Millennium Village Development Pilot Project in Papua New Guinea

PROJECT DOCUMENT

Final Draft

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ANNEX I Description of the Action

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Abbreviations

CAP  Community Action Participation
CBO  Community Based Organisation
CD  Community Development
CDC  Community Development Committee
CGD  Center for Global Development
CLTS  Community Led Total Sanitation
CLDC  Community Learning & Development Centres
DIMS  District Information Management Systems
DI & RD  Department of Implementation and Rural Development
DNPM  Department of national Planning and Monitoring
DSP  Development Strategy Plan
DSIP  District Services Improvement Programme
EHP  East Highland Province
ESP  East Sepik Province
FA  Financing Agreement
GEF  Global Environment Facility
HIC  Healthy Island Concept
ICD  Integrated Community Development (Policy)
ICHID  Integral Community and Health Development
JDBPPC  Joint District Budget Planning and Priority Committee
LLG  Local Level Government
MBP  Milne Bay Province
MDG  Millennium Development Goal
MDI  Millennium Development Indicator
MTDP  Medium Term Development Plan (2011-2015)
MVD  Millennium Village Development
NADP  National Agricultural Development Plan
NAOSU  National Authoring Office Support Unit
NGO  Non-Government Organisation
NSA  Non State Actors
PC  Project Coordinator
PCU  Project Coordination Unit
PLMD  Provincial Liaison and Monitoring Division
PHA  Provincial Health Authority
POM  Port Moresby
PPAP  Productive Partnerships in Agriculture Project
PMU  Project Management Unit
PRAEC  Petroleum Resource Area Economic Corridor
RED  Rural Economic Development
RWSSP  Rural Water Supply & Sanitation Programme
SDLLGP  Strengthening of Districts & LLGs Project
UNDP  United Nations Development Programme
WHP  West Highlands Province
WHRWE  West Highlands Rural Women’s Empowerment (Group)

Currency (as at September 2011)

€ 1.0 = K 3.2

The Report has been prepared by an Independent Consultant and does not necessarily reflect the views of EC, UNDP or the Government of Papua New Guinea
SUMMARY

The pilot project is aimed at demonstrating community led sustainable multi-sector development in four selected communities throughout PNG. It was formulated following a consultation process during the Feasibility Study with selected communities, CBO/NGOs, CD based projects (especially the EU funded RWSSP) local, provincial and national government stakeholders to agree the scope and implementation strategy for the project.

As a multi-sector project it would focus on health, education, essential infrastructure and income generation sectors, with women empowerment a cross cutting sector, according to the specific priorities and development plans for each village. Each village plan and investment would be in line with government plans through integration into the district level ward plans at LLG level and government funds available, such that the EU funds would complement other available funds. Thus, despite the separate funding administration conditioned by the donor, the modality would represent a partnership between the village/CBO and donor and Government and therefore in line with the current Government focus on empowering and building capacities of CBOs, communities and LLGs. This would ensure that the project remains in government focus, since, if successful, it would pave the way to replication on a larger scale, funded by government and other donor partners as a contribution to accelerated achievement of localised MDGs.

The four selected villages cover a wide range of environments in three main regions of PNG: Momase, Highlands and Islands. Selection was based on communities that have already demonstrated some self-driven development (usually a single sector intervention such as RWSSP), and have demonstrated their capacity to implement on an appropriate technology basis, that is, have demonstrated community empowered development.

Total funding is € 1.0 million from the EU and € 0.04 million from community cash contributions to engender ownership. As the detailed community investment programmes have to be drawn up as the first main activity, the budget can only indicate a broad investment level estimated at approximately €200,000 per village. This is not sufficient to cover each community’s long term needs, such that it would complement other sources of government or donor funds coordinated by the LLG process.

The project would be implemented through UNDP (under a Contribution Agreement between the EU, UNDP and Government) and via CBOs as grants to individual communities. UNDP would establish a Project Coordination Unit with its office anchored in the DPNM and use UNDP implementation/accounting procedures. The management and monitoring costs represent 19% of the total budget, leaving 81% for the community investments and CBO inputs. The CBOs (all church based organisations) would have a key role in supporting the communities’ planning and implementation efforts and in administration of the EU funds (the CBOs selected are those that already work in the selected communities and are experienced in handling donor funds (mainly through the RWSSP whose funding modality is the basis for this project).

The four selected villages are: Trolga in West Highlands Province, Domil in Jiwaka Province (Highlands Region), Musendai in East Sepik Province and Sibilai in Milne Bay Province, with a total population of approx 5,000. It would be implemented over a 3 year period from approx April 2012 to 2015, allowing for a possible no-cost extension in year 4.

In addition to demonstrating community capacity to implement multi-sector developments, the Project would also reveal the capacity of government and other services to support multi-sector village development, as well as providing lessons learnt and guidelines to facilitate planning of a scaled up MVD approach. It would also be closely monitored by DNPM as the project’s main aim is to to attract greater investment for a scaled-up phase.
1. BACKGROUND

1.1 Problem Analysis

1.1.1 MDG Achievements/Progress

The Millennium Development Goals (MDG) Progress Reports for PNG in 2009\(^1\) and 2010\(^2\) reveal the most likely failure of PNG to meet any of the 8 global 2015 MDG targets, although some progress has been made towards tailored (localised) targets for some of the MDGs. The 2009 Report concluded that “only limited progress has been made towards achieving some MDGs, but for others there has either been stagnation or even some deterioration”. A comparison of recent MDG estimates and targets in Government’s Medium Term Development Plan for 2011-2015 and its Development Strategic Plan 2010-2030 is presented in Appendix 4, which reveals some low or very low indicators.

Another recent assessment of PNG’s progress was made by the Center for Global Development\(^3\), which produced a scorecard for achieving the MDGs in 2011 for all countries. It placed PNG in the very lowest group of countries, that is, ranked 133 out of 147 countries, with a score of only 0.5. From this, it was implied that there is a need for a substantial increase in public sector investment across all sectors. However, on closer analysis (refer Appendix 6 for the PNG score), this score was mainly due to insufficient data – only 4 indicators were used, though each of these showed poor performance as compared to targets (i.e. with child mortality, maternal health, combating HIV/AIDS and environmental sustainability).

The main areas of concern are: poverty levels, health (especially incidences of malaria, pneumonia, diarrhoea (perhaps the largest killer due to poor hygiene/water/sanitation) and TB, which remain high), child mortality (68 per 1000) and infant mortality (57 per 1000) and the maternal mortality rate), education (especially primary enrolment and retention in rural areas), access to improved water sources, piped water and sanitation, especially in rural areas, and access to electricity (especially in rural areas).

It is generally recognised that there is an urgent need to accelerate progress towards the localised MDG targets in all sectors. The rural population is a priority focus of both Government and EU development plans and therefore the proposed Pilot MVD Project is timely in that it seeks to support an acceleration of progress towards the localised MDGs.

The Consultant’s field visits indicated that coverage of rural communities’ basic needs for health and education infrastructure and services, essential infrastructure and agricultural extension services varies widely. Some communities have received schools and health centres or aid-posts, whilst some, especially in remote areas have not. Essential infrastructure such as improved access roads and electrification again varies according to location/remoteness. Agricultural extension services, however, were widely lacking.

1.1.2 Lack of Infrastructure, Especially in Remoter Areas

PNG suffers from deficient infrastructure and difficult topographies (mountains, jungle, remote islands, etc.), which restricts access due to poor roads/bridges or long boat trips, as well as unpredictable weather (causing landslides, flooding, road blockages, etc.) and a breakdown of law and order in some areas. In rural communities, especially remote ones,
government services are generally lacking giving rise to poverty and chronic and acute health problems, lack of education, poor access to markets and inputs, and a lack of support to agricultural development/income generation from the government extension services. The situation, however, varies by location, remoteness, sector and province. The Consultant found that there was a widespread perception of a gap between communities and government services.

Government recognises these problems in its various policy and strategy documents and is giving a high priority to rural development. However, this takes time, and despite the obvious improvements in accessible communities, the rest of the rural population is becoming increasingly impatient and critical of government efforts to-date. Many rural communities feel they are still being let down by government, as well as by corruption, in terms of allocation of the increased funds that mineral and oil wealth has brought to PNG.

CBOs especially in remoter areas step in to fill the gap where government services are lacking. Without this vital support, poverty and social problems would be much greater in PNG and is recognised in Government policies and strategies. This support by CBOs to build a community’s confidence and ownership often takes a decade or more to achieve.

1.1.3 Lack of Government Investment, Coordination and Information

Government has always allocated insufficient funds to rural areas, both investment funds and government operating costs, due partly to poor management and corruption. The result is reflected in the poor MDG score indicated above. An example is the water and sanitation sector in which it is estimated\(^4\) that some 75% of the rural population still has no access to clean, piped water and are highly vulnerable to diseases such as diarrhoea.

Communities draw on various government sector funds, MP grants and donor funding according to contacts on an ad hoc basis, i.e. they shop around for funds, for which donor funds that by-pass government are preferred.

Many communities complain there is no funding coordination or information on funding available at community level. With the huge area and remoteness of many villages, the latter is not surprising. In addition, they often have little confidence in the Ward plans prepared by LLGs (some are not budgeted and some communities do not yet have any plan). The LLGs however have been strengthening their role in coordinating and planning district level expenditure, especially in planning the disbursement of the large DSIP funds by the district level Joint District Budget Planning and Priority Committee (JDBPPC). In particular, the District Information Management Systems (DIMS) project\(^5\) which is due to be completed by the end of November 2011 represents a major step to improve the data on investments at District level.

As a result, the proposed MVD Pilot Project would be able to integrate with the District planning system to improve the coordination of investment planning at village level. There is a risk, however, of the funds being subject to political influence by MPs (next year there is a national election) who chair the JDBPPC that oversees the allocation of these funds. The MVD Pilot Project would compliment the DSIP wherever possible, as well as other sector programmes and donor projects/programmes and MP grants and avoid duplication.

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4 RWSSP estimate that the scheme covers 4% of the rural population, another 20% already has some form of water supply scheme, leaving 75% still without clean water access.

5 DIMS is a system to collect information on all development projects across all 89 districts to allow them to improve planning of development expenditure, especially for the huge DSIP a K1.4 billion government intervention for all types of investment across all sectors, on a decentralised basis
1.1.4 Low Incomes from Agriculture

Some communities live in areas with good soils and access to markets to buy and sell produce, yet do not utilise their opportunities, as only a relatively small cash economy is needed to satisfy their needs. Others are virtually cut off from the main roads, live in minimally serviced villages, may have poorer or depleted fertility of soils and survive at subsistence level. Within these extremes, there are opportunities for income generation through improved systems of integrated crop, tree and small livestock production, plus cooperative marketing to improve prices and micro-credit to ensure supplies of seeds and inputs. Income generation is regarded as a priority development activity (MDG 1) as it can also bring about improvements in other MDGs. The Pilot Project would seek to include example villages that would model income generation in remote areas (i.e. breaking out of subsistence agriculture), as well as those in accessible areas through increased agricultural production, marketing or adding value. In either case, the communities may need to seek guidance and technical advice from agricultural specialists from applied research stations and organisations such as NARI, or from the private sector.

1.2 Millennium Village Development Concept

The MVD Project under study arose out of the experience gained in MVD pilot projects in Africa and a Concept Paper produced following a visit of Professor Sachs’ team to PNG in 2008. The concept was for a broad-based, community-led development strategy to achieve the MDGs, that is, by investing simultaneously in interventions across all sectors, including access to clean water, education, food/income generation, health, and essential infrastructure, poor villages would be able to get a foothold on the bottom rung of the development ladder.

