

ATTACHMENT 1 - DRAFT SCOPE OF SERVICES
PNG Sub-National Strategy Program (SNP)

Note to Organisation: This will form a key Schedule of the Contract that AusAID will enter into with the successful organisation following Step 2 of this RFT process. It reflects the most current version of the Services required of the Contractor. AusAID reserves the right to update this Scope of Services for the purposes of Step 2 of this RFT process.

SCOPE OF SERVICES

PAPUA NEW GUINEA SUB NATIONAL STRATEGY

1. INTRODUCTION AND OVERVIEW

- 1.1 This Scope of Services outlines the functions to be performed by the Contractor for the support of AusAID's Sub-National Strategy Program (SNP) in Papua New Guinea (PNG). This Scope of Services will cover the final year of SNP Phase 1 and of Phase 2 if the options to extend are exercised.
- 1.2 The SNP Design Document describes in detail the current situation and vision for the SNP. A key aspect of SNP support is the Government of Papua New Guinea's (GoPNG's) Provincial Performance Improvement Initiative (PPII). The PPII was outlined in the Provincial Performance Improvement Initiative Framework (2005) and further detailed in the Guide to Services and Performance Requirements Under the Provincial Performance Initiative (2007). These documents may be referred to for information but do not form part of this Contract.

Background

- 1.3 The SNP has been informed by the pilot Sub-National Initiative (SNI), which operated from 2003 to 2006. The SNI was developed in response to the fact that under PNG's decentralised system of government, responsibility for service delivery rests as much with the provinces, districts and local level governments as with the national administration. However, it was widely recognised that the system of decentralisation was not functioning, and as a result the availability and quality of key services was declining.
- 1.4 Details of the pilot SNI, including lessons learnt are contained in the SNP Design Document. Assessment of the pilot SNI was positive, and both the Government of Australia (GoA) and GoPNG have agreed that it should be continued and expanded. The SNP is the successor to SNI and incorporates the findings of the review of SNI.

Strategic Direction

- 1.5 The Goal of the SNP is:

Improved service delivery for the men, women and children of Papua New Guinea

- 1.6 The SNP will contribute to this goal through:
 - (a) GoPNG initiatives that aim to improve public administration and governance processes related to enhanced service delivery (the PPII);
 - (b) Directing support to Bougainville and provinces of national interest to both GoPNG and GoA (Special Case Provinces); and
 - (c) The alignment of AusAID's ongoing programs in PNG so that they are more responsive to service delivery challenges at the sub-national level.

The Program

1.7 The SNP includes the following three components:

- (a) Implementation of decentralisation related GoPNG initiatives.
 - (i) AusAID is in partnership with the GoPNG in implementation of its Provincial Performance Improvement Initiative (PPII). The PPII is GoPNG's main mechanism for strengthening key corporate functions at the provincial level that underpin effective service delivery. Functional areas targeted through PPII include management coordination, integrated planning and budgeting, and human resource and information management. Incentives are available through PPII to encourage good performance and may take the form of Capacity Development, cash grants or other support as mutually agreed between stakeholders. .
 - (ii) The SNP will continue ongoing and new initiatives at the National level aimed at strengthening PNG's decentralised system of government. These initiatives include:
 - (A) The implementation of reforms to the intergovernmental financing arrangements supported by agencies including the National Economic and Fiscal Commission and the Department of Treasury;
 - (B) Strengthening the National Government's capacity to respond to provincial and local government issues including the Department of Provincial and Local Government Affairs as Secretariat for the Provincial and Local Level Service Monitoring Authority (PLLSMA).
 - (C) Annual s119 Reporting by provinces against service delivery targets ; and
 - (D) Support for improved co-ordination and sequencing of national initiatives to support sub-national government and administration, including through PLLSMA and Provincial Coordination and Monitoring Committee's (PCMC's).
- (b) Targeted engagement in Special Case Provinces and consolidation of peace in Bougainville.
 - (i) The SNP will develop and support strategies for providing Capacity Development in certain provinces where poor security or national interest issues pertain, such as the Southern Highlands and the Western Provinces. These may be based on the identification of non-traditional partners (such as resource companies) with whom the aid program can work. Such strategies will focus on service delivery and stability.
 - (ii) Funding and Advisory support provided to the Autonomous Region of Bougainville for improved governance and the implementation of autonomy

arrangements is also part of the SNP, given the compatibility of AusAID's support to Bougainville with that of the expanded PPIL.

- (c) Informing Australia's aid program to PNG:
- (i) AusAID officers will be deployed in selected provinces to provide oversight of capacity building assistance (including Advisers) provided under the SNP and to help streamline the broader aid program at the Provincial level.
 - (ii) Australia's engagement with sub-national levels of government under the SNP will increasingly be drawn on to inform and shape the delivery of the broader aid program to PNG.

Timeframe

- 1.8 The clear lesson from Australian development in PNG in general and the experience of the pilot PPIL, SNI and SNP Phase 1 in particular, is that governance reform is a slow and complex process. It does not fit short term frameworks of three to five years.
- 1.9 The SNP is considered to be a long term strategy of the Australian Government Aid program, stretching over at least ten to fifteen years. The Contractor will begin operations during the final year of the SNP Phase 1 (May 2011 – June 2012) with an option to continue operations for SNP Phase 2 (June 2012 – June 2017). These options will be exercised by AusAID in its absolute discretion.

	Years	Period
Broader SNP Strategy	10-15 (regular reviews)	2006 - 2021
SNP Design Phase 1	6	2006 - 2012
This Contract	13 months with options for up to an additional 5 years	2011 - 2012 (with an option to extend up until 2017)

2. ROLES AND RESPONSIBILITIES

- 2.1 The SNP involves a number of key stakeholders. The roles and responsibilities of these key stakeholders are set out below.
- 2.2 **Role of AusAID.** AusAID will appoint a SNP Director. The SNP Director will be an AusAID officer who provides the strategic direction and oversight of the SNP. Other AusAID staff allocated to SNP will be co-located in Department of Provincial and Local Government Affairs (DPLGA) and in selected provinces, in the Australian High Commission in Port Moresby and in AusAID Canberra.
- 2.3 **Role of the Department for Provincial and Local Government Affairs (DPLGA).** DPLGA is the central agency within GoPNG responsible for supporting the country's decentralised system of government. Its mission is articulated as "providing the vital link

between the national and provincial / local government levels, while empowering and building the capacity of provincial and local level governments to fulfil their mandates for the benefit of the people of PNG". Its role is developing as the 'mother' department role for provinces representing provincial and local needs in the wider whole-of-government context as well as ensuring Government is informed with information based policy options. Through this mandate DPLGA manages the PPII (including chairing its Steering Committee and Secretariat) and PLLSMA. The department therefore is a critical stakeholder of the SNP.

- 2.4 **Role of the National and Economic Fiscal Commission (NEFC).** NEFC is a constitutional body under the Organic Law. Its mission statement is "To develop and maintain fair, equitable and transparent intergovernmental financing arrangements that support improved quality of life for all Papua New Guineans." The main role of the NEFC is to provide advice to government on the level of grants to be given to Provincial Governments and Local-level Governments. The NEFC has been responsible for guiding the reform of intergovernmental financial arrangements (RIGFA).
- 2.5 **Role of the Strategic Adviser.** Strategic Adviser(s) may be contracted separately by AusAID to assist the SNP Director in setting the policy direction for the SNP and its components.
- 2.6 **Role of the Government of PNG.** The GoPNG leads and manages two of the components of the SNP, the "Implementation of priority decentralisation related GoPNG initiatives" and "Special Case Provinces and Bougainville".
- 2.7 **Role of the Independent Review Team (IRT).** The IRT will be directly contracted by AusAID and will undertake a comprehensive performance audit of the Contractor at a minimum on an annual basis. The results of this audit will form part of the Contractor's assessment rating for the purpose of payments under the Contract.
- 2.8 **Role of the PPII Steering Committee.** The PPII Steering Committee is the peak governance structure which oversees PPII. Its key functions are to: provide strategic guidance to the PPII; ensure that key national agencies are appropriately coordinated with respect to their involvement and contributions; and to provide assessment of outcomes. The PPII Steering Committee's membership is the Secretary of DPLGA (chair) Secretary DNPM, AusAID, Departments of PM/NEC, NEFC, DPLGA, Treasury, Finance and Personnel Management.
- 2.9 **Role of the PPII Secretariat.** The PPII Secretariat provides the operational management of the PPII, supporting the implementation of Steering Committee's recommendations. Its key functions are to: monitor progress by provinces; receive and approve annual capacity building plans; recommending changes on resource distribution based upon performance assessment information. The Secretariat's membership is as follows: DPLGA (Chair). GoPNG agencies (including Departments of Finance Personnel and NEFC) and, AusAID.
- 2.10 **Role of the Independent Review Group (IRG).** The IRG will be comprised of representatives of GoPNG and Australia, supported by Capacity Development inputs, if required. Their role will be to provide high-level recommendations about the strategic direction of SNP and the quality of the SNP.
- 2.11 **Role of the Independent Monitoring and Evaluation Adviser (IMEA).** An independent monitoring and evaluation Adviser will be separately contracted by AusAID to advise

