twinning inputs included in EPSP reporting to PMG and CACC
- EPSP Program Office may be required to provide technical support to SGP and twinning – capacity development, targeted training, gender, HIV/AIDS etc

Planning and management processes

- Match planning and decision-making points within GoPNG budget and reporting cycle
- 3 key program milestones will occur each year:
 - **February:** Program Annual Report to CACC
 - **June:** Indicative Strategic Framework for CACC consideration and further consultation
 - **December:** Final Strategic Framework for CACC approval

Monitoring and evaluation

- **Quarterly Program Reports** to PMG: aligned with agency quarterly reporting and informed by program implementers (advisers, training providers etc)
- **Annual Program Report** to CACC (through PMG): informed by a facilitated performance analysis / structured contribution dialogue in Nov/Dec each year
- **Biennial Program Effectiveness Review:** undertaken by a Independent Monitoring Group made up of expertise from both governments as well as independently contracted technical experts
- **Issues-based evaluation studies** to deepen understanding in the economic and public sector field

Thankyou and questions



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Contract

Jim Catchlove
PNG Contracts Manager
Procurement and Agreement Services
(Canberra)

Overview

- Scope of Services
- Basis of Payment



Scope of Services - Time Issues

- 4 years with an option to extend up to 12 months
- Immediately on mobilisation – conduct a workshop to facilitate the transition arrangements from previous contractor
- Early issue is to establish the program office – within 6 weeks

EPSP Program Office

- Four specified positions
- Bidders are to propose a staffing structure
- Final structure negotiated with preferred bidder



- Cost will be paid by AusAID quarterly in arrears

- EPSP Results Framework thru to 2020
 - ◆ Contractor is to sharpen
- Annual Strategic Framework
- Partnerships for Capacity Development
 - ◆ Agency diagnostics
- Proposals for assistance

Modalities

- Training
- Research
- Technical Assistance
- Funding
- Procurement
- Others



Funds and Imprest Accounts

- Existing Imprest Accounts
 - ◆ Funds directly from AusAID
 - ◆ Contractor to support
- Incentive Grants
- EPSP Imprest Account

Other Issues in the Services

- Monitoring and Evaluation
- EPSP Contractor Management Strategies, Plans and Manuals
- Milestones
 - ◆ Year 1 (4)
 - ◆ Later Years (average of 2)





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The Australian Government's
Overseas Aid Program

Basis of Payment

Payment Streams

- ★ Program office costs Regular payments quarterly in arrears
- ★ Management Fee Milestone payments
- ★ Replenish Imprest Account quarterly in advance
- ★ Pre-payments for Incentive Grants



Payment Streams

- ★ EPSP Program Office Costs
 - ★ Fixed Management Fee (FMF)
 - ★ Reimbursable Costs
 - ★ Imprest Account Payments
 - ★ Payments for Incentive Grants
-
- ★ Variable Management and Procurement Fees (VMPF) for EPSP Funded Activities





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The Australian Government's
Overseas Aid Program

Imprest Account

This is the resource to be drawn upon to fund approved proposals from partner agencies when funds are not available from other sources.

Scenario - Simple

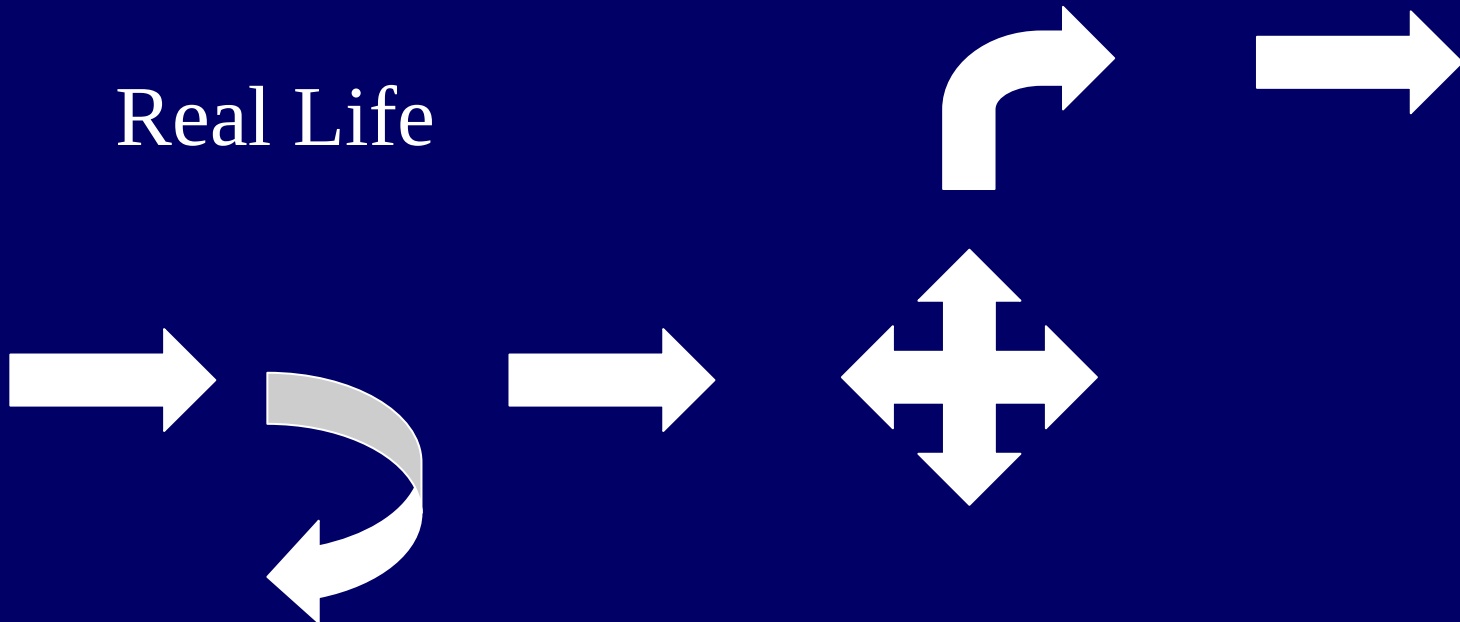
- Proposal submitted by agency
- Assessed consistent with Partnership for Capacity Development
- Approved by PMG
- PMG provides directions to Contractor
- Contractor provides funds to agency from Imprest account
- Agency implements