The concept also envisages the creation of a partnership model to leverage the unique strengths of NGOs, church groups and other organisations that have experience at the local level. This is already particularly strong in PNG due to the wide range of terrain, isolation and languages that characterises PNG’s rural communities. Many villages are being supported by CBOs - usually church based organisations. Some of the church organisations involved are the Nazarene Church, Baptist Union, South Sea Evangelical Church, Catholic Church and many more. It is understood that some 50% of services to communities in health and education is undertaken by Church partners. It is government policy to work with these organisations in order to reach the remoter communities.

In addition, in PNG, many villages are already undertaking multi-sector development, especially where a single sector intervention, such as a water supply and sanitation project, or a health service improvement project (based on a CD approach), has stimulated a community to build on the experience and confidence gained to continue into other sectors. The “Healthy Island Concept” (HIC) being increasingly utilised by certain CBOs and Provincial Health Authorities represents a similar approach to the MVD approach. The main objectives of the HIC are as follows and indicate the similarity:

- To empower individuals, families, and community to take ownership of their own health (and welfare) for healthy life styles
- To empower community to be self reliance in community development initiatives using their available resources

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6 Program to Support the Millennium Development Goals and Long-Term Development in Papua New Guinea A Concept Note, Aug 2008, J.D. Sachs
There is increasing interest and dialogue at village level in this approach. The communities’ capacity to absorb and manage a simultaneous multi sector development and government’s capacity to service this approach is the main reason for a pilot project at this stage.

The Pilot Project would also demonstrate whether the approach is sustainable and replicable, and whether further adaptation to PNG conditions and capacity building will be required. Funding limitations, government linkages and capacity of its institutions are likely to be the major issues in any scaled-up second phase. The trial would provide practical lessons to the Government for scaling up multi-sector development to district and provincial levels. The partnership approach would also provide lessons on engaging community organisations, churches, NGOs and government institutions into future development.

The Pilot Project, if successful, would help to attract greater investment in rural development (e.g. by Government, donor partners, the private sector and international development banks) as the amount of capital resources required to fund wide spread multi-sector development is substantial.

The communities would be selected on the basis of a high level of community organisation and management and development activities already initiated, often by a CBO over a long term, or as a result of a single sector development such as a RWSSP funded by the EU or Health programmes, in order to demonstrate multi-sector development during the relatively short project period available to this project.

1.3 Consistency with Government Policies

The Millennium Village Development (MVD) philosophy is aligned in broad terms with the Government’s development priorities as stated in its strategic long term Vision 2050 and the PNG Development Strategy Plan (DSP) 2010-2030 and the Medium Term Development Plan (MTDP) 2011-2015, which targets rural communities with rural roads rehabilitation, electricity and communication services to enhance and stimulate rural economic growth. It is also in line with the Integrated Community Development Policy (ICD) of the Dept of Community Development. However, the MVD multi-sector approach is not specifically accepted by government yet, but it is supported as a pilot project to provide lessons learnt and guidelines for a possible change in government policy, namely to implement the MVD approach in an expanded second phase.

Other approaches to accelerate MDG progress are also being tested in PNG, namely the MDG Acceleration Framework (MAF) a new strategy adopted by the UNDP that recognises that the Sach’s multi-sector approach is beyond the resources of many of the poorer developing countries and therefore adopts a lower cost approach in which priority MDG Indicators in a single sector are targeted. A trial project is about to commence at Kairiku village in Central Province (funded by a USD 400,000 grant from the Democratic Trust Fund) to target maternal MDIs and involves both the Dept of Health to provide technical support and the DNPM in policy issues.

Another programme aimed at acceleration of MDGs is the € 1.0 billion EU funded Global MDG Initiative (from Brussels) to support maternal health, contribute to fight against child mortality and hunger and improve the supply of water and sanitation. For PNG, an application has been made to fund Rural Water Supply & Sanitation projects in the Highlands in a € 10 million programme (refer section 1.7 below)
1.4 Consistency with EU Policies

The MVD approach is in line with the overarching objective of the Cotonou Agreement to promote the development of a common strategic approach to poverty reduction. The European Consensus identifies poverty eradication in the context of sustainable development as the core primary objective. The EU human and social development policy framework aims at improving peoples’ lives in line with the MDGs.

The Country Strategy Paper and National Indicative Programme (CSP-NIP) for the period 2008 – 2013 provide the overall framework for PNG under the 10th EDF (2008-2013), with two mutually supportive focal components: Rural Economic Development and Human Resource Development. Under the 10th EDF Rural Economic Development Programme, Phase I, an amount of €1.0 million has been allocated to support implementation of a Millennium Development Village pilot project implemented under a Joint Management procedure through a Contribution Agreement with the United Nations Development Programme (UNDP).

1.5 Stakeholders

A list of the main potential stakeholders is given below. At a national and donor level the main stakeholders would be the EU, UNDP and Government in the form of DNPM, the Dept. of Implementation & Rural Development, Dept of Community Development, Department of Provincial & Local Government Affairs and the line Departments of Health, Education and Agriculture & Livestock. At community level, as a multi-sector project, there are many potential stakeholders that could be involved. However, the main players would be the community development committees, CBOs, NGOs, Provincial Governments and Provincial Sector Authorities, CLDCs of the Dept of Community Development, and the LLGs.

1. Community Development Committees and Ward Councillors of selected villages
2. LLGs
3. Provincial Governments
4. Provincial Sector Authorities
5. CBOs and NGOs
6. CLDCs at District Level
7. Dept. of Health
8. Dept. Environment & Conservation
9. Dept. of Community Development
10. Dept of Education
11. Dept of Agriculture and Livestock
12. Dept of Implementation & Rural Development
13. Department of Provincial & Local Government Affairs
14. Dept. National Planning & Monitoring
15. EU/NAOSU
16. UNDP

Linkages between the Pilot Project and the main Government Departments, EU and other donor funded projects are discussed in the following section, whilst details/analysis of the selected pilot villages and CBOs are presented in Appendices 4 and 5 respectively. An analysis of the main relevant government departments’ suitability to anchor the Project Coordination Unit is presented in Appendix 3.8.

1.5 Linkage with Government and other EU/Donor Interventions
The MVD Pilot Project would be closely followed in terms of future government policies and budgetary considerations by the DNPM. In addition, as a multi-sector project it would relate to the major Government programmes in each sector, especially the Health and Education, as well as Infrastructure, Rural Electrification and Agriculture. Some of the direct linkages with Government, sector programmes and donor funded programmes in rural areas are identified below.

The **Department of National Planning and Monitoring** would be the contracting authority for the project. It would also monitor the Pilot Project (in joint monitoring activities with UNDP) as it is concerned with national MDGs and future government policies in terms of adopting the MVD concept on a larger scale. There is also a UN Adviser working on MDGs in the Department. DNPM has established regional offices (Provincial Liaison and Monitoring Division (PLMD) undertaking monitoring activities in various sector programmes, as well as having an overview of all monitoring efforts.

DNPM is also responsible for substantial funding resources through its Economic Corridor Development focusing on poverty alleviation, which is relevant to selection of the villages in the Pilot Project and/or in an expanded phase, as well as the Rehabilitation of Education Sector Infrastructure (RESI) programme (school investment noted on field visit) and the Coastal Fisheries Development Programme.

The **Department of Community Development** has its Integrated Development Policy and promotes linkage of villages to resource people and organisations, as well as monitoring and reporting on MDG status. It is operating a programme in 14 target provinces/districts in which focal points are established in the form of Community Learning and Development Centres (CLDC) whose main task is to link communities with organisations to address the problems of the “gap” between Government and communities and therefore has a common interest with the proposed Pilot Project. The CLDCs could facilitate the Pilot Project selected villages where they come under a CLDC focus area, or in an expanded phase as more communities become included in an expanded programme. The Department has a National Integrated Community Development Advisory Committee (NICDAC), as well as similar committees at Province (PICDAC) and District (DICDAC) levels.

Currently the Department mainly functions at national level with limited capacity and resources available at District and community levels to reach and support individual rural communities. It is therefore not considered an appropriate institution in which to anchor the Pilot Project at this stage, though it should have a supportive role and be a member of the Project Steering Committee. However, it may well play a larger role in any scaled-up phase given appropriate resources and capacity building inputs.

The **Department of Implementation & Rural Development** (former Office of Rural Development) administers the **District Services Investment Programme (DSIP)**, which distributes grants for rural development to all 89 districts. The grants must be consistent with PNG’s Medium Term Development Plan and be approved by the Joint District Planning and Budget Priority Committees (JDP&BPC) chaired by the local MP. This is a multi-sector fund covering schools, health, roads and bridges, agriculture and others and

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7 The economic corridors are an integral part off the MTD 20151-2015 aimed at poverty alleviation in order to integrate poverty areas into economic corridors. They are (i) PRAEC including parts of Enga, Southern Highlands and Central provinces, (ii) Central Corridor: Milne Bay, Central, Oro and Morobe; South East Corridor: East and West New Britain; and (iv) Momase Corridor: East and West Sepik, Madang

8 The 14 provinces/districts are NCD South in Central Region, Popondetta in Oro, Goodenough Island in MBP, ENB- Pomo, WNB - Bialla, Manus, EHP - Henganofi, Sinasina/Yongomugl - Simbu, WHP - Minz, Morobe-Finschafen, Madang, Wosera-Gawi - ESP and Sandaun - Vanimo/Green River
sometimes individual communities. The Pilot Project investments would be integrated with the LLG system and allocation of these funds.

The **Department of Provincial & Local Government Affairs.** Linkage with the decentralised local district level governance through the LLG and the JDP&BPC is a key factor to ensuring government’s involvement in the project and therefore sustainability of the approach in any scaled up government funded phase. The main linkage point would be in the project start up phase with the PC making the provincial and district authorities aware of the pilot project in their area and in the initial planning of the investments between the community, supported by the CBO, and the LLG to ensure all sources of funds are accessed by the community (EU funds complement other available funds).

The **Health Services Improvement Project (HSIP) and the Capacity Building Service Centre (CBSC),** AusAID funded, both relating to health service delivery in rural areas.

The **RWSSP** funded by the EU (€25 million). This 5 year on-going programme, which is closing in mid 2012, has successfully installed water supply and sanitation schemes on a Community Development CD approach with supplementary training, especially in sanitation (CLTS) throughout PNG. It implements via grant contracts to NGO/CBOs to implement the schemes at village level. It has also formed the basis of communities' continued desire to develop in other sectors, often building on the WATSAN Committee established in every water supply scheme. The CD approach as well as the funding modality and CBO/NGO grant management forms a model for the proposed Pilot Project. The possible **RWSSP Project** in the Highlands under the EU Global MDG Initiative as a € 10 million project may follow this project. If approved, it could complement the MVD pilot villages in the Highlands. Alternatively, funds may be raised for a third phase of RWSSP but no indications have yet been made by Government or donors.

The **ADB Rural Primary Health Services Delivery Project (2011-2019)** funded by ADB, AusAID and Other Donors (OPEC and Korea) with a total funding of USD 80 million with a focus on 8 provinces including West Highlands, East Highlands, Enga, as well as East Sepik and Milne Bay Province, with 2 selected districts in each province. The aim is to strengthen rural health service delivery through developing partnerships between the state and CBOs and civil society and will provide capacity building to health personnel in rural communities and support building and refurbishing Community Health facilities in each participating district.

The **Productive Partnerships in Agriculture Project (PPAP):** a multi-donor World Bank and IFAD funded being implemented by the Department of Agriculture and Livestock and the Cocoa and Coffee Boards, which aims at supporting small holder coffee and cocoa farmers and adding product value, including investment in market access infrastructure and a survey of current practices in selected provinces, including Highland provinces.

The **District Information Management Systems (DIMS) Project** under the Department of Implementation & Rural Development indicated in Section 1.1.3 above, which is partly funded by the EU, AusAID and Government, should be a very useful aid to improving planning of investments at district and village level, as well as improving the flow of information on development expenditures to communities.