AusAID on the development and implementation of performance management frameworks for SNP, including their links to counterpart systems and linkages to the performance assessment framework for the PNG – Australia Partnerships for Development. The adviser will be tasked directly by AusAID. Reports will go to AusAID and then be shared more broadly with the program's stakeholders

2.12 **Role of the Contractor.**

- (a) The Contractor will report to AusAID through the SNP Director.
- (b) The Contractor's core function is to support AusAID's role in implementing the SNP to enable the GoPNG to improve service delivery in the context of its decentralised system of government.
- (c) The Contractor is not to lead the service improvement program, but will provide support, either through provision of capacity building assistance or the procurement of goods and services, to build GoPNG capacity to lead this improvement in areas agreed to between AusAID and GoPNG in the Annual Program Plan.
- (d) The Contractor will implement its role and deliver its specific functions in an approach that includes:
 - (i) delivering capacity building assistance inputs that are identified, designed, managed and monitored with SNP Stakeholders;
 - (ii) delivering a suite of Capacity Development inputs to SNP Stakeholders in an integrated approach with coherent advice and strategies;
 - (iii) tailoring support for each SNP Stakeholder;
 - (iv) providing inputs that represent value for money and promote aid effectiveness;
 - (v) have robust management frameworks and transparent procedures for delivering capacity building inputs;
 - (vi) Provide strategic advice to AusAID and other SNP Stakeholders where appropriate, on the options to best deliver assistance to achieve the SNP's objectives.
- (e) The Contractor will undertake a range of specified functions under the SNP, with a degree of flexibility structured into the management arrangements for each set of functions. These functions include the following, but are not limited to:
 - (i) Program planning;
 - (ii) Recruitment and management of Capacity Development (including but not limited to Advisers and research officers);
 - (iii) Logistics and administration support for the Contractor's team, including Capacity Development;

- (iv) The procurement of Capacity Development, including training programs, as requested by SNP Stakeholders and approved by AusAID;
- (v) Funds management;
- (vi) Research, information gathering and dissemination; and
- (vii) Performance management and assessment.

3. **COMPONENT 1: ESTABLISH CONTRACTOR SERVICES**

Output 1.1: Draft Security Plan

- 3.1 Within one month of the Contract Start Date, the Contractor will develop a draft Security Plan and submit it to AusAID. The Security Plan will become part of the Program Procedures Manual, as outlined in Output 1.6 below.

Output 1.2: Establish Office, Mobilise Program Management Personnel and Support Staff

- 3.2 Within 1 month of the Contract Start Date, the Contractor must establish an office in Port Moresby capable of accommodating program management personnel and support staff as well as providing a base for Advisers and regular meetings with AusAID and other SNP Stakeholders.
- 3.3 As part of office establishment, the Contractor will assume management of assets from Phase 1 of the SNP, including:
- (a) Data relating to SNP (including PPII and Bougainville) currently held on the SNP servers and stand alone laptops;
 - (b) Email accounts to be transferred to the Contractor and used during the term of this Contract; and
 - (c) Hard copies of all files and records relating to Phase 1 of SNP including financial reports.
- 3.4 The Contractor will arrange for suitable accommodation, logistics and security services for staff employed in their office (except locally engaged staff) employed through the Contract.
- 3.5 The Contractor must ensure that the following Program Management Personnel are mobilised as at the Contract Start Date. Specific position descriptions for each of these Program Management Personnel are set out in Annex 3.

Table 1 - Program Management Personnel

Position	Initial Term (months)	If options are exercised (maximum number of years)
Team Leader	13	5
Deputy Team Leader	13	5
Services Manager	13	5
Human Resource Manager	13	5
Logistics Coordinator	13	5
Finance Manager	13	5
Support Staff	13	5

Output 1.3: Prepare the SNP Operations Manual

- 3.6 Using existing manuals and procedures, the Contractor will prepare an updated SNP Operations Manual, which will include the management and operational procedures for the following (which are outlined in Section 6 Funds Management) within the timeframes indicated:
- (a) Program Implementation Personnel Manual within three (3) months of the Contract Start Date;
 - (b) Bougainville Governance and Implementation Fund Trust Account Manual within three (3) months of the Contract Start Date; and
 - (c) SNP Trust Account – Main Account and Subsidiary Trust Account Operations Manual within three (3) months of the Contract Start Date.
- 3.7 The SNP Operations Manual must be prepared in a manner consistent with Section 8, Reporting Requirements, of this Scope of Services.

Output 1.4: Review of SNP Financial Mechanisms and SNP Accounts

- 3.8 Within five (5) months of the Contract Start Date, the Contractor is to conduct a review of all of the existing funding mechanisms for SNP and provide a report to AusAID making recommendations for future improvements. The review must address:
- (a) the roles and responsibilities of the GoPNG, Provinces, AusAID and the Contractor;
 - (b) operating principles for the SNP Accounts; and
 - (c) any legal, audit and administrative steps that would be required to establish or better manage the SNP funding mechanism and the SNP Accounts.

3.9 In preparing its recommendations for AusAID, the Contractor is to:

- (a) Review existing funding mechanisms and processes (including manuals) for the SNP Accounts;
- (b) Ensure the current practice or any recommended improvements are consistent with relevant Australian and PNG laws and government financial frameworks;
- (c) Ensure the review addresses current practice and preferred improvements from financial operations in those provinces currently receiving funds;
- (d) Reviews the reporting requirements for the fund recipients; and
- (e) Considers the controls currently being employed to minimise the risks of fraud and corruption.

Output 1.5: Establishment of SNP Accounts

3.10 Within 30 days of approval of relevant sections of the SNP Accounts Operations Manuals, the Contractor will:

- (a) Open a **Program Implementation Personnel and Procurement Account**. AusAID will make prepayments into this account for program implementation costs. The Contractor will withdraw money out of this account to pay Advisers fees and fees associated with Capacity Development activities; and
- (b) And assume management of the following accounts:
 - (i) **Bougainville Governance Implementation Fund Trust Account** and its two subsidiary accounts, the **NCOBA Subsidiary Account** and the **ABG (Buka) Subsidiary Account**. These accounts operate as follows: AusAID, other donor partners, ABG and the GoPNG (represented by NCOBA) approve an annual workplan. AusAID then deposits its contribution directly into the Bougainville Governance and Implementation Fund Trust Account. Transfers out of this account (requiring the signature of NCOBA and the Contractor) are made to one of the two subsidiary accounts in accordance with the funding needs as set out in the annual workplan. Expenditure on workplan activities are then made from these two subsidiary accounts. For the NCOBA Subsidiary Account, expenditure must require the joint signature of NCOBA and the Contractor. For the ABG (Buka) Subsidiary Account, expenditure must require the joint signature of the ABG and Contractor. All three accounts are separate accounts and each has its own trust instrument; and
 - (ii) **SNP Trust Account – Main Account** and its 10 subsidiary accounts. These accounts operate as follows: The PPII Steering Committee meets to decide which provinces will receive funding and to recommend incentive payments (“incentive” being an “incentive” for good governance). AusAID transfers its contribution to the SNP Trust Account – Main Account. The Contractor and the DNPM are the joint signatories on this account. The Contractor and the DNPM will write cheques from the SNP Trust Account – Main Account and

deposit these cheques into the “<Name of Province> **Subsidiary Trust Account – Phase 1**” and “<Name of Province> **Provincial Trust Account – Phase 2**”. There are currently 10 of these subsidiary trust accounts, made up of Phase 1 accounts and Phase 2 accounts. For Phase I Provinces, these accounts are designated subsidiary trust accounts and come under the SNP Trust Account – Main Account’s Trust Instrument. The Phase II accounts are designated provincial trust accounts and each has its own Trust Instrument. The signatories for these Subsidiary Trust Accounts (both Phase 1 and Phase 2) are all from the relevant Province and usually include the PA, a Deputy PA and the Provincial Treasurer. For Phase 1 accounts, expenditure is made straight from the Subsidiary SNP Trust Account. For Phase 2 accounts, the amount is transferred into the relevant Province’s own operating account.

Output 1.6: Prepare a Program Procedures Manual

- 3.11 The Contractor will prepare a Program Procedures Manual within three (3) months of Contract signing. The Program Procedures Manual must be prepared in a manner consistent with Section 8, Reporting Requirements, of this Scope of Services.

Output 1.7: Contracting of current SNP Advisers

- 3.12 At the Contract Start Date, the Contractor will enter into Deed of Novation for those staff and Advisers detailed in Annex 3 to this Schedule 1.