Scenarios

Simple



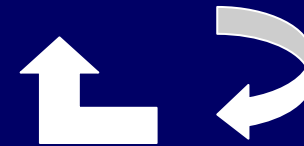
Real Life



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Scenario – Early Assistance

- Proposal submitted by agency
- Assessed consistent with Partnership for Capacity Development
- BUT – It needs assistance and revision before it is advanced



- ◆ A – Contractor can assist from within staff resources
- ◆ B – TA is necessary (funded from Imprest Account)

PMG approves Contractor request to utilise TA

Scenario – Variations in Implementation

- Implementation modality
 - ◆ A – Funding
 - ★ from EPSP Imprest A/c and use of partner systems
 - ★ from an existing PNG imprest account
 - ◆ B – Contractor supported by sub contracting:
 - ★ eg Training
 - ★ eg Technical Assistance
 - ◆ C – Allocated to another donor



Contractor Supported Implementation

- Contractor submits proposal including budget to PMG
- Proposal declares Variable Management and Procurement Fees (VMPPF) to be applied
- Approved by PMG
- Contractor implements proposal and draws costs from EPSP Imprest Account
- Contractor invoices AusAID for the Variable Management and Procurement Fees (VMPPF)



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The Australian Government's
Overseas Aid Program

Tamara's brief then questions

Economic and Public Sector Program (EPSP)

Pre-Tender Briefing

Tamara Green - Procurement and Agreement Services

Structure of the RFT

- Section 1
 - Project Specific Tender Conditions
 - Project Specific Contract Conditions
 - Draft Scope of Services
 - Draft Basis of Payment
- Section 2
 - Standard Tender Conditions
 - Standard Contract Conditions
- Attachments
 - Explanation of Attachments
 - EPSP Program Design Document
 - Public Service Schedule, PNG-Australia Partnership for Development,
 - Strongim Gavman Program Management Framework
 - Advisory Support Facility Independent Evaluation 2007
 - Word versions of tables

Addenda

- Addenda will be posted on AusTender.
- Addenda will include the powerpoints from today's presentations, questions and answers from today's industry briefing.
- Answers to any questions forwarded to the EPSP mailbox at EPSP@ausaid.gov.au will also be uploaded as Addenda
- First Addenda already issued

Submissions

Tender Schedule A: Technical Proposal

- Response to Selection Criteria 1, 2 and 3
- Annex 1 - Past Experience Form
- Annex 2 - Work Plan
- Annex 3 - Risk Management Plan
- Annex 4 - Draft Mobilisation Plan
- Annex 5 - Letters of Association
- Annex 6 - Commonwealth Government Policies Compliance

Submissions (cont.)

Tender Schedule B: Specified Personnel

- Specified Personnel Table
 - Total Inputs
 - Two referees
 - Details of other potential commitments
- Skills Matrix
- CV for each specified team member

Submission (cont.)

Tender Schedule C: Financial Proposal

- Table 1: Total EPSP Program Office Costs
 - Table 1A - 1 to 5: Personnel Costs
 - Table 1B: EPSP Office Set-up Costs
 - Table 1C: EPSP Office Operational Costs

Submission (cont.)

Tender Schedule C: Financial Proposal

- Table 2A: Total Fixed Management Fee
- Table 2B: Escalation Percentage for Extension Period
 - Table applied to 2013 Fixed Management Fee
- Table 3A: Variable Management Fee
 - For management costs of additional approved activities not provided for by the Program Office and Fixed Management Fee
- Table 3B: Procurement Fee
 - Activity costs, travel and accommodation and equipment to support the activity
- Table 4: Summary of Financial Proposal
 - Total for like-for-like assessment

Submission (cont.)

Tender Schedule D: Financial Assessment (Financial viability of bidding organisation)

- Two options – see Part 1, Clause 7, of the RFT
- Tenderers should be aware that AusAID may contact the nominated company accountant to obtain clarification of bid or further information.
- AusAID intends to utilise external expertise to analyse financial information.

Shortlisting and Interviews

- AusAID will shortlist up to 4 bidders
- Shortlisted bidders will be invited to interview
- Interviews will be held in Canberra
- Response to Scenario (Selection Criteria 4)
 - Indicative process:
 - Scenario will be given one hour prior to interview
 - First 15-20mins of interview will be presentation of response to scenario
 - Weighting – 10%

Important Dates

17 November 2009	Final date for questions to AusAID on RFT (14 days before tender close)
24 November 2009	Final date for AusAID to issue addenda/respond to tenderer questions (7 days before tender close)
1 December 2009	RFT closing date
December 2009	TAP Shortlisting, assessment against Selection Criteria and like for like assessment
19-29 January 2010 (indicative)	Interviews and TAP recommendation
February 2009 (indicative)	If delegate approves TAP recommendation, negotiate contract
March 2009 (indicative)	Contract Start Date

Questions