**Other EU projects** that may have a more indirect linkage include:

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9 Identification Fiche: Support for Improved Access to Drinking Water & Sanitation, EU, August 2011
10 Summary ADB Proposed Rural Primary Health Services Delivery Project (2011-2019), ADB, 2010
(i) The **NSA Strengthening Programme**: a second phase is being planned aiming at focusing on the role of NSAs in good governance, that is, improving dialogue/linkages between NSAs and Government with an emphasis on capacity building in NGOs and CBOs and therefore shares a common interest with the MVD Pilot Project.

(ii) The **Strengthening of Districts & LLGs Project (SDLLGP)** in which small grants are given to LLGs infrastructure facilities and capacity building aimed mainly at the District level with the aim of improving the integration of rural communities into the government’s decentralised system. The proposed MVD Pilot Project would represent an example of this.

(iii) The **Education Programme (€39 million)** continues with another 4 year support programme continuing with HRD (teacher training and management), as well as continued book distribution and some infrastructure facilities at the Teacher Training College, plus scholarships for teachers in rural areas. Will be focusing on Milne Bay Province in terms of Public Financial Management in the sector. However, no direct support to individual communities is included.

(iv) The **Rural Economic Development (RED) Programme Phase 1.** These include the jointly funded projects with the World Bank concerned with cocoa production (*Productive Partnerships in Agriculture Project above*), the *Forestry Project* concerned with establishment of teak plantations and teak seedling nurseries and the “feasibility study of a rural development action” which will seek to identify measures to improve the economic situation in rural areas with a focus on private sector investments in rural areas and developing partnerships to create an enabling environment (scheduled for 2012).

### 2. MVD PILOT PROJECT DESCRIPTION

A discussion of the factors involved in design of the project is attached in Appendix 3.

#### 2.1 Summary Outline of Proposed Pilot Project

The Pilot Project proposes to test out multi-sector development at village level by building on existing experience and organisations in selected villages where community level development has been demonstrated to a certain extent. The Pilot Project provides an opportunity to formalise the approach and methodology in an attempt to accelerate momentum towards MDGs by attracting greater investment for a scaled-up second phase.

In summary, the main aims of the Pilot Project would be:

- To demonstrate community level capacity to implement multi-sector developments,
- To demonstrate the capacity of government and other services to support multi-sector village development,
- To provide lessons learnt and guidelines to facilitate planning of a scaled up second phase MVD approach.
- To document “good practice” in village level development initiatives in a manual.
- To attract greater investment funds from Government, donors and international development banks for an expanded second phase.

The Pilot Project is a €1.04 million project, comprising € 1.0 contribution from the EU and € 0.04 million cash contribution by the participating communities (approx 10% of materials/equipment/services costs). It would be implemented using grants to village level CBOs coordinated by a Project Coordination Unit anchored in the DNPM with UNDP having the overall managing/coordinating responsibility via a Contribution Agreement. It
would cover four selected villages Trolga, Domil, Musendai and Sibilai with a population of approx 5,000 and be implemented over a 3 year period starting in approx. April 2012.

The approach would be on a self driven, self–help, appropriate technology/design basis with an average budget allocation of K 630,000 or € 200,000 per community, but would complement other possible funding sources. Thus EU funds would be integrated into the District level LLG/DSIP planning system, as each village would formulate their plans with the LLG and seek other external funds available, plus any self generated funds from income generation enterprises.

2.2 Objectives

Overall Objectives: Demonstration of MVD approach in four pilot communities, which, if successful, would pave the way to replication on a larger scale, as a contribution to accelerated progress towards localised MDGs in PNG.

Project Purpose: Sustainable multi-sector development implemented in four selected pilot MVD communities in an integrated Community Development approach in health, education, essential infrastructure and income generation sectors, with women empowerment a cross cutting sector, according to the specific development plans for each village.

2.3 Results

1. Effective management of Pilot Project via grants through selected CBOs,
2. Impact monitoring system established and operational
3. Good Practice Manual produced and Lessons Learnt/Guidelines identified for planning possible scaled-up phase

2.4 Activities

Under Result 1 Effective Management of Pilot Project

Start up activities:

- Recruit/Appoint Project Coordinator
- Establish Project Coordination Unit in DNPM with the Project Coordinator
- Establish financial management and monitoring system as per UNDP requirements
- Establish grant application and award procedures according to UNDP procedures
- Establish Project Steering Committee

Preparatory activities:

- PC discusses project implementation with selected CBOs
- CBOs to discuss and confirm with communities their participation in the pilot project
- PC to alert provincial and district authorities of MVD pilot project in their area
- CBO to assist communities to draw up village development plan and budget for project funds in consultation with Community Development Committee (CDC) and District LLG/JDBPPC,
- CBO supported Community proposal for a grant submitted to PCU for approval,
• Contract drawn up by PCU with the Proposal as an Annex along with a Budget and Conditions
• Contract signed by CBO and PCU
• Memorandum of Understanding (MOU) for community commitment signed by CBO and community leaders if required
• Terms of Reference prepared for CDCs if required

Implementation activities:

• CBO requests for funding in instalments as laid out in contract
• CBO undertakes procurement and expenditure as planned
• Community undertakes implementation (clearance, construction work etc)
• CBO prepare regular project progress reports,
• PC makes periodic follow up visits to review progress
• CBO verifies plans properly undertaken and completed
• CBO acquits/clears each instalment fund before final payment.

Under Result 2 Impact Monitoring Team and System Established and Operational

• Establish an impact monitoring team and monitoring system
• Conduct impact monitoring of community level MDIs and farm incomes at village level before and after project (refer Monitoring and Evaluation Section 2.10 below),
• Liaise with Project Steering Committee,
• Preparation of Impact Monitoring Report
• Conduct audit - CBO would be responsible for audit as required by UNDP.

Under Result 3 Good Practice Manual & Lessons Learnt Identified

Follow-up activities:

• Identify Lessons Learnt and draw up Guidelines for planning a scaled-up phase
• Prepare a “Good Practice” Manual for village multi-sector development.

2.5 Implementation

Project Organisation

The project would be implemented by UNDP through a Contribution Agreement with UNDP having an overall management, coordinating and monitoring role, as well as advising on MDG policy. DNPM would be the contracting authority for the project. The Government of PNG would sign the Contribution Agreement with UNDP and the EU endorses the contract, as in EDF partially decentralised procedures. A Project Coordination Unit (PCU) staffed by a PNG national Project Coordinator (PC) – appointed by UNDP - would be established in government and would contract the four CBOs directly.

DNPM would provide an office and office support facilities for the Project Coordination Unit in its POM office as it has an overall policy and monitoring role in relation to accelerating progress towards achievement of the localised MDGs.

The main duties of the PC would be:

• Liaise and verify CBO participation in the Project
• Liaise with Provincial/District authorities in which selected villages located
• Establish grant procedure for the CBOs (application and award)
• Sign the grant contracts with the selected CBOs
• Allocate funds according to instalments agreed in the grant contract
• Monitor project progress through regular CBO reports to the PC
• Make regular monitoring visits to each CBO/village to check on progress
• Make periodic acquittals/clearance before disbursement of the next allocation
• In conjunction with the Steering Committee, set up a system of impact monitoring of key MDG Indicators and farm incomes at village level
• Prepare quarterly Project Progress Reports for UNDP

The main qualifications and experience required/preferred of the PC would be:

• PNG national, graduate
• CBO/NGO experience
• Community Development experience
• Donor funding administration experience, e.g. RWSSP
• UN administration experience

Villages and CBOs

The four selected villages and their respective CBOs are (refer Map in Appendix 7 for their location):

• **Trolga** in West Highlands Province, the Baptist Union
• **Domil** in Jiwaka Province, Integral Community and Health Development (ICHD)
• **Musendai** in East Sepik Province, South Sea Evangelical Church, SSEC
• **Sibilai** in Milne Bay Province, the MBCDFA Milne Bay Church Development Fund Association

The selection criteria for village selection are presented in Appendix 3. The main criteria are that they have a well organised community organisation, have already demonstrated community development through a single sector entry point (e.g. the RWSSP or Health programmes), have long standing effective CBO support and represent a range of environments, including remoteness. Details of the four villages are given in Appendix 4. The selected CBOs have previous experience of community development in their respective villages and in implementing EU grant funded projects under the RWSSP, in which the procedures are similar to those proposed for implementation of this Project. An analysis of each CBO is attached in Appendix 5.

Project Name

As the “millennium” is not a concept that is well understood by some villagers and others, it may be preferable to refer to the project at community level as a “pilot community development project”. However as MVD is the title in EU documents and relates to the objectives of MDG achievements, it was accepted that the MVD name would be retained for donor purposes, but that at community level the name Pilot Community Development Project may be used.

Time and Implementation Schedule

The Project would be implemented over a 3 year period with funding from early 2012 to 2015 to coincide with the deadline for MDGs in 2015, leaving some flexibility for a possible no-cost extension in a fourth year. Indicative timing of the main phases and activities drawn from the log-frame are shown in the implementation chart below.
<table>
<thead>
<tr>
<th>Phase/Activity</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Q 1</td>
<td>Q 2</td>
<td>Q 3</td>
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<td>Q 4</td>
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<td>Q 1</td>
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<td></td>
<td>Q 2</td>
<td>Q 3</td>
<td>Q 4</td>
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</tbody>
</table>

**RESULT 1 Effective Management of Pilot Project**

**Project Start Up**
- Recruit/Appt PC
- Establish PCU
- Establish PSC, hold meetings
- Estab grant proc.
- Estab financ man

**Preparatory**
- Initial CBO Discussion
- Confirm village participation
- PC to alert prov/ district authorities
- Planning with community/LLG
- Grant application
- Contract approval and signed
- MOU signed

**Implementation**
- CBO requests for fund instalments
- PC financial man.
- CBO procurement
- Village 1 investmt
- Village 2 investmt
- Village 3 investmt
- Village 4 investmt
- Progress Monitor and PC visits.
- CBO verify plans completed
- CBO acquires each instalment

**RESULT 2 Impact Monitoring**
- Estab MonitTeam
- Collect baseline monitoring data
- Collect end of project monit data
- Prep. Mon Report

**RESULT 3 Follow-up Reports**
- Identify Lessons Learnt Guidelines
- Prepare a “Good Practice” Manual
- External Evaln
Project Steering Committee

A Project Steering Committee (PSC) to oversee progress, monitor and advice on policy would be set up, made up as follows:

- representative of EU
- representative of UNDP
- representative of NAO/SU
- representative of CBOs
- representative of DNPM
--representative of Department of Implementation & Rural Development
- representative of Department of Community Development
- representative of the Department of Provincial & Local Government Affairs
- representatives of Departments. of Health, Education and Agriculture

Meetings would be held quarterly for the first six months and six monthly thereafter, but flexible according to needs. The PSC would have specific responsibility for advising and participating in impact monitoring activities with a team comprising staff from DNPM and UNDP, and possibly some PhD University students, making periodic visits to the villages.

2.6 Project Budget and Funding Contributions

An overall project budget structure assuming a minimum budget of € 150,000 to each village in a balanced allocation, plus a flexible pool of € 200,000 to allow for variations between villages actual requirements is proposed below. The allocation of the flexible pool of funds would need to be handled carefully. Some form of incentive system should be devised by the PCU based on a communities’ cost-saving approach rather than just on additional funding required. The mid-term review would also provide early guidance on possible redirection of funds that may be necessary in the second half of the project period. In addition, Government may wish to add complementary funding at this stage that might facilitate the transition to a possible larger scaled-up phase.