4. COMPONENT 2: MANAGING ONGOING SUPPORT TO SNP

Output 2.1: Program Planning

- 4.1 In consultation with the SNP Director and other AusAID officers, GoPNG, the SNP Advisers, Program Management Personnel and any other relevant SNP Stakeholders, the Contractor will prepare an Annual Program Plan for the Sub-National Program.
- 4.2 The Contractor will facilitate the following process for determining what is included in the Annual Program Plan:
- (a) Contractor will advise of what existing commitments are and provide an indication of what these commitments will cost for the annual plan period;
 - (b) The Contractor will consult jointly with AusAID or as directed by AusAID with SNP Stakeholders to clarify and resolve prioritisation, opportunities and issues needing to be addressed in finalising the Annual Program Plan;
 - (c) Contractor will identify and consult with AusAID for direction on key decision that are required in relation to any existing or upcoming commitments needed to finalise the Annual Program Plan;
 - (d) The Contractor will propose an outline of the Annual Program Plan for AusAID approval that will include:

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- (i) All inputs to be provided and how these inputs will be performance measured in order to demonstrate the contribution each is making to SNP objectives;
- (ii) Timing and sequencing of inputs of the contractor and how these will work with proposed AusAID and GoPNG timeline and key events for the timeline period;
- (iii) The cost of the capacity building assistance;
- (iv) An updated risk management strategy;
- (v) Mechanisms and contingencies to ensure the program maintains flexibility and responsiveness;
- (vi) Outline of how Contractor will use its management resources to delivery its responsibilities under the Annual Program Plan;
- (vii) Outline of how the contractor will keep AusAID and SNP Stakeholders advised on options and related implications in the delivery of agreed capacity building inputs to achieve program direction.

4.3 The Annual Program Plan must:

- (a) highlight capacity building activities to be implemented by the Contractor for the following calendar year; and
- (b) be prepared and submitted to AusAID for approval on an annual basis, on a timeline agreed in consultation with the SNP Director and detailed in the Program Procedures Manual.

4.4 The draft Annual Program Plan for the remainder of 2011 must be prepared and submitted to AusAID for approval within six (6) weeks of the Contract Start Date.

4.5 Within one (1) month of receipt of feedback from AusAID on the draft Annual Program Plan the Contractor must submit a final Annual Program Plan. The final Annual Program Plan must:

- (a) identify the capacity building assistance to be delivered by the Contractor and provide a detailed implementation plan and costing for each activity;
- (b) include operating budgets for Advisers (mini budgets) to support them to achieve their terms of reference. The operating budgets are:
 - (i) to be developed by the Contractor in consultation with Advisers and the relevant SNP Stakeholder;
 - (ii) to be funded from the Program Implementation Personnel and Procurement Account;
 - (iii) to have one Advisor in each SNP Stakeholder or province appointed to be responsible for managing and reporting on operating budget matters;

- (iv) not to be used for any procurement or payments covered in any management fee or professional fee; and
- (v) to be audited by the Contractor on an annual basis.

- 4.6 The Annual Program Plan including operating budgets for Advisers is to be submitted to the SNP Director for final approval. Once approved, the Annual Program Plan will form part of this Contract.
- 4.7 At the direction of the SNP Director and consistent with the approved Annual Program Plan, the Contractor must implement those tasks nominated to them in the Annual Program Plan.
- 4.8 Amendments to the Annual Program Plan must be submitted to AusAID as part of the Contractor's biannual Progress Report or Quarterly Financial Report, as described in Section 8, Reporting Requirements.

Output 2.2: Capacity Building Assistance

- 4.9 The Contractor will be responsible for:
- (a) Effectively responding to emerging operational capacity building needs within the parameters of an agreed capacity building and training strategy. This shall include the identification of trainers and organisations to whom the Contractor may sub-contract training requests;
 - (b) Recruiting, managing and providing ongoing logistical support to Advisers;
 - (c) Procuring and delivering integrated capacity building assistance including relevant targeted training identified and approved in the Annual Program Plan; and
 - (d) Evaluating training effectiveness and maintaining a current and flexible training strategy.
- 4.10 If tasked, the Contractor will:
- (a) Develop an integrated capacity building and training program for identified client groups;
 - (b) Scope and specify training needs for the purposes of commissioning, and/or conducting training design and material preparation;
 - (c) Tender and sub-contract training to local and international service providers; and
 - (d) Monitor and supervise training sub-contracts.

Output 2.3: Recruitment of Advisers

- 4.11 Contractor is to provide recruitment services in respect of Advisers identified in the Annual Program Plan as follows:
- (a) employing best practice processes in identifying, selecting and engaging Advisers to ensure that the aid effectiveness objectives of the SNP are fully met;

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- (b) drafting position description and terms of reference for the Advisers in consultation with the SNP Stakeholder;
- (c) ensuring that appropriate SNP Stakeholder representatives participate throughout the recruitment process;
- (d) ensuring that inputs of Advisers are developed to be integrated with, and reinforcing of other capacity building inputs to a particular client(s);
- (e) ensuring that the management arrangements for Advisers are one where there client exercises maximum management responsibility for the position and its priorities to the extent appropriate according to their capacity and considering the related transactions costs;
- (f) ensuring that all recruitment for Advisers is conducted in a manner that is consistent with the principles of the Commonwealth Procurement Guidelines (CPGs), including the core principle of “value for money” (incorporating both technical and price assessments), and all relevant regulatory and AusAID requirements on the use fo Advisers as may be amended from time to time;
- (g) ensuring that all Advisers are recruited against the GoA-GoPNG approved TOR for the position;
- (h) ensuring that all Advisers are recruited on the basis of demonstrated understanding and ability to integrate principles of gender equality and gender mainstreaming as part of their capacity building approach, including awareness and understanding of the AusAID PNG Domestic Violence policy;
- (i) ensuring a variety of recruitment methods are used, as appropriate, including (but not limited to) direct advertising in national daily/weekend newspapers and/or professional journals, use of specialist recruitment agencies and use of Contractor websites or databases;
- (j) utilising recruitment methods that are innovative, flexible and tailored to meet the SNP Stakeholder’s needs and are designed to identify, encourage and attract eligible candidates:
 - (i) who are women, in order to achieve gender equality within the SNP Adviser team;
 - (ii) who are PNG nationals and/or based within PNG, in order to ensure greater local expertise within the SNP Adviser team;
 - (iii) who have the requisite technical skills and experience, as well as strong interpersonal qualities required to support SNP’s Capacity Development objectives; and
 - (iv) who will understand and promote the gender, HIV and disability equality principles;

- (k) ensuring that prior to engagement of any Advisers, AusAID and GoPNG are provided with a copy of the preferred candidate's CV with a brief report on the recruitment strategy, interview and referee checks, together with any other assessments used (which must include price), and a comment on any alternate short-listed candidates;
- (l) facilitating the final approval by AusAID and the SNP Stakeholder of the preferred candidate. If the preferred candidate is not approved at this step, the Contractor is to undertake further recruitment activities at the Contractor's expense;
- (m) supporting SNP Stakeholders to develop exit strategies for Advisor support over time;
- (n) a salary range for each position is established in conjunction with AusAID prior to the commencement of recruitment;
- (o) not undertake procurement or recruitment from itself or a Related Corporation without prior written approval from AusAID;
- (p) ensuring Adviser contracts include a clause that stipulates that contracts can be terminated with one month's notice, or thirty days pay in lieu (at the discretion of AusAID) with a no blame no fault clause; and
- (q) providing initial briefings and ongoing logistical and administrative support for Advisers that is tailored to their specific location. Where possible these are to be developed and managed with recipients.

Output 2.4: Management of Advisors

4.12 The Contractor will develop a Performance Management and Assessment Strategy as outlined in Section 7, Monitoring and Evaluation, to this Scope of Services, to provide performance management services for Advisers as follows

- (a) ensuring that the performance of all Advisers is managed effectively;
- (b) ensuring genuine SNP Stakeholder input into the performance management processes of all Advisers and enabling increasing SNP Stakeholder involvement in these processes over time:
 - (i) based on clear identification of demand and capacity for increasing involvement by the SNP Stakeholder; and
 - (ii) in a manner that makes use of or at least replicates, where system weakness prevents their use, existing SNP Stakeholder personnel management processes, moving towards greater SNP Stakeholder management of Advisers as systems are strengthened;
- (c) ensuring that all Advisers are made aware of, fully comply with, and are managed appropriately in the event of non-compliance with their employment contract that:
 - (i) sets out clear expectations in relation to appropriate and professional conduct;

- (ii) contains workplace policies and protocols addressing issues related to gender equality, HIV and AIDS, disability, discrimination and harassment; and
- (iii) is based as closely as possible on the Australian Public Service Code of Conduct;
- (d) ensuring that all Advisers integrate principles of gender equality, HIV mainstreaming and disability equality as part of their capacity building approach;
- (e) ensuring that all Advisers work in cooperation, coordination and harmony with personnel working under other programs of support to the SNP Stakeholder;
- (f) ensuring all Advisers comply with their quarterly reporting requirements;
- (g) using Six Monthly Progress Reports as a key resource upon which Advisers performance management will be reported;
- (h) ensuring that ToR, workplans, reports are developed with and provided in hard copies to clients.; and
- (i) ensuring all Advisers are familiar, comply with and work in accordance with the overall strategic direction of the SNP.