<table>
<thead>
<tr>
<th>Item</th>
<th>€ million</th>
<th>%</th>
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<tr>
<td>Village No 1 (investment + CBO)</td>
<td>0.15</td>
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<tr>
<td>Village No 1 (investment + CBO)</td>
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<tr>
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<td>0.15</td>
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<tr>
<td>Pool to cover actual village investments</td>
<td>0.20</td>
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<tr>
<td><strong>Sub Total Community investment</strong></td>
<td><strong>0.8</strong></td>
<td><strong>81</strong></td>
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<tr>
<td>UNDP Direct Costs</td>
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<td>UNDP 7% fee of €0.96 million</td>
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<tr>
<td><strong>Sub-Total UNDP</strong></td>
<td><strong>0.19</strong></td>
<td><strong>19</strong></td>
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<tr>
<td><strong>Total Base Costs</strong></td>
<td><strong>0.99</strong></td>
<td><strong>100</strong></td>
</tr>
<tr>
<td>Contingency 5%</td>
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<tr>
<td><strong>Total Project Costs</strong></td>
<td><strong>1.04</strong></td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Contribution</th>
<th>€ million</th>
<th>%</th>
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<tbody>
<tr>
<td>EU for community and UNDP management.</td>
<td>1.0</td>
<td>95</td>
</tr>
<tr>
<td>Community cash contribution</td>
<td>0.04</td>
<td>5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1.04</strong></td>
<td>100</td>
</tr>
</tbody>
</table>

Table 1 Summary Estimated Pilot Project Budget

Table 2 Summary Funding Contributions to Pilot Project
A minimum of 10% of the cost of materials, equipment and services as a cash contribution from participating communities is assumed, but this could be larger where individual communities chose to increase their contribution to enlarge the total available funds at village level and therefore this contribution is seen as flexible above a minimum of 10%. The share of management costs to UNDP amounts to € 199,000 or 19% of base costs.

With a target population of approximately 5,000 and a total project cost of € 1.04 million, this represents an investment of € 208 per capita, a level that is likely to be below the real investment requirements for village long term development plans.

2.7 Flow of Funds

Lack of Cohesion

Negative consequences of both inter-clan rivalry or inter village jealousy can pose real threats in PNG. Supporting an individual village at random with funds putting it in a privileged position can lead to neighbouring villages retaliating against the selected village’s efforts. This is especially relevant in the Highlands and parts of East Sepik. Similarly, communities are often composed of several clans or extended families living in hamlets rather than in a cohesive village. Lack of cooperation or traditional rivalries between different clans, exaggerated in areas with high temperaments, as in the Highlands, can be a problem for community development.

Overcoming these problems can take considerable time and effort on the part of CBOs. The Healthy Island Concept seen by the Consultant on his field visits to East Sepik and the Highlands has proved a successful means to achieve cohesion. Hence the criteria for selection of villages that have received CBO support for some time. In addition, integrating the selected village into the LLG system can remove inter-village rivalry. One suggestion was to only select villages on an island, such as one in Milne Bay Province where cohesion and cooperation is stronger. However, it is not wished to focus entirely on an island approach in the Pilot Project. The selected four villages would compare an isolated or island community in Milne Bay Province with other villages selected in the Highlands and East Sepik.
In the case of East Sepik, the small number of villages in the Pilot Project only allows one of the three communities visited on the field trip to be included. The other two would form part of an expanded second phase. SSEC will have a delicate task in explaining this to the two villages excluded from the Pilot Phase, but it is confident this can be done without repercussions.

**Government Support**

Whilst the MVD approach is regarded as a trial pilot project, government does support it as the pilot villages would be integrated into the district level planning process through the LLG/JDBPPC and it may lay the foundations for a larger Government funded MVD approach. In addition, selection of villages in WHP and Milne Bay Province fits in with the new Health authority approach being piloted in these two provinces for subsequent replication in other provinces.

**Sustainability**

The risk of non-sustainability, namely communities not being able to maintain or afford to maintain the investments, may occur if the investment is too high/too rapid for a community to absorb, as well incurring a risk of non-ownership and aid-dependence; The pilot project would aim to demonstrate the communities’ capacity to absorb the proposed capital investments and maintain them on a sustainable basis using appropriate self-build structures that engender community ownership. Experience indicates that church based CBO support is more able to raise community funds for on-going maintenance costs than government support.

Increased income generation through improved or increased agricultural production or new diversified enterprises or improved marketing is also seen as the key factor in ensuring sustainability of social-infrastructure investments. It was ably demonstrated in the Domil Community in the Highlands, but less so in the communities visited in East Sepik where the emphasis to-date has been on social infrastructure rather than income generation.

**Community Contribution**

The RWSS scheme experience is that raising a 10% cash contribution (of the cost of materials/equipment/services, i.e. not including CBO costs and UNDP management) from villages is rarely a problem and reflects the interest that communities have in their own development and that they are prepared to take on ownership of new investments. The latter is also considered an important part of the MVD approach. Experience indicates that church based CBOs are more able to secure cash contributions; whilst government requests are not so successful. In addition, in some areas of the Highlands, communities are willing to provide higher cash contributions and hence the contribution should be regarded as flexible above a minimum of 10%.

**Government Services**

There is a risk that not all the required government services required by a particular community development plan may be made available during the project implementation period, leaving incomplete multi-sector development at the end of the project. This is one of the main factors under test in the Pilot Project.

**Community Capacity**

There is a risk that a community lacks capacity or labour to complete multi-sector development within the project period. The major factor determining community capacity
will be management for which community leadership and support by the CBO will be key. Selection of a village with strong leadership and an effective CBO would therefore be essential for success of the MVD approach in a relatively short pilot project period, although leadership is highly personal and can change abruptly. Again it is a factor that is under test in the Pilot Project.

The latter two risks do not necessarily represent a possible failure of the project rather a realisation that the process can take longer than allowed under the donor conditioned project period. Project monitoring would seek to monitor progress and identify potential limitations and constraints.

CBO Capacity

An assumption is that the selected CBOs would have sufficient capacity, both in terms of providing community development support and management of donor grant funds. The church based CBOs selected for this Project all have a good track record with a number of RWSSP projects and have a long relationship with the selected villages. An analysis of the selected CBOs is presented in Appendix 5. However, as with leadership, performance of CBOs is highly dependent on personalities involved and can change.

Cost Inflation and Exchange Rate Risks

Continued high inflation in costs of materials, transport and hotels, especially to remote areas and islands, but also nationwide due to the impact of many gas/oil/mining staff that tend to exceed the current infrastructure facilities available (hotels, cars for hire, air flights), plus continued strengthening of the Kina against the Euro, which could reduce the value of the investment funds provided even further.

Project Expectations

There is a risk of insufficient funds being available if the EU funds (€ 200,000 per village), plus if there were no supplementary funding available through the LLGs, which would reduce project expectations, as funding may fall well short of communities’ investment requirements. The importance of creating a self-build low cost approach to utilise what funds are available is crucial to ensure that progress is made and sustained, as well as preventing any donor dependence on funding. Under an expanded phase, total funding available per village is likely to be similarly constrained, such that villagers will always need to adapt and prioritise according to funds available.

Environment

Over exploitation of local forest resources as a source of timber for self-build housing schemes may occur in certain locations. Some communities may be able to replant teak forests through new seedlings as a long term environmental conservation measure.

Political Influence

There is a risk of complementary funds being subject to excessive political influence, e.g. in the allocation of DSIP funds, especially in an election year in 2012.

Insecurity

There is a risk of renewed insecurity in the Highlands region that could disrupt development activities or restrict access by project management monitoring staff. UNDP at
present require their staff to have a security escort on field visits in the Highlands (for which an allowance has been included in the project budget).

2.9 Impact and Sustainability

The impact of the project on the individual selected village beneficiaries, with a population of approx. 5,000, should be in terms of empowering communities to develop and take ownership of their development, plus health, education, income generation\(^{11}\), women empowerment and overall livelihood improvement, and may also reduce the drift to urban areas. As the precise plans and investments are not known at this stage, it is not possible to define precise target indicators at this stage. However, once individual community implementation plans have been drawn up, indicator targets can be defined for the end of the project period (recognising that some developments can take a longer period). The performance targets would be mainly village level MDG indicators, other health and disease incidences and income assessments, as well as the extent of village empowerment, which would be assessed as part of the Project’s monitoring arrangements.

The project is not expected to develop all villagers’ needs, due to financial limitations and especially as it only covers a three year period. It would identify investment gaps through identifying total long term investment levels required.

In terms of promoting a scaled up next phase and therefore on accelerating progress towards the national localised MDG targets, the impact of the pilot project could be very significant.

Sustainability of the concept of funding the MVD approach on a scaled up phase will require close linkage with the decentralised local district level governance through the LLG and the JDP&BPC. The provincial authorities and district level structures for the four selected communities will need to be made aware of this project and the importance in terms of future policies. This is a key factor to ensuring government’s involvement in the project and therefore sustainability of the approach in any scaled up phase.

The implementation arrangements/funding modality however are not considered sustainable in the long term – they are a once off measure for the pilot project only. A scaled up approach would need to be handled via a funding modality through government’s decentralised institutions for which capacity building inputs would be required as part of a scaled-up phase.

Other issues on community level sustainability are discussed under assumptions and risks above.

2.10 Monitoring and Evaluation

As a Pilot Project, considerable interest would be given to monitoring of project achievements and impact. A monitoring team would be formed at project commencement comprising the PC and staff from DNPM and UNDP and possibly some university post graduate students to undertake monitoring in conjunction with the CBOs and participatory community monitoring. DNPM has regional offices (Provincial Liaison and Monitoring Division (PLMD) undertaking monitoring activities of the MTDP in various sector

\(^{11}\) Benefits to a water supply scheme, if part of a community development plans, may be increased income generated through the time liberated from the daily chore of fetching water. RWSSP experience indicates that a new water supply scheme often saves 3 – 5 hours per day for the women who use this time saved to devote to their gardens and marketing their produce, and that incomes have shown remarkable increases from e.g. K 100 per week to K 500 per week.
programmes, as well as having an overview of all monitoring efforts and may allocate staff to contribute towards project impact monitoring. A monitoring system would be set up by the designated monitoring team with clear lines of reporting.

The main focus would be on measurable MDG Indicators: health (MDGs 4, 5 & 6), education (MDG 2), income generation (MDG 1) water supply (MDG 7) and women empowerment (MDG 3) according to specific community plans. In some cases, certain sectors may have already been developed e.g. water supply and sanitation may have already been completed before the project started, whilst others may gain the benefits from this investment under the project.

Data would be collected from health/education facilities, e.g. number of cases of preventable diseases and attendance at the Health Centre or aid post, trends in numbers of pupils attending primary school from the headmaster, time saved by a water supply scheme) and an assessment of indicative farm budgets reflecting the agricultural income situation before and after the project to measure income generated by the project.

It is recognised that this would not properly represent the impact of the project alone as other external factors can also affect these indicators, for example, the free primary school policy to be introduced in 2012 should increase primary school attendance figures in all villages, and widespread adoption of certain agricultural practices would also apply to many villages. Before and after would therefore measure the overall "global" progress towards the MDGs rather than specific achievements of the Project, A “with and without” project assessment is the way to overcome this problem, but it would be difficult to gain “other non-project” village cooperation in the PNG context, and as each village is so different from the next in terms of what funds and developments have been undertaken to date due to the ad-hoc nature of funding at present. However, if the proposed PhD University students do participate in monitoring, they could monitor another similar village (if one exists) without the project to get the “with and without” project data.

The above would be in addition to regular project progress monitoring by the CBO of development activities by the community in relation to plan as a continuing process.

An independent mid-term and final evaluation would also be undertaken for which funds are not required in the budget, as they are already included in the FA for the RED Phase 1. The mid-term evaluation would identify any changes in direction or budget allocations that may be recommended to ensure successful implementation of the Pilot Project. In addition, the DNPM would review overall progress and the possibility of providing complementary funding at this stage, in preparation for a possible scaled-up second phase

2.11 Cross Cutting Sectors

Gender

PNG is a predominantly male dominated society and although women are major stakeholders at community level and as beneficiaries in many of the sectors developed, they are usually left out of the decision making processes. Whilst men dominate the membership of development committees, women would increase their level of participation in the community development process as a result of the Project and CBO efforts to focus on gender. The proposed project would therefore have a significant impact on gender equality and empowerment and would be monitored as MDG 3. Women would benefit from improved maternal health, reduced infant/child mortality and children’s diseases (MDGs 4, 5 and 6), as well as from time saved through water supply schemes, which allows them more time to devote to income earning activities. Women would therefore also assume greater economic responsibility as many income generation activities would involve
women in terms of agricultural production and marketing, especially garden vegetables, to supplement household incomes.

Youth

Village youth may also benefit through a communities’ effort to focus on youth by including employment opportunities and sports activities in its development plans (as indicated from the field visits).

HIV/AIDS

This remains a problem in PNG and is an important MDG (MDG 6 to combat, halt and reverse the spread of HIV/AIDS), the prevention of which certain communities may wish to include in their multi-sector development priorities (as indicated from the field visits).

Governance

The project would also have a significant impact on governance through the community development approach, and democratic processes involved in forming community development committees, the engendering of ownership responsibility, the integration of planning with the District LLG system and fostering transparent and accountable management of financial resources for sustainable development purposes.

Environment

Many villages are either located close to forests or located within forest areas, and in the Highlands population density is high, whilst in some areas water catchments need protection for water supply schemes. Protecting the environment to support development efforts and long term economic sustainability is therefore central to community development. The risk of teak forest depletion for building materials in certain areas indicated above is an example of this.
### APPENDIX 1 LOG FRAME

<table>
<thead>
<tr>
<th><strong>Intervention Logic</strong></th>
<th><strong>Objectively verifiable indicators of achievement</strong></th>
<th><strong>Sources and means of Verification</strong></th>
<th><strong>Assumptions/Risks</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Overall Objectives</strong></td>
<td>Demonstration of MVD approach in four Pilot communities, which, if successful, would pave the way to replication on a larger scale, as a contribution to accelerated progress towards localised MDGs in PNG</td>
<td>No measurable impact on MDGs at national level from pilot project but may pave the way to impacting on localised MDG targets for PNG if approach is scale-up in larger second phase</td>
<td>Government supports multi-sector development in DNPM and through LLG/District structures</td>
</tr>
<tr>
<td><strong>Specific Objectives</strong></td>
<td>Sustainable multi-sector development implemented in four selected pilot MVD communities in an integrated Community Development approach in health, education, essential infrastructure and income generation sectors, with women empowerment a cross cutting sector, according to the specific development plans for each village.</td>
<td>Four selected community multi-sector development plans implemented. Measurable MDG Indicators at community level in health (MDGs 4, 5 &amp; 6), education (MDG 2), income generation (MDG 1) water supply (MDG 7) and women empowerment (MDG 3) according to specific community sector development plans</td>
<td>Government services required by a community plan are available’ CBOs willing to implement project Communities interested and have capacity to undertake implementation</td>
</tr>
<tr>
<td><strong>Expected Results</strong></td>
<td>1. Effective management of Pilot Project via grants through selected CBOs</td>
<td>€ 0.8 million grant funds + 5% contingency committed by 2015. PCU in place and operating. UNDP management costs € 0.19 million + 5% contingency. Procedures for grant funding mechanisms in place Grant funding process efficiently administered and acquitted PC supports implementation through periodic visits to CBOs</td>
<td>Risk of communities not being able to maintain the investments, DNPM has office support facilities Risk of high cost inflation of materials Risk of exploitation of local forests Lack of community cohesiveness Risk: funds being politically influenced Women allowed to actively participate In Committee decision making</td>
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<tr>
<td></td>
<td>2. Impact monitoring team and monitoring system established and operational</td>
<td>Monitoring team and monitor system established by PC/UNDP/DNPM and possibly University students, village level indicators collected and Impact Report produced</td>
<td>DPNM and UNDP staff made available, and possibly students. Communities participate in monitoring</td>
</tr>
</tbody>
</table>
## Activities

<table>
<thead>
<tr>
<th>Under Result 1 Effective Management of Pilot Project</th>
<th>Inputs</th>
<th>Risks/Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Start up activities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Recruit/Appoint Project Coordinator</td>
<td>UNDP</td>
<td></td>
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<tr>
<td>• PCU established in DNPM with a national PNG Project Coordinator</td>
<td>Project Coordination Unit</td>
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<tr>
<td>• Financial management and monitoring of funds as per UNDP procedures</td>
<td>PSC members</td>
<td></td>
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<tr>
<td>• Establish grant application and award procedures according to UNDP procedures</td>
<td>UNDP financial management procedures</td>
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<tr>
<td>• Establish Project Steering Committee</td>
<td>CBO and Community Development Committees (CDCs)</td>
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<tr>
<td><strong>Preparatory activities:</strong></td>
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</tr>
<tr>
<td>• PCU discusses project implementation with selected CBOs</td>
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<td>• CBO requests for funding in instalments as laid out in contract</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• CBO undertakes procurement and expenditure as planned</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Community undertakes implementation (clearance, construction work etc)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• CBO prepare regular project progress reports</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• PC makes periodic follow up visits to review progress CBO verifies plans properly undertaken and completed</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• CBO acquits/clears each instalment fund before final payment.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Under Result 2 Impact Monitoring Team and System Established and Operational</th>
<th>Costs</th>
<th>€</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Establish an impact monitoring team and monitoring system</td>
<td>UNDP Management</td>
<td>0.19 million</td>
</tr>
<tr>
<td>• Conduct monitoring of MDIs and incomes at village level before and after project</td>
<td>Village No.1</td>
<td>0.15 million</td>
</tr>
<tr>
<td>• Liaise with Project Steering Committee,</td>
<td>Village No.2</td>
<td>0.15 million</td>
</tr>
<tr>
<td>• Prepare Impact Monitoring Report</td>
<td>Village No.3</td>
<td>0.15 million</td>
</tr>
<tr>
<td>• Conduct audit - CBOs would be responsible for audit as per UNDP requirements</td>
<td>Village No. 4</td>
<td>0.15 million</td>
</tr>
<tr>
<td>• Pool village fund</td>
<td>Base Project Cost</td>
<td>0.99 million</td>
</tr>
<tr>
<td><strong>CBO audits</strong></td>
<td>Contingency 5%</td>
<td>0.049 million</td>
</tr>
<tr>
<td><strong>Total Project Costs</strong></td>
<td></td>
<td>1.04 million</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Under Result 3 Good Practice Manual &amp; Lessons Learnt Identified</th>
<th>Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Identify lessons learnt and draw up guidelines for a second phase,</td>
<td>UNDP Management</td>
</tr>
<tr>
<td>• Prepare a “Best Practice” Manual for village multi-sector development.</td>
<td>Village No.1</td>
</tr>
</tbody>
</table>

**Materials, equipment and services procured for sector investments** | CBO has capacity for procurement and administrating funds |

**Insecurity does not prevent access to projects especially in Highlands Region** | MOU accepted by both parties |

**Communities agree to make 10% of material and equipment costs as a cash contribution** | CBO has capacity for procurement and administrating funds |
## APPENDIX 2: Monitoring and Evaluation Framework

<table>
<thead>
<tr>
<th>Process</th>
<th>Planned Targets/Indicators</th>
<th>Potential Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Overall Objectives:</strong> Demonstration of MVD approach in four Pilot communities, which, if successful, would pave the way to replication on a larger scale, as a contribution to accelerated progress towards localised MDGs in PNG</td>
<td>Successful demonstration of MVD approach by communities</td>
<td>If pilot project is seen as successful, a second expanded phase may be implemented that could impact on national localised MDG targets</td>
</tr>
<tr>
<td><strong>Specific Objectives:</strong> Sustainable multi-sector development implemented in four selected pilot MVD communities in an integrated Community Development approach in health, education, essential infrastructure and income generation sectors, with women empowerment a cross cutting sector, according to the specific development plans for each village.</td>
<td>Four selected community level multi-sector development plans implemented. Cannot be precisely identified at this stage as will depend on specific communities’ plans and base line situation. Main indicators likely to be: health (MDGs 4, 5 &amp; 6), education (MDG 2), income generation (MDG 1) water supply (MDG 7), women empowerment (MDG 3), and disease incidence, reduced health centre attendance,</td>
<td>Significantly improved maternal health, reduced child mortality and reduced diseases incidence, increased primary school enrolment and retention, greater women empowerment, improved water supplies &amp; sanitation benefits and income. 100% of population of 5,000 in 4 villages benefit</td>
</tr>
</tbody>
</table>

### Project Results

1. **Effective management of Pilot Project via grants through selected CBOs**
   - Project Coordination Unit established with PC and operating, Procedures for transparent operation of grant funding mechanism in place and grant funding efficiently administered and acquitted
   - Important for communities to receive donor funds as planned
   - Important to integrate with Government planning/funding system

2. **Impact monitoring team and monitoring system established and operational**
   - Team established, M & E strategy in place and monitoring inputs carried out, Monitor Report prod
   - Monitoring has an important role in a pilot project to assess achievements

3. **Good Practice Manual produced and Lessons Learnt and Guidelines identified for a possible scaled-up second phase**
   - Manual produced and guidelines for possible scale-up produced
   - Important for future application of MVD approach in a possible expansion

### Activities

**Result 1 Effective Management of Pilot Project**

**Start up activities:**
- Recruit/Appoint PC
- Project Coordination Unit established in DNPM
- Financial management & monitoring as per UNDP rules
- Establish grant application and award procedures according to UNDP procedures
- Establish Project Steering Committee

**Preparatory activities:**
- PCU discusses project implementation with selected CBOs
- CBOs to discuss and confirm communities’ participation

**PC appointed**
- PCU and PC established/operational in DNPM
- Effective and efficient financial management as per UNDP rules in place
- Grant procedures as per UNDP requirements

**PSC set up and meet regularly as planned and advises on project implementation**
- CBOs fully briefed and their tasks clear

**CBOs fully committed to MVD project**
- Communities accept ownership of plans
- Plans Integrated with district level planning and compliments other investment funds available

**Contract is basis for implementation**
### Implementation activities:

- **CBO requests for funding instalments as in contract**
- **CBO undertakes procurement & expenditure as planned**
- **Community undertakes implementation (clearance, construction work etc)**
- **CBO prepare regular project progress reports,**
- **PC makes periodic follow up visits to review progress**
- **CBO verifies plans properly undertaken and completed**
- **CBO acquires/clears each instalment fund**

| Communities confirm their willingness to participate |
| Individual community plans prepared in relation to their priorities, EU funds and other funds available |
| Proposal applications received for all pilot villages |
| Contracts between CBO and PCU signed. |
| Liaison with LLGs/Prov government authorities |
| MOU drawn up and signed |
| CDC TOR drawn up if required |
| Grant funds channelled to CBOs at community level |
| CBO undertakes procurement of material, equipment, services |
| Communities active in construction and other work required |
| Financial management of funds ensures no funding delays |
| CBO regular progress reports |
| PC makes regular follow up visits |

**Result 2 Impact Monitoring Team and System Established and Operational**

- **Establish an impact monitoring team and system**
- **Conduct monitoring of MDIs and farm incomes at village level on a before and after project basis,**
- **Liaise with Project Steering Committee,**
- **Prepare Impact Monitoring Report**
- **Conduct audit - CBO would be responsible for audit as per UNDP procedures**

| Monitoring team identified and produce strategy for M & E activities |
| Base line monitoring data collected |
| End of project monitoring data collected |
| Impact monitoring report produced |
| Audit carried out as required by UNDP |

**Result 3 Good Practice Manual & Lessons Learnt Identified**

- **Identify lessons learnt and draw up guidelines for expansion,**
- **Prepare a “Good Practice” Manual for village development.**

| Guidelines documented |
| Good Practice Manual produced |

**Clarifies roles and responsibilities**

| Essential factors for monitoring activities |
| Materials, equipment and services are available |
| Community labour available (not diverted elsewhere) |
| No delays due to funding procedures |

Progress monitoring identifies any issues or problems arising
APPENDIX 3. MVD PILOT PROJECT DESIGN

In designing the MVD Pilot Project, the following main inter-related factors were discussed: (i) size of project in relation to funding contributions available; (ii) the cost of project management, especially for a small pilot project, (iii) investment costs per community of a multi-sector approach, (iv) funding modalities, (v) project period (vi) village selection; (vii) replicability and (viii) location of project coordination unit. However, the over-riding criterion is the framework set out in the Financing Agreement under RED 1, especially the size of budget (€ 1.0 million) and management through UNDP. Any changes would result in significant delays due to the process of submitting Riders for approval by Government and the EU.