4.13 The Contractor must support all Advisers to develop individual annual workplans as follows:

- (a) completing, in the initial month of the placement, a brief situational analysis of the capacity needs of the work area within which they are placed, upon which the workplan will be based;
- (b) ensuring workplans are developed collaboratively with relevant SNP Stakeholder personnel within one month of the Adviser commencing work with the SNP Stakeholder and reviewed within six months to ensure ongoing appropriateness;
- (c) at a minimum, ensuring workplans contain:
 - (i) a clear statement of roles and responsibilities, including lines of reporting and accountability requirements;
 - (ii) clear links to the SNP, its strategic direction and plans and supporting capacity diagnostics, where applicable;
 - (iii) clear links with the SNP Stakeholder's corporate and/or strategic plans;
 - (iv) agreed Capacity Development objectives, including the balance of indirect and direct assistance and an explicit gender mainstreaming objective; and
 - (v) a simple monitoring framework to support individual performance management; and
 - (vi) submitting work plans to relevant SNP Stakeholder personnel, as well as to AusAID, to ensure transparency and accountability.

Output 2.4: Logistics and administrative support

- 4.14 The Contractor will provide logistics and administrative support for the SNP, including Port Moresby and throughout PNG (excluding AusAID officers). This will include, but not be limited to:
- (a) Office establishment, including building renovations where required;
 - (b) Procurement of equipment and supplies for office management and administration and for program implementation;
 - (c) Information technology requirements for program management and administration, and for program implementation;
 - (d) Security arrangements, including personnel, equipment and building security;
 - (e) Secretarial support for all Advisors (including reception, filing, printing, etc.);
 - (f) Travel arrangements, domestic and international;
 - (g) Organising meetings, conferences, workshops and seminars; and
 - (h) Secretarial support to the PPII Secretariat and Steering Committee as required (including filing, printing, organising meetings, etc.).
- 4.15 The Contractor will need to ensure that logistics and administrative support is provided comprehensively at location for Advisors outside Port Moresby, including isolated and rural settings. This includes tailoring approaches, and providing additional support for specific locations.

Output 2.5: Other Capacity Building Assistance

- 4.16 The Contractor will be required to identify opportunities and provide a diverse range of other capacity building assistance to that of the use of Advisors. All capacity building assistance will need to be provided in an integrated approach to each client(s).
- 4.17 Other Capacity Building Assistance will include, but not be limited to:
- (a) Secondments;
 - (b) Exchanges; and
 - (c) Short term and long term training.
- 4.18 The Contractor is to procure demand-driven, Capacity Development to SNP Stakeholders to address key skills deficits specific to that SNP Stakeholder, if identified in the Annual Program Plan and in accordance with a shared diagnostic as part of a coherent Capacity Development approach. This will require the delivery of the following strategies outlined below.

4.19 The Contractor is to develop an Other Capacity Building Assistance Strategy within six (6) months of the Contract Start Date which will identify priority sectors for training through the SNP and facilitate integration between targeted training and broader governance strengthening initiatives.

4.20 The Other Capacity Building Assistance Strategy will ensure all Capacity Development is implemented:

- (a) To contribute to improved service delivery;
- (b) As a component of a holistic approach to enhancing skills at the sub national level. All targeted training will therefore complement other forms of aid, including Advisers, training, twinning and on the job coaching and mentoring;
- (c) To enhance gender equity outcomes within the overall context of the SNP. Special measures must be utilised to enable women to participate in and benefit from mentoring and training programs. There will be an emphasis on providing training for women to enhance career opportunities;
- (d) With consideration to the range of other AusAID funded education and training programs including the Pacific Leadership Program, Pacific Executive Program, Australian Leadership Awards, Australian Development Scholarships, and the Australian Regional Development Scholarships;
- (e) With a goal to progressively, through the duration of the SNP, increase the use of GoPNG systems for the procurement of training;
- (f) In accordance with the principles of transparency and accountability in the selection of training activities and awardees, with selection processes and outcomes clearly documented;
- (g) To support networks within GoPNG and between GoPNG and training providers; and
- (h) In manner which emphasises the capability of the team rather than the individual to build professional peer groups and broader institutional strength over time, rather than creating isolated skilled individuals who no longer fit the prevailing organisational culture.

4.21 The Contractor is to assist SNP Stakeholder agencies to submit requests for other forms of Capacity Building Assistance. The requests should be developed in consultation with the SNP Director. .

Selection of Providers for other forms of Capacity Building Assistance

4.22 When selecting a provider to deliver approved inputs, the Contractor is to:

- (a) Advertise tender documentation based on the approved request for targeted Capacity Development assistance and the Other Capacity Development Modalities Strategy not less than 8 weeks before the commencement of the training;

- (b) Investigate and encourage the use of suitably qualified local sub-contractors, government officials, and other local industry to supply support services, as appropriate;
- (c) Establish a tender selection panel (comprising at least one independent representative from an SNP Stakeholder and the SNP Office) to assess bids to deliver input;
- (d) Develop practical and cost-effective selection and procurement arrangements that meet the objectives of Commonwealth Procurement Guidelines;
- (e) Provide advice to AusAID and the GoPNG about the selection process and the recommended training provider; and
- (f) Notify the successful tenderer at least four (4) weeks prior to commencement of the training, sign the contracts and debrief unsuccessful bidders.

Delivery of other Capacity Development

- 4.23 The Contractor is to provide any logistical or administrative support required by a provider to ensure the efficient and effective delivery of externally provided targeted input.

Performance Assessment of other Capacity Development

- 4.24 The Contractor is responsible for monitoring and assessing the delivery of all targeted training to ensure quality standards are achieved. This includes:
- (a) monitoring the performance of external training providers and conducting assessments of the impact of that input;
 - (b) Managing participant feedback reports from all targeted inputs;
 - (c) Preparing terms of reference and sub contracting independent assessments of the impact of inputs, where appropriate.
 - (d) Submitting brief reports to AusAID following the delivery of all targeted other Capacity Development modalities; and
 - (e) Maintaining effective records of all targeted inputs, including participants and performance reviews.

Output 2.5: Funds Management

- 4.25 The Contractor will be responsible for the ongoing financial management of SNP Accounts, consistent with Section 6, Funds Management, of this Scope of Services.

Output 2.6: Research, information gathering and dissemination

- 4.26 The Contractor will support an ongoing program of research on lessons learned, related information gathering and dissemination. SNP research shall be under the direction of AusAID. The Contractor's support may include:

- (a) Undertaking research tasks and gathering and disseminating international and national best practice in relevant areas on a regular basis in accordance the approved Annual Program Plan and on an ad hoc basis as directed by AusAID;
- (b) Commissioning and sub-contracting other parties, including individuals, research institutions, and other suitable organisations, to undertake research tasks;
- (c) Proposing and administering a process for sharing of experiences, good practices and lessons learned from the program to interested parties; and
- (d) Other tasks as directed and within the scope and objective of this Contact.

5. PERSONNEL

5.1 The Contractor will be responsible for recruiting and managing personnel for the Sub-National Program, excluding AusAID officers. Officers may be recruited locally or internationally and may include but not be limited to:

- (a) Program Management Personnel, and administration support staff (collectively referred to as “SNP Personnel”); and
- (b) A team of Advisers which could include Long Term and Short Term Advisers in accordance with Clause 4.11 above; and
- (c) Other Capacity Development personnel, including:
 - (i) Volunteers; and
 - (ii) Research officers.

5.2 The Contractor will be responsible for performing the all logistical services for Program Management Personnel and Advisers and for ensuring that there are sufficient Administrative Support Staff for the efficient and effective running of the Program Office and supporting co-located Advisers.

6. FUNDS MANAGEMENT

6.1 The Contractor will be responsible for the financial administration and management of funds committed by the GoA for the implementation of the SNP, including the management and administration of:

- (a) The SNP Head Trust Account – Main Account. The Contractor is to implement and manage the SNP Head Trust Account and its subsidiary accounts consistent with the Operations Manual. Transfers from AusAID into this account will be made annually, or as required, on the basis of an approved Annual Program Plan, as described in Section 8, Reporting Requirements, of this Scope of Services.
- (b) The Bougainville Governance Implementation Fund Trust Account and its subsidiaries. Transfers into these accounts will be made annually by AusAID or more frequently as agreed with AusAID, on the basis of an approved Annual

Program Plan, as described in Section 8, Reporting Requirements, of this Scope of Services.

- (c) A Program Implementation Personnel Account for prepayments of program implementation personnel engaged by the Contractor to support, advise on and oversee implementation of the approved Annual Program Plan as well as related procurement (not program management personnel or support staff). Transfers to this account from AusAID will be monthly on a prepayment basis, on the basis of AusAID's acceptance of the previous Quarterly Financial Report, as described in Section 8, Reporting Requirements, of this Scope of Services.