3.1 Original/Initial Funding Concept

The original MVD pilot concept envisaged by the Earth Institute Team in 2009 was an EU contribution of approx K.13.2 million, which at to-days exchange rate is equivalent to € 4.1 million, in a partnership with funding contributions from the Government and AusAID\(^\text{12}\). This was a 20% Government, 20% EU and 60% AusAID, for a total core funding of K 66.3 million or € 21 million plus a cost for on-site level management and technical support of K 13.3 million or € 4.2 million to raise total costs to approx. € 25 million. This initial concept, however, was a proposition for which there were no firm agreements. Contributions today are discussed below. The concept also envisaged private sector partnership in funding.

3.1.1 Government Funding Contribution

No Government funding contribution as a partner was forthcoming during the Feasibility Study as Government feels that the EU funded would be sufficient as a pilot project to test out the viability and sustainability of the approach. If the trial were successful, it is likely that government, as well as other donors, may contribute larger amounts of funds for a scaled up second phase. In discussing a strategy for this study in the light of these developments with DNPM on October 11\(^\text{th}\), the advantages of the EU’s firm commitment (subject to this feasibility study’s findings and recommendations) and possible rapid start by UNDP in early 2012 was recognised. Any change to the project outline given in the EU Financing Agreement could cause a significant delay to the start up date.

It was agreed that going ahead with a small EU funded pilot project would represent a positive step and starting point for the MVD process to which further funding contributions may arise in future. The scope of the project under study is therefore limited to a narrow focus on a number of selected villages that would demonstrate the capacity for community and government services to implement multi-sector development. This is rather than a wider focus encompassing capacity building of the government system to facilitate the greater investments that would be required in any scaled-up phase.

However, at the District level, government funding could well play a significant role in community led multi-sector development. The EU funds would be integrated into the district level planning mechanism to complement other Government development expenditure or donor funds available at District level. The DSIP\(^\text{13}\) represents a relatively large discretionary fund at this stage of K 10 million per MP per district — equivalent to € 3.1 million per district. However, the selected pilot MVD village’s ability to source funds

\(^{12}\) MVD PNG Concept Presentation to DNPM, May 2009, Earth Institute, USA

\(^{13}\) The District Services Improvement Programme (DSIP) is a multi-sector fund, but it tends to focus on larger infrastructure projects rather than individual communities, although this does occur.
from either or both these sources, and the government’s ability to deliver them, is the main aspect being tested by the proposed MVD Pilot Project.

3.1.2 UNDP Funding Contribution

Government and the EU had indicated that UNDP might make a contribution to the pilot project. However, the Consultant found that there had not been any preliminary dialogue with UNDP, which might have cleared up a basic misunderstanding, namely, that UNDP thought the Pilot Project was a €1.0 million per year project, not a €1.0 million project in total. UNDP confirmed that it would not be a funding partner in any multi-donor funding to the proposed Pilot Project. However, UNDP would play a fundamental role in management and coordination and monitoring of the project on behalf of the EU.

3.1.3 Private Sector Funding Contribution

In PNG there are two large mining/oil companies which have considerable funds to allocate to community development in compensation for the land they have lost to these enterprises. These are the liquefied natural gas (LNG) project by Exxon-Mobil in Gulf and Southern Highland Provinces, and the large OK Tedi Gold Mine in West Sepik and Western Provinces that places its development funds in Sustainable Development Programme Ltd. It is understood they have difficulty in disbursing these funds properly as communities adopt a “shopping list” approach. Other possible private sector investors could be larger plantations in West New Britain or the Highlands who wish their worker’s welfare and village’s social infrastructure to be improved. The MVD Project could provide an opportunity to disburse these funds according to community real needs, capacities and plans. It is understood that Government is in discussion with one of these enterprises as a possible contributor to a larger second phase, assuming the pilot project is successful.

3.2 Management Costs

Management costs are a major factor in the design of the project, as with only a small EU budget of €1.0 million, plus a €0.05 million community contribution available, it is necessary to keep project management costs down to prevent them absorbing too high a proportion of the funds available. Two main management options were reviewed:

**Option A:** Option A. A conventional centrally managed project by UNDP with a PMU established in Port Moresby (POM) with an office comprising a minimum staff - mainly an international Project Manager (PM) (preferred) recruited by UNDP, plus utilising the services of the UNDP Field Services Unit to organise, procure and administrate the funds, plus travel (air flights, vehicle hire, accommodation and per diem) for a nationwide project.

<table>
<thead>
<tr>
<th>Item</th>
<th>€</th>
</tr>
</thead>
<tbody>
<tr>
<td>UNDP Manage fee 7% of total project €1.0 mill</td>
<td>70,000</td>
</tr>
<tr>
<td>Direct Costs:</td>
<td></td>
</tr>
<tr>
<td>Project Manager International €6,000/m x 36 month</td>
<td>216,000</td>
</tr>
<tr>
<td>Air Travel to selected villages flights €300 x 18/yr x 3</td>
<td>16,000</td>
</tr>
<tr>
<td>Vehicle Hire inc driver €300/day x 50 days x 3</td>
<td>45,000</td>
</tr>
<tr>
<td>Accom/per diem 150 days x €300/day</td>
<td>32,000</td>
</tr>
<tr>
<td>Security in Highlands</td>
<td>10,000</td>
</tr>
<tr>
<td>Monitoring travel costs</td>
<td>20,000</td>
</tr>
<tr>
<td><strong>Total Management Costs over 3 years</strong></td>
<td><strong>€ 409,000</strong></td>
</tr>
</tbody>
</table>
The budget clearly indicates that this approach would be inappropriate for such a small project as 40% of base funds would be devoted to management costs. On this basis, UNDP concluded the project to be a non-viable and that the project size should be increased through increased EU funding. A minimum size in which UNDP management costs would be in line with total costs would be at least €2 million or preferably about €4 million, the size originally presented in the Sachs Concept paper. The Consultant concurs with this view of project size and viability, but sought an alternative lower cost management solution to resolve this problem as in Option B below. The possible alternative of concentrating the pilot villages in one area, e.g. the Highlands and setting up a PCU in that area to reduce travel costs from a POM office was discussed, but discounted as it would not allow a range of environments to be tested under the Pilot Project.

**Option B:** A system based on management by CBOs at village level (as with the RWSSP) through grants to the CBOs, with the UNDP facilitating and coordinating the grants to the CBOs; (similar to the Global Environmental Facility (GEF) in which UNDP contracts to a number of NGOs). UNDP noted that there were serious problems with the original GEF grants leading them to be cancelled, but has subsequently resolved the problems through tightening up the contracts and controls. It would only need a PNG National as a Project Coordinator and the PCU could be established in the DNPM who would absorb the office costs (rental and office utilities). This is similar to the RWSSP structure and approach.

### Table 3.2 Indicative Management Costs for UNDP Implementation through CBOs

<table>
<thead>
<tr>
<th>Item</th>
<th>€</th>
</tr>
</thead>
<tbody>
<tr>
<td>UNDP Manage fee 7% of total direct eligible costs inc contingency of €0.97 million</td>
<td>68,000</td>
</tr>
<tr>
<td><strong>Direct Costs:</strong></td>
<td></td>
</tr>
<tr>
<td>Project Coordinator (PNG national) €1861*/m x 36</td>
<td>67,000</td>
</tr>
<tr>
<td>Air Travel to selected villages flights €300 x 16/yr x 3</td>
<td>14,000</td>
</tr>
<tr>
<td>Vehicle Hire €300/day x 16 days x 3</td>
<td>14,000</td>
</tr>
<tr>
<td>Accom/per diem 26 days x €200 x 3</td>
<td>16,000</td>
</tr>
<tr>
<td>Security for PC in Highlands</td>
<td>6,000</td>
</tr>
<tr>
<td>Monitoring travel costs</td>
<td>8,000</td>
</tr>
<tr>
<td><strong>Sub-total Direct costs</strong></td>
<td>125,000</td>
</tr>
<tr>
<td><strong>Total Base Management Costs</strong></td>
<td>192,000</td>
</tr>
<tr>
<td>Contingency reserve 5% of direct eligible costs (excluding management fee)</td>
<td>6,000</td>
</tr>
<tr>
<td><strong>Total UNDP Management Costs over 3 years</strong></td>
<td>€ 199,000</td>
</tr>
</tbody>
</table>

* Including pension and health charges incurred in UNDP personnel contract; office rental and operating costs covered by DNPM.

The cost of evaluation missions are not included above as they would be covered by funds allocated in the Financing Agreement for RED Phase 1 to provide mid and end of term evaluation missions for the whole programme, including the MVD Pilot Project.

The total of nearly €200,000 represents approx. 20% of the total base costs. It is still relatively high, but this is almost inevitable in PNG with its high travel and transport costs due to remoteness of rural communities. It is considered a fair level for a pilot project of this size and would enable a total of four selected villages to be funded.

### 3.3 Community Level Investment Costs

Investment costs per community are relatively high in PNG as it is a multi-sector approach and the cost of transport and materials are very high for the many remote villages often accessible only through difficult terrain on poor roads or by long boat trips. As a result, total
cost per village is generally higher than that found in the African pilot projects. The Consultant collected some data on the total investment costs required in a number of different village situations. This indicated a wide range from K 0.75 million to K 1.5 million (an average of say K 1.0 million or € 312,000 per community, or, for an average population of 1,000, an average of € 312/capita or € 300,000 per community. This represents a sizeable investment that is beyond the funding capacity of this Pilot Project.

In addition, the period of implementation constrains the investment level that can be absorbed as multi-sector development programmes are likely to take longer than the relatively short period conditioned by donor project cycle constraints. The MVD funds therefore are seen as contributing towards a longer term and greater investment development plan. The MVD Pilot Project would therefore provide funds that complement other funds available. Actual investment plans would also vary according to specific community population, situation and location, previous sector and complementary investments available from the DSIP or other donor sources.

At this stage, it was felt that a balanced allocation to the selected villages, namely an average budget of € 200,000 or K 620,000 to each village against which communities and their CBO support would need to adjust their priorities, cost assumptions and timing (e.g. in terms of low cost self build housing, and income generation opportunities for community self generated funds). A more flexible option for disbursement between the different villages would be to set a minimum investment level per village of € 150,000 with the remaining €50,000 allocated to a combined pool of € 200,000 to cover the variations in the actual village budgets.

The issue arising is community capacity to absorb such an investment in a relatively short period and sustainability of the investments. Sustainability, namely whether the MVD villages would be able to support the investments made and continue their progress without a loss of momentum after the pilot project funding stops, is an issue and one which the Pilot Project would address. Based on discussions held by the Consultant with NGOs and projects concerned with community development, as well as with observations on the field visits, it is felt that there would be a risk of non-ownership, aid-dependence and non-sustainability if too rapid and too large an investment was attempted due to capacity constraints at community level. This could be minimised by building on experience and confidence gained in a single sector development with long standing CBO support and adopting a low cost, appropriate technology, approach using self-help, self-build structures based on local materials (locally sawn timber) as far as possible. Whichever funding level, the Pilot Project would aim to demonstrate the communities’ capacity to plan and implement the investment on a sustainable basis.

The proposed project management model however is neither replicable nor sustainable for a large scaled-up phase. It is justified for the pilot phase only, in relation to the prevailing situation. This approach was also adopted in the African pilot projects.