6.2 In particular, the Contractor shall be responsible for:

- (a) Establishing and implementing systems and procedures for the planning, allocation, disbursement, monitoring and reporting of funds, including an audit schedule;
- (b) Recording these systems in the Financial Operations component of the Program Procedures Manual and/or the SNP Account Operations Manual, as appropriate;
- (c) Standardisation, where appropriate, with other accounts operating in the provinces (including accounting systems and signatories) as well as the province's own structures for administering trust accounts and their own resources;
- (d) Overseeing and verifying adherence to account operating guidelines which have been agreed with AusAID and documented in the SNP Operations Manual and Financial Operations component of the Program Procedures Manual and agreed by AusAID;
- (e) Providing accountability for the flow of funds through the SNP accounts and ensuring proper management and control of the funds held in all accounts, including the provincial trust accounts; and
- (f) Immediately notifying AusAID of any discrepancies or issues that arise in any SNP accounts.

6.3 The Contractor is not to use funds in the accounts above to pay for reimbursable items or management fees, without prior written approval by AusAID.

6.4 The financial processes shall be consistent with:

- (a) Those proposed by the Contractor in their RFT response and confirmed in the SNP Operations Manual and as required under Section 8 of this Scope of Services; and
- (b) Commonwealth Procurement Guidelines, the PNG Public Finance (Management) Act 1995 and other relevant procurement and accountability requirements.

7. MONITORING AND EVALUATION

7.1 Separate to this Contract, AusAID will engage periodic inputs from the Independent Monitoring and Evaluation Adviser to assist with the implementation of the SNP Monitoring and Evaluation Framework.

- 7.2 The Contractor will be responsible for:
- (a) Working collaboratively with the SNP Independent Monitoring and Evaluation Adviser, AusAID and the GoPNG and undertaking data gathering and reporting in accordance with the SNP Monitoring and Evaluation Framework; and
 - (b) Instituting and implementing systems to assess the effectiveness of the Contractor's own processes, including recruitment, management of human resources, logistical support and financial management that provide valid, reliable and useful conclusions that can be used to inform improvements to the Contractor's systems and procedures.
- 7.3 The Contractor's strategy for contributing to the SNP Monitoring and Evaluation Framework, and its performance management and assessment strategy for its own systems must be consistent with the monitoring and evaluation framework as set out in Annex #.
- 7.4 Within 3 months of the Contract Start Date, the Contractor must draft a Performance Management and Assessment Framework to be included in the Program Procedures Manual, as required under Section 8 of this Scope of Services.

Review of the Contractor's performance

- 7.5 The Contractor must participate cooperatively in any reviews conducted by AusAID or its nominees. Assessment of the Contractor will primarily be undertaken by the IRT (see **Clause 2.7**). Their role will be to assess the performance of the Contractor, and outcomes of their assessment may be tied to the Contractor's payment against outputs.
- 7.6 AusAID will negotiate indicators with the Contractor on an annual basis to be used in the assessment undertaken by the IRT. These indicators could include:
- (a) Standards of reporting and service to AusAID;
 - (b) Engagement and management, in a timely and efficient manner, of high quality Capacity Development activities with the skills and knowledge that meet the needs specified by the SNP Director;
 - (c) Development of effective working relationships with SNP Stakeholders;
 - (d) Demonstration of initiative in identifying and managing risks for the whole SNP; and
 - (e) The outcome of a performance systems audit of the Contractor, carried out by the IRT.
- 7.7 While it is recognised that there are factors in implementing the activities that are beyond the Contractor's control, the Contractor will be expected to demonstrate initiative in addressing those factors.

8. REPORTING REQUIREMENTS

- 8.1 The Contractor will prepare all reports by the date indicated, for submission to AusAID. For all reports, the Contractor will prepare one electronic and four hard copies for the AusAID

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SNP Director, one electronic and one hard copy for AusAID Canberra, unless otherwise stated.

- 8.2 Where reports are also to be provided to SNP Stakeholders, the Contractor will provide electronic and hard copies of these reports to each stakeholder, once the report is approved by AusAID for circulation. AusAID reserves the right to request additional copies of each report.
- 8.3 All reports must be disaggregated by province and:
- (a) be provided in accordance with the specification under Standard Condition Clause # (Reports);
 - (b) be accurate and not misleading in any respect;
 - (c) be prepared in accordance with directions provided by AusAID;
 - (d) allow AusAID and GoPNG to properly assess progress under the Contract;
 - (e) be provided in the format, number and on the media approved or requested by AusAID;
 - (f) not incorporate either the AusAID or the Contractor's logo;
 - (g) be provided at the time specified in this Schedule 1, Scope of Services;
 - (h) incorporate sufficient information to allow AusAID to monitor and assess the success of the Services in achieving the objectives of AusAID's Gender and Development Policy; and
 - (i) incorporates data and other information which demonstrates linkages between the SNP and other AusAID programs.
- 8.4 A summary of reports is contained at Annex 4 of this Scope of Services.
- 8.5 Additional reports or plans will be developed by the Contractor as required upon the reasonable direction of AusAID.

INITIAL REPORTS**Reports required within one (1) month of the Contract Start Date**

- 8.6 Within the first month after signing the Contract, the Contractor will prepare and provide AusAID with the following reports:
- (a) A draft Security Management Plan
 - (i) The Security Management Plan will be submitted to AusAID within one (1) month of mobilisation of the Contractor's team. It must provide for the security of all staff employed by the Contractor under the SNP including sub-contractors, personnel outside of Port Moresby, as well as assets, and include

but not be limited to procedures responding to civil unrest or natural disasters.

- (b) A review of existing funding mechanisms
 - (i) The review of existing funding mechanisms for the SNP will be prepared for the approval of AusAID. The review must be completed within five (5) months of the Mobilisation Date.

Reports required within six (6) weeks of the Contract Start Date

The First Annual Program Plan

8.7 The first Annual Program Plan, covering the remainder of 2011, will be submitted to AusAID for approval within six (6) weeks of the Contract Start Date. It will follow the process outlined in Clauses 8.11 and 8.12 below.

Reports required within three (3) months of the Contract Start Date

8.8 The following reports are required within three (3) months of the Contract Start Date:

- (a) SNP Operation Manual
 - (i) The SNP Operations Manual will be a loose-leaf manual that can be updated as required.
 - (ii) A procedure for the transfer of funds from existing accounts, or transfer of signatories, and establishment of new accounts should be proposed to AusAID for approval in this manual.
 - (iii) The manual shall include details on all accounts established and managed under the SNP and cover issues including but not limited to:
 - (A) The financial management of the SNP;
 - (B) Treatment of interest;
 - (C) GST compliance;
 - (D) Bank liaison role; and
 - (E) Tax compliance.
 - (iv) The Contractor shall review the existing Bougainville Governance Implementation Fund Manual and make recommendations to AusAID on any amendments required. Once approved by AusAID, the Contractor is to amend the Manual.
 - (v) The SNP Operation Manual must detail signatories of the accounts. On accounts where the GoPNG is a signatory, the Contractor must take into account the need for standardisation with other accounts (including

accounting systems and signatories) as well as the governments own structures for administering trust accounts and their own resources.

- (vi) The SNP Operation Manual must be consistent with Commonwealth Procurement Policies and existing guidelines, the PNG Public Finance (Management) Act 1995 and other relevant procurement and accountability requirements.
 - (vii) The SNP Operation Manual must be approved by AusAID, and be consistent with the laws and procedures of Papua New Guinea.
- (b) Program Procedures Manual
- (i) The Program Procedures Manual will be a loose-leaf manual that can be updated as required. It will include details on:
 - (A) The annual program planning cycle, including noting points for AusAID approval;
 - (B) Recruitment and human resource management systems;
 - (C) Logistics and administrative systems, including information documenting and sub-contracting of services;
 - (D) The capacity building and training strategy;
 - (E) The research strategy and information dissemination strategy;
 - (F) Performance management and assessment strategy;
 - (G) Financial operations not covered by the SNP Operations Manual;
 - (H) Risk management plan for the whole SNP;
 - (I) Security management plan; and
 - (J) Procurement and recruitment processes consistent with the Commonwealth Procurement Guidelines and have value for money as the underlying principle.

Report required within five (5) months of the Contract Start Date

- 8.9 The Contractor is to provide a review of the existing funding mechanisms for the SNP and propose any alternatives or improvements to the existing system.

Report required within six (6) months of the Contract Start Date

- 8.10 The Contractor must provide a Other Capacity Development Modalities Strategy within six (6) months of the Contract Start Date and identify priority sectors for training through the SNP and facilitate integration between targeted training and broader governance strengthening initiatives.