### 3.4 Funding Modalities

The main issue is that funding of multi-sector development by government and donors’ cuts across the present mainly sector driven and funded development programmes by respective in-line Departments. Currently there is no major source of multi-sector funds available to communities, although grants provided by the DSIP and MPs are sometimes allocated to individual communities.

The main funding modalities for a pilot project are:
A separate donor funded and managed project with funds by-passing the government direct to the community, managed by a CBO/NGO. EU funded projects follow this modality and is preferred by communities;

Set-up a MVD multi-sector development fund managed by Government at district level. However, the project approach is the only aid delivery modality used by the EU to channel funds in PNG so far.

Place MVD funds in the respective sector line ministries to channel and administer the funds down to the community or a CBO at village level, according to specific sector requirements. This represents the present modality for government funding and some larger multi-donor funded programmes.

The MVD Pilot Project however would be integrated with the District level planning of development expenditure and projects through close liaison with the JDBPPC to ensure funding coordination. Thus, despite the separate funding administration conditioned by the donor, the modality would represent a partnership between the village/CBO and donor and Government and therefore in line with the current Government focus on empowering and building capacities of CBOs, Wards, LLGS, and the rural population.

3.5 Project Implementation Period

Implementation period would be according to the schedule contained in the Financing Agreement for RED Phase 1 signed in May 2011 for a 5 year period to May 2016, the time for which began at the signature date. This would allow a 3 year period starting say April 2012 (according to time required to get the EU project document approved and to formalise and agree the EU-UNDP Contribution Agreement) and finish in 2015, but leave some flexibility for a possible no-cost extension in a fourth year. UNDP stressed the importance to coincide project closure with the global MDG deadline of 2015 in order to enable a comparison with what has been achieved by the Pilot Project.

3.6 Village Selection

Multi-sector development is currently being actively discussed and partially practiced by many villages in PNG, some of which have a well organised and led development committee. It was clear from the visits and discussions that there are many villages throughout PNG that meet the selection criteria for the MVD pilot project. An entry point for communities to take on multi-sector development is usually to build on one sector development e.g. that provided by the RWSSP or improved Provincial Health Delivery Services, or government programme with a strong Community Development (CD) approach, with a catalyst provided by long term CBO support. An effective partnership between the Provincial Government, CBO and individual Communities is an important criterion as it would save time in terms of project implementation, but it avoids the issues facing those villages having had no development support and which would represent part of the target group of a scaled-up phase.

The main selection criteria, not in any order of priority are summarised as follows:

- CBO support over extended period, but avoid cases of over-dependence.
- A Community can already demonstrate ownership, organisation, leadership and a self driven approach,
- Previous development through EU funded RWSSP or Province Health Programme with strong CD approach, including Healthy Island Concept (HIC)
- Provincial government, especially in WHP and MBP pilot Health Authorities and LLG support,
- Cohesive village/area
• Community lies within one of the Economic Corridors (focusing on poverty alleviation) and/or Dept of Community Development target districts/CLDCs.
• Opportunities for income generation from agriculture development (considered one of the priority developments by the Consultant).

In order to cover a range of factors to enable those that give good results to be identified, the main criteria are considered to be the degree of remoteness, the degree of self-driven community development and/or the degree of long term CBO support that has been received to-date, the opportunities for income generation in both subsistence areas and market accessible areas, the degree of social cohesion (e.g. as generally found in Island communities and sometimes lacking in Highland communities). whether a village lies in an Economic Corridor and/or in a CLDC target district, and the degree of provincial Government and LLG backing.

Sample villages were visited on field trips to East Sepik and the Highlands Region on the basis of recommendations by RWSSP staff, who have an extensive knowledge of villages undertaking community development throughout PNG, as well as by the Provincial Health Authorities. A long list of 10 villages considered suitable as pilot villages is presented in Table 3.3 on the basis of the above criteria and a scoring index developed by the Consultant, details of which are presented in Table 3.4. Details of all the ten villages are presented in the Feasibility Study Report. With the funding limitations only four can be selected – the first four in the tables below.

Table 3.3 List of 10 Selected Villages

<table>
<thead>
<tr>
<th>Village/Dist/Province</th>
<th>Popln</th>
<th>CBO</th>
<th>Main Characteristics/Development</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trolga/Mul-Baiyer/WHP</td>
<td>2,000</td>
<td>Baptist Union</td>
<td>Remote, self-driven community, poor, road &amp; bridges improvement, primary school infrastructure, livestock development, health</td>
</tr>
<tr>
<td>Domil /Nodugl/Jikawa Province</td>
<td>1,500</td>
<td>ICHD</td>
<td>Accessible, well organised/ led community, main focus on income generation through appropriate technology for small farmers (cassava, poultry and pig production), health</td>
</tr>
<tr>
<td>Musendai/Ambunti-Drekikir ESP</td>
<td>1,200</td>
<td>SSEC</td>
<td>Fairly Remote, good CBO support, community hall, primary school, health centre, road improvement, electrification, agric. income generation</td>
</tr>
<tr>
<td>Sibilai/Alotau/ MBP</td>
<td>400</td>
<td>MBCDFA</td>
<td>Very remote, CBO support, island situation, infrastructure (road)aid post, income generation (poultry, pig cassava, vegetables/fruit) resource centre, tourism, LLG support, motivated cohesive community,</td>
</tr>
<tr>
<td>Paikona/Tambul/WHP</td>
<td>3,000</td>
<td>Baptist Union</td>
<td>Accessible, self driven community, education infrast, community hall, water supply upgrade, footbridges, electrif, increased micro-credit for inc. generation</td>
</tr>
<tr>
<td>Amahup,/ESP</td>
<td>1,000</td>
<td>SSEC</td>
<td>Remote, primary school infrast., mobile saw mill, income generation</td>
</tr>
<tr>
<td>Kompian/Enga</td>
<td>1,000</td>
<td>Baptist Union</td>
<td>Remote, not visited by Mission, implem RWSSP project, good community appr, Income generatin, aid-post infrastructure</td>
</tr>
<tr>
<td>Bolubolu,/Goodenough</td>
<td>n/a</td>
<td>Catholic</td>
<td>Remote and location of CLDC to link</td>
</tr>
</tbody>
</table>
Island/MBP villages with resource people/organisations

- Yigai, ESP: n/a Health Resources
  - Very remote, water supply & sanitation, forest conservation income generation, also location of CLDC

- Hagen Central District: 2,300 WHRWE
  - Accessible, strong women leadership, completed RWSSP, micro-finance and training, income generation, health problem

### Table 3.4 Selection Criteria Scores and Main Sector Developments for 10 Villages

<table>
<thead>
<tr>
<th>Province/Village</th>
<th>Selection Criteria Score</th>
<th>Main developments</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total Score</td>
<td></td>
</tr>
<tr>
<td>WHP/Trolga</td>
<td>12 3 1 1 2 2 3 0</td>
<td>* * * * *</td>
</tr>
<tr>
<td>Jiwaka/Domil</td>
<td>12 1 1 3 1 3 3 0</td>
<td>* - - - *</td>
</tr>
<tr>
<td>ESP/Musendai</td>
<td>13 1 3 2 2 2 3 0</td>
<td>* - * * *</td>
</tr>
<tr>
<td>MBP/Sibilai</td>
<td>14 2 3 1 3 2 3 0</td>
<td>* - - * *</td>
</tr>
<tr>
<td>ESP Amahup</td>
<td>11 1 1 2 2 1 2 0</td>
<td>* * * * *</td>
</tr>
<tr>
<td>WHP Paikona</td>
<td>9 2 1 2 1 1 2 0</td>
<td>* * * * *</td>
</tr>
<tr>
<td>Enga Kompian</td>
<td>9 1 1 2 2 1 2 0</td>
<td>- - * * *</td>
</tr>
<tr>
<td>MBP Bolubolu</td>
<td>12 2 3 0 2 0 2 3</td>
<td>- - * * *</td>
</tr>
<tr>
<td>ESP Yigai*</td>
<td>11 1 3 1 - 1 2 3</td>
<td>* - ** * *</td>
</tr>
<tr>
<td>WHP Hagen Cen</td>
<td>8 1 1 1 1 2 2 0</td>
<td>- - - * *</td>
</tr>
</tbody>
</table>

Scale: Remoteness- 3 remote 1 accessible; Self-driven 3, CBO 1; Cohesion poor 1, good 3* Travel time/costs too high for limited pilot project** Forest Conservation component

Even with only four villages (the minimum number considered acceptable) the selected villages represent a range of different environments from which lessons can be learnt on the key factors that give good development results. The four selected village are: Trolga in WHP, Domil in Jiwaka Province, Musendiah in ESP and Sibilai in MBP, with a total population of approx. 5,100. Those not included in the first four would form a “reserve” list should more complementary funds be made available, or one of the four villages becomes unsuitable by the time project implementation commences in 2012.

### 3.7 Replicability

The issue of replicability of the pilot project in terms of the investment required to scale-up the approach is a key part of the MVD Pilot Project trial and the consequences for a larger scaled up phase. A high level of investment for all villages in PNG would require a massive national investment making replication unacceptable. To not do anything as a response to this would be equally unacceptable. The proposed MVD Pilot Project would adopt a low cost self-help approach to help reduce the size of a national bill, as well as provide a start to allow identification of lessons learnt on village and government service capacity, investment levels and the pace of development in designing a scaled up phase.
3.8 Location of Project Coordination Unit

The proposed Project Coordination Unit (PCU) should be anchored within Government as part of government policy to take ownership of the Project and of any expanded second phase programme and so avoid having a detached donor funded project. The main options considered were the Department of Community Development, the Department of Provincial & Local Governments Affairs, the Department of Implementation & Rural Development and the DNPM. Relevant details of these institutions are covered in Section 1.5 from which the main factors for justification and recommendations to anchor the Project are summarised in the following table.

Table 3.5 Summary of Institutions and their Justifications for Anchoring the PCU

<table>
<thead>
<tr>
<th>Department</th>
<th>Main Factors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Department of Community Development</td>
<td>Promotes linkage of villages to resource people and organisations, as well as monitoring and reporting on MDG status. It operates 14 target provinces/districts in which focal points are established in the form of Community Learning and Development Centres (CLDC). Currently the Department mainly functions at national level with limited capacity and resources available at District and community levels to reach and support individual rural communities. It is therefore not considered an appropriate institution for implementation of the Pilot Project at this stage, though it should have a supportive role and be a member of the Project Steering Committee. However, it may well play a larger role in any scaled-up phase given appropriate resources and capacity building inputs.</td>
</tr>
<tr>
<td>Department of Provincial &amp; Local Government Affairs</td>
<td>Linkage with the decentralised local district level governance through the LLG and the JDP&amp;BPC is a key factor to ensuring government’s involvement in the project and therefore sustainability of the approach in any scaled up government funded phase. Mainly concerned with decentralised government structures and does not work closely with individual communities. Not considered appropriate body to anchor the project at this stage.</td>
</tr>
<tr>
<td>Department of Implementation &amp; Rural Development</td>
<td>Former Office of Rural Development. Responsible for DSIP grants allocated for rural development to all 89 districts and the DIMS district level data collection exercise. Strong political bias in past and risk in immediate future. Important coordinating role for district level investment planning. Not considered appropriate anchor point for PCU</td>
</tr>
<tr>
<td>DNPM</td>
<td>Is concerned with national MDGs and future government policies in terms of adopting the MVD concept on a larger scale. Has a UN Adviser working on MDGs. Has monitoring responsibility and capacity, and has established regional offices (Provincial Liaison and Monitoring Division (PLMD) undertaking monitoring activities in various sector programmes. Has offered office and office support facilities in POM. It is the recommended anchor point for the PCU</td>
</tr>
</tbody>
</table>

Thus, despite the separate funding administration conditioned by the donor, the Project would be anchored in DNPM and demonstrate a partnership between the village/CBO, donor and Government. It would be in line with Government’s focus on empowering and building capacities of CBOs, communities and LLGs. This would ensure that the project remains in government focus, since, if successful, it would pave the way to replication on a larger scale, funded by government and other donor partners.
APPENDIX 4. Selected Village Details

4.1 Musendai Village, ESP

Size and Structure: Located some 8 km off main highway from Maprik. Ward No.9 with two villages and total population of 1200 made up of 4 clans. Community level structure comprises a Development Committee and following sub-committees: education (primary and elementary), health (healthy living, aid post), infrastructure (water supply, electricity, road and bridges) agriculture (cocoa, coffee, vanilla, livestock), economy (market, micro-credit), law and order, home affairs (church, women, youth). The community is tidy and well presented with trimmed hedges, cut verges and flowers – an important feature of the Healthy Island Concept.