ONGOING REPORTS

Annual Program Plan

- 8.11 In consultation with AusAID and the Government of Papua New Guinea, the Contractor will prepare a costed Annual Program Plan for the SNP.
- 8.12 Approval of the Annual Program Plan will:
- (a) Trigger the annual transfer funds into the SNP Trust Account – Main Account. The Contractor will then transfer funds to the Subsidiary Accounts as detailed in the Annual Program Plan; and
 - (b) Form the basis of the quarterly transfers to the Program Implementation Personnel Account.

Quarterly Financial Report

- 8.13 At the end of each quarter, the Contractor will prepare a Quarterly Financial Report for approval by AusAID that is consistent with Clause 3.1 of Part A (Program Specific Contract Conditions) of this Contract and that also:
- (a) Links the financial estimates for the forthcoming quarter to activities under the approved Annual Program Plan; and
 - (b) Details any changes to the Annual Program Plan, for approval by AusAID.
- 8.14 On approval of this report, AusAID will transfer funds on a quarterly basis into the SNP Implementation Personnel and Procurement Trust Account.

Six Monthly Progress Report

- 8.15 The Contractor will prepare a Progress Report and for submission to AusAID every six months. This report must disaggregate inputs, key achievements and issues by agency and Province. The details of what each report covers will be agreed with AusAID but, as a minimum, must include:
- (a) A summary of key achievements over the six months period being reported on. This will be cross referenced to the Annual Program Plan for that period and the SNP monitoring and evaluation framework. The summary of key achievements is to include a brief analysis on how the Capacity Development inputs contributed either directly or indirectly, to improved service delivery;
 - (b) A summary of the key issues that have emerged during the six months period of program implementation and the Contractor's suggestions for management of these issues. This will include a summary action plan with responsibilities allocated to the Contractor and proposed for other stakeholders to address any emerging issues and manage related risks;
 - (c) A list of all Program Management Personnel and support staff, including names, contact details and Contract start and finish dates and the status of any provincial offices that have been established, including contact details;

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- (d) The status of Advisers, including names, contact details and Contract start and finish dates and an annex with a synthesis report of the individual Adviser and personnel reports prepared during the period, highlighting key themes, achievements, issues and concerns;
- (e) Any loose leaf updates for the Program Procedures Manual, including updates to the Risk Management Strategy and Security Strategy;
- (f) Any loose leaf updates to the SNP Accounts Operation Manual;
- (g) Details of any research work completed by the Contractor in the six month period;
- (h) A summary of any other Capacity Development that has been facilitated or procured by the Contractor for the SNP;
- (i) An analysis of sustainability and cross-cutting issues (gender, HIV/AIDS, capacity building, poverty reduction and governance and environment), as appropriate; and
- (j) The Quarterly Financial Report, contained in a financial planning annex in accordance with the requirements above.

8.16 This information will be submitted with the Annual Program Plan when they fall due at the same time.

Adviser reporting

8.17 The Contractor will develop a format for quarterly reporting and ensure that all advisers provide written quarterly reports to their primary line supervisor. The Contractor will include a requirement for each adviser to submit these reports to the Contractor in each adviser contract.

8.18 The Contractor will include a synthesis of these adviser reports on a six monthly basis as an annex to the Six Monthly Progress Report.

Ad Hoc reports

8.19 The Contractor undertakes to provide to AusAID at any time upon reasonable notice such ad hoc or specific reporting as may be requested by AusAID.

8.20 Financial anomalies must be immediately reported to AusAID, with Contractor recommendations for actions to address issues arising.

Program Completion Report

8.21 The Contractor will prepare and submit a Program Completion Report (PCR) which is prepared in accordance with any written instructions that may be issued by AusAID.

8.22 Two hard copies and one 'soft' (CD or DVD) of the draft PCR are to be submitted to AusAID within six (6) weeks of the scheduled Contract End Date.

8.23 Six copies of the final PCR must be submitted within 30 days of receipt of AusAID's written comments.

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- 8.24 The reports detailed above are to be provided within ten (10) working days at the end of the period to which the report relates. The Contractor is to amend the reports as reasonably requested by AusAID.
- 8.25 AusAID may from time to time amend the timing and/or detail required in the reports, in response to the needs of the SNP.

ANNEX 1 – ACRONYMS AND DEFINITIONS

In this Scope of Services:

- (a) **Advisers** means personnel that perform one or more of the following functions:
- (i) Based in-country, provides technical expertise and advice to the GoPNG and/or other in-country development partners such as NGOs, churches;
 - (ii) Based in-country, provides technical expertise and advice to AusAID;
 - (iii) Based in-country, are engaged to provide leadership and oversight and/or technical inputs for the delivery of this Program; or
 - (iv) Based in Australia, the Partner Country or a third country, provides short term technical inputs to the GoPNG or other development partners;

Advisers are not volunteers, administrative and logistical staff engaged under this Program or company representatives/head office staff of the Contractor. Advisers include both Long Term Advisers and Short Term Advisers;

- (b) **Annual s119 Reporting** means a reporting system under the 1995 Organic Law on Provincial and Local Government where provinces are required to report on an annual basis against a set template that included sectoral and governance indicators. Under the Organic Law, these reports are to be considered by the national agencies and table in National Parliament,
- (c) **Capacity Development** means the provision of know-how in the form of personnel, training and research. This includes activities that build skills, knowledge and technical capabilities of individuals, groups, organisations and sectors and includes, but is not limited to, the provision of:
- (i) Advisers (LTA and STA);
 - (ii) training;
 - (iii) volunteers;
 - (iv) research, i.e., development research grants;

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- (v) institutional cooperation / twinning, i.e., an agreement between a local and an international agency or institution including Australian government agencies; and
- (vi) exchange visits, conferences, study tours and workshops.
- (d) **CPGs or Commonwealth Procurement Guidelines** mean the Commonwealth Procurement Guidelines which establish the core procurement policy framework under which all Australian government departments and agencies must adhere to when performing duties in relation to procurement;
- (e) **DPLGA** means Department of Provincial and Local Government Affairs
- (f) **GoA** means the government of Australia;
- (g) **GoPNG** means Government of Papua New Guinea;
- (h) **IMEA** means Independent Monitoring and Evaluation Adviser;
- (i) **IRG** means Independent Review Group;
- (j) **IRT** means Independent Review Team;
- (k) **LTA or Long Term Advisers** means Advisers with a deployment period greater than 6 months;
- (l) **LLG** means local level government;
- (m) **SNP Monitoring and Evaluation Framework** means the monitoring and evaluation framework set out in Annex 5;
- (n) **PCR** means Program Completion Report;
- (o) **PNG** means Papua New Guinea;
- (p) **PNG-Australia Development Cooperation Strategy** means the PNG-Australia Partnership Strategy developed for 2006-2010;
- (q) **Program Management Personnel** means the Contractor's personnel listed in **Clause 3.5**;
- (r) **Provincial and Local Level Services and Monitoring Authority or PLLSMA** the Authority mandated to coordinate and monitor implementation of government policies to improve services. Its establishment and functions are captured in Section 110 of the 1995 Organic Law of Provincial and Local Level Government;
- (s) **Provincial Coordination and Monitoring Committee or PCMC** means the committees established to undertake the functions of PLLSMA in the Provinces. Their main objective is the coordination

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and monitoring of national government policy implementation at provincial and local level;

- (t) **Provincial Performance Improvement Initiative** or **PPII** means the GoPNG's program to support improved service delivery by provincial, district and LLG administrations through more efficient and effective public administration;
- (u) **STA** or **Short-Term Advisers** means Advisers with a deployment period less than 6 months;
- (v) **SNI** means Sub-National Initiative;
- (w) **SNP Operations Manual** means a document prepared by the contractor that includes the management and operational procedures for the SNP;
- (x) **SNP Accounts** means the following accounts:
 - (i) **Bougainville Governance and Implementation Fund Trust Account** and its two subsidiary accounts, the:
 - (A) **NCOBA Subsidiary Account**; and
 - (B) **ABG (Buka) Subsidiary Account**;
 - (ii) **The SNP Trust Account – Main Account** and the 10 subsidiary accounts held by a particular Province. These accounts are known as either Phase 1 accounts or Phase 1 accounts; and
 - (iii) **Program Implementation Personnel Account** (known as the PIP Account);
- (y) **SNP** means Sub-National Strategy;
- (z) **SNP Personnel** means Program Management Personnel, support staff and administration support staff;
- (aa) **SNP Stakeholders** means the DPLGA, NEFC and Provincial Administrators, either individually or collectively. and
- (bb) **Special Case Provinces** means Bougainville and provinces of national interest to the GoPNG and GoA.

ANNEX 2 – TERMS OF REFERENCE

Terms Of Reference - Team Leader (TL)

Location - PNG

Duration – 1 Year (Plus possible 5 year extension)

Key Responsibilities and Tasks

- Maintain dialogue on the progress and directions of the SNP with the SNP Director.
- Ensure strategic directions provided by AusAID and the PPII Steering Committee are appropriately translated into effective and timely annual plans.
- Facilitate the implementation of annual plans, as agreed with AusAID.
- Oversee the management of the SNP team (including technical advisers) to ensure the team remains focused on the key outcomes and outputs envisaged by the SNP.
- Ensure all planning and reporting, including monitoring and evaluation and documentation of lessons learnt is as per agreed requirements of the above key clients.
- Oversee and take accountability for all of the Contractor responsibilities, including but not limited to finances, staff and risk management as per the Scope of Services.

Minimum experience

- Experience leading the implementation and management of a complex program, and experience working with donor planning, reporting and monitoring requirements.
 - Demonstrated experience in working in a developing country, with experience working in PNG and with decentralised systems of government desirable.
 - Demonstrated experience in working in a culturally sensitive environment.
 - Demonstrated strategic, networking and mentoring skills of a high order.
 - Relevant tertiary qualifications such as in business, management or public administration.
-

Terms Of Reference – Deputy Team Leader (DTL)**Location - PNG****Duration - 1 Year (Plus possible 5 year extension)****Key Responsibilities and Tasks**

- Support the TL in his/her accountabilities.
- Maintain continuing liaison with and responsiveness to AusAID and the Strategic Adviser and with key National GoPNG agencies (DPLGA, DNPM).
- Support key staff within DPLGA, and the PPII Secretariat, to fulfil their functions.
- Maintain continuing contact with the senior officials of the Provincial Administrations of target provinces and support the implementation of the Program in a way that facilitates the SNP to remain responsive to their needs.
- Ensure annual plans are implemented to acceptable standards of quality.
- Ensure the secretariat, management and information support required by the PPII Steering Committee, the SNP/AusAID teams in the provinces, and the SNPI AusAID team in Port Moresby is provided.
- Ensure each adviser is provided the technical, human resource and logistics support that is necessary to fulfil his/her terms of reference effectively.
- With the DTL, Port Moresby Office, ensure continuing feedback from program operations to the SNP, the Strategic Adviser and DPLGA, including lessons learnt and strategies for continuing improvement of the SNP.

Minimum Experience

- Experience working as a program manager in developing countries.
 - Experience in working in a developing country, with experience in PNG and with decentralised systems desirable.
 - Experience in working in a culturally sensitive environment.
 - Networking, mentoring, Advisory skills of an extremely high order.
 - Appropriate recognised tertiary qualifications in business, management or public administration.
-

Terms Of Reference – Human Resource Manager**Location - PNG****Duration - 1 Year (Plus possible 5 year extension)****Key Responsibilities and Tasks**

- Liaise with the TL and DTLs, and with key clients, to identify the range of technical skills needed on a continuing basis.
- Develop Terms of Reference which are responsive to these needs.
- Develop and maintain sources of such technical and managerial skills, particularly within PNG.
- Manage the recruitment, deployment and support of the required technical advisers in an effective and timely manner.
- Maintain continuing dialogue with the SNP, the Strategic Adviser and other members of the SNP team on the performance and responsiveness of the technical advisers.
- Develop and implement performance planning, monitoring and appraisal systems to ensure technical advisers produce ongoing quality outputs and outcomes.
- Identify ongoing skill upgrading needs of the advisers and organise activities to address these.
- Develop the Training and Capacity Building Strategy, and be responsible for its implementation.

Minimum Experience

- Senior, high-level experience in working with a broad range of human resource management functions, including human resource planning and performance management systems.
 - Demonstrated experience in working in a developing country, with experience in PNG desirable.
 - Demonstrated experience in working in a culturally sensitive environment.
 - Demonstrated networking, mentoring and Advisory skills of an extremely high order.
 - Tertiary qualifications in Human Resource Management, Business Management, or similar.
-

Terms Of Reference – Logistics Coordinator

Location - PNG

Duration - 1 Year (Plus possible 5 year extension)

Key Responsibilities and Tasks

- Purchase and manage assets to support the SNP, in Port Moresby and throughout PNG, as agreed with AusAID.
- Where appropriate, ensure all staff employed under the program, including technical advisers, have suitable accommodation, logistics and security services.
- Establish and manage systems including IT and telecommunications.
- Manage travel arrangements for all staff.

Minimum Experience

- Experience in procurement, asset management, staff management and systems management in a challenging environment.
 - Experience in establishing networks and working in a challenging environment.
 - Experience in Papua New Guinea desirable.
-

Terms Of Reference – Finance Manager

Location - PNG

Duration - 1 Year (Plus possible 5 year extension)

Key Responsibilities and Tasks

- Manage the SNP accounts, as per the SNP Accounts Operations Manual and Program Procedures Manual.
- Provide technical support to technical advisers on the operations of the SNP trust accounts, including the provincial accounts and the Bougainville Governance and Implementation Fund.
- Ensure mini-budgets are appropriately managed.
- Liaise with the Logistics Coordinator and the Contractor Services Manager and be responsible for the financial aspects of the SNP.

Minimum Experience

- Experience in financial management systems.
 - Knowledge of Papua New Guinea public sector financing systems.
 - Knowledge of accounting principles, petty cash accounts, reconciliations, bank statements and invoicing.
-

Terms Of Reference – Services Manager

Location - PNG

Duration - 1 Year (Plus possible 5 year extension)

Key Responsibilities and Tasks

- Monitoring and leading technical requirements for trust accounts.
- Providing strategic and operational oversight of the service delivery functions of logistics, procurement, Adviser support and financial management.
- Monitoring and developing business processes that are responsive to program needs.
- Managing personnel in the Contractor Finance and Logistics teams.
- Coaching and mentoring staff.

Minimum Experience

- Experience in financial management and reporting at a strategic level, including monitoring and reporting on trust funds.
 - Demonstrated experience in developing and enhancing procurement systems and processes including fleet management.
 - High level written and interpersonal communication skills, including the ability to prepare high quality reports and to manage a culturally diverse team.
 - Understanding of the challenges and constraints of achieving high quality service delivery in a developing country environment.
-

ANNEX 3

Current SNP Advisers

Adviser	Agency Name	Placement Type	Current Placement Name	Proposed Position and location	Start date	Current finish date

Tenders Note: Details of any Advisers who will have their contracts novated to the new contractor will be included in this table. AusAID will give bidders details of these Advisers at Step 2 of the RFT process.

ANNEX 4

Summary of Reports Required Under This Scope of Services

Description	Timing in months (after Contract signing)	Frequency of Report
Draft Security Plan	Within one month	Included in Program Procedures Manual and updated biannually, or as requested by AusAID
Review of existing funds mechanisms	1 month	One only
Annual Program Plan	6 weeks	Annually
SNP Account Operations Manual	3 months	Updated biannually, or as required
Program Procedures Manual	3 months	Updated biannually, or as required
Quarterly Financial Report	3 months	Quarterly
Six Monthly Progress Report	6 months (or as agreed with AusAID)	Biannually
Adviser Reporting	Quarterly	Advisers will submit quarterly reports and a summary of the reports must be included in the Contractor's Six Monthly Progress Report.
Exception Reports	As requested by AusAID	As requested by AusAID
Program Completion Report	At completion of the contract	One only

ANNEX 5

MONITORING AND EVALUATION FRAMEWORK**Introduction**

The Sub-National Strategy (SNS) is a program of support by the Government of Australia, through AusAID, to the Government of Papua New Guinea. The Goal of the SNS is

Improved service delivery for the men, women and children of Papua New Guinea.

Contribution to this goal is achieved through a developing program of support that includes:

- Government of Papua New Guinea initiatives that aim to improve public Administration and governance processes related to enhanced service delivery¹
- Improved performance in Provinces of national interest to both governments (Special Case Provinces)

And through informing:

- The alignment of AusAID's ongoing programs in PNG so that they are more responsive to service delivery challenges at the Sub-National level.

The monitoring and evaluation framework (MEF) for the SNS is required to enable the various stakeholders to assess the overall performance and value of the Strategy. This document outlines the approach, methodology and roles and responsibility of the MEF.

This is the second version of the MEF, developed after trial of the first version. It takes into account learning from that trial as well as comments from the Mid-term review of the SNS².

¹ These include in particular , the PPII and other programs including the contributions to legal reform and policy development related to the decentralized system of government in PNG

² Land, T., Dobunaba, F. & Fargher, J. (2009) Papua New Guinea Sub-National Strategy, Mid-Term Review, Draft Final Report, April,

MEF Approach

Guiding principles

The MEF approach seeks to complement the key processes and principles of the SNS. It has been developed based on several principles including:

- The MEF will work through and seek to enhance the development of the GoPNG systems
- In line with the focus of SNS on building capacity, the MEF will seek to increase the capacity of stakeholders to assess, analyse and utilize performance information.
- The MEF will provide comprehensive information about the operations of the SNS but will have a particular focus on outcomes
- The MEF will seek to be transparent and accessible to all stakeholders.
- The MEF will be a flexible mechanism, able to adopt and incorporate new areas for assessment and new sources of information in line with the development of the SNS.
- The MEF will be based upon tangible evidence, (acknowledging that it takes time to build a credible evidence base).

Focus

The SNS currently supports three major work areas, with a series of activities operating under each area. The Strategy itself is mixture of resources (both financial and other resources), policy support, Capacity Development and other elements which are bought together through the SNS team to support the work of the PNG Government as well as influencing the work of the wider Australian Government aid program.

In devising the MEF it is important to identify the outcomes of that support being offered, that is what results have been achieved within the works areas supported by SNS. These include but are not limited to the major work areas managed by the Government of PNG, such as the PPII.

At the same time it needs to be acknowledged that the locations of work areas are different and that assessment of progress needs to be specific to those locations and the context and pace of change in that location. Change in one province or district will be different to another. Therefore while information provided by the MEF needs to be focused and needs to avoid unnecessary complexity, it needs to be presented within context to ensure the changes identified have had some explanation and value.

Methodology

The MEF has to capture both expected and unexpected change. It also needs to capture information about why change occurred. Therefore the MEF utilises a research approach to performance assessment. This allows for identification and assessment of change as well as inquiry about the reasons for that change. This approach uses key research questions to focus the performance assessment, and a range of appropriate methodologies for answering those questions.

Key research questions

At this stage of the SNS development there are two outcome questions should be answered on a regular basis:

- Is the sub-national level of governance and administration more able to function in a way that supports the delivery of services for people³?
- Is service delivery improving in both quality and quantity?

In order to understand the reasons for any observed change it is also important to ask:

- What relationship is there between the work areas supported by SNS (in particular, PPII, special case provinces, NEFC and PLLSMA work) and any changes in sub-national governance and administration? What else needs to happen to improve service delivery in the provinces?
- Is DPLGA, as one of the key GoPNG agencies responsible for supporting and assessing sub-national performance, progressing satisfactorily in its own development and operations (with particular attention to the CBD and the Performance Monitoring Division (PMD))
- Is there an improvement in the coordination of National agencies at sub-national level (the work of PLLSMA and PCNC)?
- Is the reform of the decentralised system of government progressing in way that leads to improved service delivery for people (the work of NEFC, the National Research Institute (NRI), and Policy and Legal Division (PLD) of DPLGA)?

The MEF also has to meet AusAID corporate requirements. These include attention to cross cutting areas, risk monitoring, monitoring for sustainability and also monitoring information for aggregated sector reporting.

These various areas of inquiry are captured in Diagram 1.

³ The situation for each province is a mixture of factors, only some of which are supported by SNS, through PPII and other interventions. They include other SNS supported change such as legal reform. These factors also include tangible inputs such as are delivered by other donors and other GoPNG agencies and also less tangible areas such as the motivations of senior government staff and the influence of elected leaders. At this level of questioning what SNS needs to know is that with all those factors operating within a particular sub-national level are things moving towards a better environment for service delivery. So the outcomes become the combined picture of change rather than simply a focus on the SNS supported inputs alone.

Inputs, activities and outputs

- What are the resources provided by the GoPNG and SNS for PPII and Special Case Provinces?
- What activities are being undertaken, by whom, against what plan?

Processes:

- What relationship is there between the work area supported by SNS and any improvements in sub-national governance and administration?
- Is DPLGA, as one of the key GoPNG agencies responsible for supporting and assessing sub-national performance, progressing satisfactorily in its own development and operations
- Is there an improvement in the coordination of National agencies at sub-national level?
- Is the reform of the decentralised system of government progressing in way that leads to improved service delivery for people?

Outcomes

1. Is the sub-national level of governance and administration more able to function in a way that supports the delivery of services for people¹?
2. Is service delivery improving in both quality and quantity?

Cross cutting issues:

- What are the implications for gender and for HIV/AIDS mitigation of the activities and outcomes in SNS and PPII?
- What are the risks and how are they changing?
- How will the outcomes of SNS and PPII be sustained?

Diagram 1

Methodology

Data collection processes

In line with the principles of the MEF and the approach of SNS the data collection primarily relies upon existing GoPNG systems. Some additional reporting and other data collection systems are being utilised as those existing systems are further developed

Data collection tools

1. Existing information

There are several sources of existing information and several monitoring processes already in place that have relevance to the SNS. These are operated by the Government of PNG and while many of these systems are still being developed or improved they provide highly relevant information about key work areas supported by SNS. In particular they include:

- The provincial monitoring undertaken by the Capacity Building Division (CBD) of the Department of Provincial and Local Government Affairs (DPLGA)
- The annual report on service delivery prepared by Provinces (S119) which is mandated under the Provincial and Local Level Service Monitoring Authority (PLLSMA).
- The data bases which are being developed in provinces to both capture information for their own planning purposes as well as meet the information requirements under S119 reporting.
- The reports from the Provincial Coordinating and Monitoring Committees (PCMC) which are currently being established within each province for the purpose of coordinating service delivery between different areas of government and between government and non-government organisations.
- PPII Secretariat and the PLLSMA Secretariat meeting minutes
- The studies undertaken by the National and Economic Fiscal Commission (NEFC) about expenditure, revenues and costs. This includes an annual report on the expenditure of function grants by each Provincial Government.

In addition the governing bodies for programs supported by SNS, in particular the PPII Secretariat and the PLLSMA Secretariat, keep records of their decisions which in turn provide important information about strategy and direction of the programs.

Finally the development of key institutions such as DPLGA and the NEFC is monitored through their own organisational performance assessment systems. This information provides valuable insight into the Capacity Development and strategic development of these key development partners.

Schedule 1

In addition to these existing monitoring systems, some of the Provinces have commenced their own monitoring processes looking at progress against their own agreed targets and identified issues. With the assistance of the advisors under PPII this information is being collected into data bases located at each province and will be eventually connected into the database systems being developed for S119 and CBD monitoring. As this information becomes more widely available this can also be utilised for SNS monitoring.

2. Additional reporting

Significant information is available from the observations and interpretations of the various implementers and stakeholders working in SNS and PPII. In particular these include the

- AusAID co-located staff (in Provinces and DPLGA)
- Corporate Plan Implementation Advisors
- Technical advisors (working in various PPII areas as well as other SNS supported areas)
- DPLGA staff
- Provincial and other sub-national staff

These people all have important information about the activities and outputs of the SNS and PPII but also provide very useful insight into outcomes and processes of the two interventions. They are all actively engaged in both ‘doing’ and also developing an understanding of what needs to be done.

Currently some of this information is captured in activity reports by some of the implementers. Other information is made available through regular meetings and information forums.

3. Research

The SNS design allows for the undertaking of additional focused research designed to provide in-depth information on areas of particular interest to SNS and PPII. This research will contribute to understanding of particular areas in SNS and will be utilised as it become available.

4. Cross checking and verification of the data

The developing synergy between SNS and other AusAID sectors allows opportunity to cross check data about outcomes at sub-national level in the areas of service delivery and use of resources. The health, education, infrastructure and law and justice sectors in AusAID all work with Government of PNG agencies to capture key outcome data for their respective areas. This data will be utilised at least annually to verify the data obtained directly from Provinces and Districts.

Analysis and Reporting

XXXXX

Schedule 1

The information from the various data collection processes will need to be collated and analysed against the following headings:

1. Improvement in service delivery (provided by province as possible, including PPII provinces, special case provinces and the Autonomous Region of Bougainville)
2. Changes in administration at sub-national level
3. Development and work of DPLGA, NEFC and NRI
4. Other findings relevant to SNS

A report will be produced each six months summarising the findings and implications for SNS.

Roles and responsibilities

The ISP

The ISP will be responsible for ongoing development of the SNS data base which should include collection of the following data:

- All advisor and co-located reports
- All PPII Secretariat and PLLSMA secretariat meeting minutes
- Any other records of meetings or events which reflect the development and implementation of SNS supported programs.

In addition there needs to be access to relevant DPLGA information. With the permission of DPLGA it is proposed to include on the SNS data base

- Records of provincial monitoring undertaken by CBD
- S119 information (at least on an annual basis)
- PCMC meeting minutes
- Review of development and operations of DPLGA against their own strategic plan with particular reference to CBD, PMD and LPD.

Other relevant information which is available and which should be also located on the data base include:

- Recent NEFC reports
- Recent NRI reports
- Other relevant research reports
- Other meeting reports and information that are relevant to the SNS implementation and development

AusAID

AusAID is responsible for

- completion and collation of co-located reports

XXXXX

Schedule 1

- minutes of reports from other relevant meetings, including meeting with other sectors
- Information from sectors about sub-national service delivery as that is made available by those sectors.

Monitoring and evaluation advisor

The M&E advisor is responsible for:

- additional interviews and inquiry to supplement the data collected as above
- Collation of all data together with initial analysis.
- Six-monthly report of the progress of SNS based upon the available data

Review of the MEF

The SNS is a developing program which can be expected to change over the program life. In line with this the MEF needs to be regularly updated and developed. It is proposed that this development is undertaken each 12 months and is designed to reflect the changes in SNS emphasis as well as the further development of knowledge and focus in the MEF itself.