Development to-date from 1982-2009 has comprised: village community centre building, aid-post building and a permanent house, road upgrading, 2 x permanent staff housing for primary school. Cost of development to-date is a total cash value of K 273,000 paid by the community on a self-build basis using locally sourced timber. The village has also realised the benefits of the Health Centre situated 8 km away in Brugam operated by SSEC, incl supply of vaccines, medicines and drugs.

The Development Plan for 2011-2015 comprises the following projects in order of priority:

(i) RWSSP funded by EU (total K 180,000 inc K18,000 cash payment made by village;
(ii) rural power supply inc already purchased 50kva generator for K 46,000 totalling K 300,000;
(iii) a community hall building and office with furniture and equipment K 250,000;
(iv) improving households in the village, purchase of mobile saw mill for community to source local timber available for building materials, Total K 40,000;
(v) primary school improvement with 2 x permanent classrooms and 2 x permanent staff houses K 387,000;
(vi) aid post staff housing x 2 and completion of Health Centre local semi-permanent building. K 250,000.

Cost of future development. Grand total excluding donor/CBO contributions (EU) K 1.245 million. However, addition of EU funds for the water supply and SSEC funding of equipment/furniture in the Health Centre raises total investment to about K 1.5 million or €470,000, excluding value of CBO support, training and leadership inputs, which could raise the total cost of the development plan to €500,000 or €420 per capita. This cost level assumes sourcing wood from the local large teak trees in the forest, rather than buying-in of materials, a feature not available to all villages.

Much of improvements are self build with the aim to gradually replace the present semi-permanent structures (local bush materials) with permanent structures (using their own timber and brought in materials) for sustainability (cost of a house approx K 50,000 instead of K 100,000 for complete bought-in house) but it is likely that this cost could be reduced further by self-build and appropriate design. No village houses are included in their plan as in other villages visited. As the teak forest is depleted, the cost of building materials will rise.

No agriculture/income generation activities included in their plan, but on discussion they identified a need for cooperative coffee marketing to improve coffee prices. Village is self sufficient in food with main income derived from selling cocoa and coffee (previously vanilla before prices fell). Government extension service does not visit (only once a year to
check-up) to advise on new developments. Greater priority could be attached to agricultural development including small credit scheme and training in agriculture techniques. Should also consider forestry project to plant teak forests using seedlings produced by forestry propagation centre near Maprik (under EU funding). The community would also like 8 km road upgrading from Brugam at a cost K 100,000 or less if self-build with a hired dump truck, and training courses in artisan trades and on-the-job training.

4.2 Trolga Village, WHP

Size and Structure: Located in a fairly remote rural upland area situated some 50 km north of Mt. Hagen, partly along a sealed road (under construction by a Road Improvement Project) and partly along a poor gravel road with several very poor bridges making access to the village and markets difficult and costly. Total village population is approx. 2,000 with 3 clans. The village school, health facilities and housing are “bush” self-build construction, there is no electricity nearby and the village has a high level of needs. Typhoid and maternity deaths are major problems.

Developments to-date has comprised (i) planning of a water supply scheme by visiting Baptist Union who assisted in preparing a proposal for funding but no project appears to have materialised (was not included in EU funded RWSSP); (ii) Planning an urgently needed replacement Health Centre and submitting a costed proposal to the PHA for funding (total K743,000 comprising a permanent building, staff houses, patients toilets and water facility, solar for lighting and vaccine freezer and an ambulance), supported by training and health promotion activities) and implementation by the PHA; (iii) application for the top priority need, namely a major road and bridges upgrading project costing in the region of K 1.0 million but this appears to have not been accepted to-date; (iv) the village is now registered with a code number in the Education Dept. confirming that a school is needed (which is currently lacking and urgently needed - pupils currently walk up to 2 hrs to the nearest primary school).

Future Development (no formal written Ward Development Plan and not budgeted). The community has a multi-sector plan comprising some 10 components in order of priority: road and bridges improvement, the new Health Centre (as above), water supply & sanitation, primary School buildings (on self-build basis) with Education Dept to supply teachers and running costs, livestock development with Division of Agric & Livestock support, village court sports facilities, religious groups, environment & conservation, housing replacement and tourism development. In addition, the community is keen to prepare a fully documented Ward Development Plan. They will need further consideration of income generation particularly after road is improved allowing better market and input access. Trolga is a central point and could be a model for the surrounding villages with a total population of 15,000 (Health Centre will service these villages and this population).

Conclusion: Development to-date has been limited, with several setbacks. Nevertheless, the health initiative and leadership shown (and on-going) by the Health Officers concerned) has created a positive community self-help development approach including accepting ownership with results that should reduce the obvious poverty and improve the main millennium health and education indicators, More importantly it has paved the way to building confidence and capacity to take on multi-sector development to improve the welfare of their community. Availability of government services and funds generally poor.

It is proposed as a candidate for selection as a MVD pilot project for which the Baptist Union would be the appropriate CBO with previous experience with community development in the community, as well as in implementing the RWSSP projects in a number of villages in the Highlands.
4.3 Domil Village, Jiwaka Province

**Size and Structure:** Located in rural upland area some 35 km east of Mt. Hagen along the main sealed highway towards Simbu in the newly (2011) created Jiwaka Province (formerly WHP) in Nondugl District. Population is 1,500 with 11 clans and 2 tribes, 1 ward.

**Background:** The concept of Integral Community and Health Development (ICHD) began in 1992 under the umbrella of the Nazarene Church, but after 13 years it withdrew due to the greater size of the programme and the CBO, ICHD took over and is still the major partner/leader in the village’s development. The community is seen as a model community with an enabling environment for community integrated multi-sector development. The community see the government system as having failed them in terms of providing both social services and development assistance. The LLG Ward Development Plan without budget is seen of little value to them. As a result, the community has set up its own Community Government and have sought external donors for assistance that can by-pass the government system. The result is impressive in terms of a well organised community structure with a clear long term vision with supportive inputs provided by ICHD to encourage self-help and income generation for the population to be able to improve their own socio-economic condition on a self-financing sustainable basis.

**Development to-date:** The main developments in summary are: (i) operation of an aid-post with Health Volunteers (ii) the just completed EU funded RWSSP, an on-going AusAID supported NARI project to increase cassava production and establish a pilot cassava processing plant as a source of chicken feed to increase poultry production to diversify income generation as coffee is declining (as a spin-off of the water supply project that will enable water to be used for development as well as domestic use); (iv) Establishment of a Resource Centre that is a multi-purpose service centre including a meeting hall, manager’s office and records office, accommodation facilities for visitors, post office, shop selling seeds and small miscellaneous items, email, photocopying, trial plots and nursery for improved varieties of cassava, cocoa etc (NARI supported) to bridge the gap between research and farmers; storage of materials for purchase and tools for hire (e.g. saw mill and pumps that removes ownership issues), an information library with newspapers, reports, brochures and Fresh Produce Newsletters; and (v) a just commenced banking scheme implemented by the National Development Bank to provide small short term loans to promote agricultural development.

The community has adequate school buildings, good road access (or rather after completion of some work to improve a steep part of the road) and electricity is available (only the office and 20 HHs connected) – income generation is aimed to enable families to pay for the cost of connection etc. it is also concerned about youth issues and actively promotes gender equality, especially in the new cassava/poultry enterprise.

**Future Development:** Domil is seeking funding for further income generation plans which could enable the community to self-finance social needs. The main items in its long term development plan are:

- Improved health: increased training of health workers and more drug/medicine supplies;
- Improved children’s education: a changed curriculum to include English teaching (may lead to private tuition)
- Improved living standards such as housing up-grading to semi permanent structures, electricity etc.

The income generation plan comprises a major expansion of the pilot cassava/poultry project including a larger cassava processing plant for increased poultry production (out-
growers), a poultry processing and packing plant to add value to poultry incomes, establishment of a hatchery to supply their own chicks to out-reach farmers, production of pig feed from cassava waste for increased pig production (out-growers), pig slaughter and butchery plant with freezer to add value to pig incomes. This is a large project for which ICHD is currently seeking funding, which is at the proposal stage submitted to the NADP for a loan (dated June 2011), but no response has yet been received from NADP. The project is proposed as a private company with local villagers, farmers and ICHD as shareholders, with management by ICHD. The total additional investment funds being sought (after some sunk capital from NARI and a recent donation of K100,000 by an MP) and including working capital during build-up, is approx K 2.6 million, with a capital component of K 1.4 million and a working capital component of K 1.4 million).

This is considered to be too large and risky, not least as due to its size, it is likely to be “personalised” and could invite retaliation from other villages, and it is unlikely to attract bank funds. The mission would propose that instead of this project, a more appropriate technology approach at small farm level be adopted, whereby individual farmers can process their own cassava and feed it to his/her own poultry or pig enterprises. Support to the smallholder producers through the Resource Centre procuring day-old chicks, basic animal drugs, vaccines and medicines, vitamin/feed supplements, provision of micro-credit for assisting farmers to start up, and cooperative marketing of surplus poultry and pigs on behalf of individual farmers would facilitate these enterprises and could be funded through MVD Pilot Project funds channelled through ICHD as a donor “seed” grant to assist in the establishment of such support activities.

**Conclusion:** A well organised and successful community development to-date with CBO support, with further plans to consolidate achievements to-date in income generation to improve the living standards of its members in a sustainable way. It would provide a good example of replicable multi-sector development as it lies in an accessible high population density area. The planned large scale expansion of the cassava/poultry/pig project, however, should be replaced with a smaller scale appropriate technology approach to develop farm scale cassava processing and small scale poultry and pig production. It is recommended as a candidate for the pilot MVD project.

### 4.4 Sibilai Village, Milne Bay Province

Although not visited by the Mission due to time constraints, information was collected from RWSSP staff and the leader of the CBO, the Milne Bay Church Development Fund Association (MBCDF), in Alotau. Sibilai is very remote (accessible in 4 hrs by boat from Alotau, or longer overland). A RWSSP project was completed covering some 6 scattered villages with a total population of 1,600 including Sibilai, with a population of 400. The scheme and Sibilai village is supported by MBCDF, an organisation focused on bringing services and development to communities through partnerships with communities.

Sibilai is a very motivated, organised and cohesive community showing commendable commitment and a willingness to pay the 10% cash contribution, despite the low cash economy of the village (subsistence agriculture and fishing). It was awarded the top prize by the RWSSP PMU for excellence (the “High Performance Community Initiative”). A new road has been partially constructed over the hills that separate Sibilai from Alotau. What is needed is some road upgrading to connect Sibilai to this road, the consequences of which would be improved market and input access and significantly greater income generation activities would arise. Income generation activities would be cassava, poultry and pig production. The community is also interested in construction of an aid-post and a resource centre/meeting place for the community. Small scale tourism is another possible development. It is recommended as a potential candidate for the Pilot Project.
APPENDIX 5. Participating CBO Analysis

Introduction

There are many CBOs and NGOs operating in PNG and they perform a crucial role in service delivery especially in remote rural areas. Many have demonstrated capacity to support rural communities in various sector projects and programmes, whilst some have not been effective or well managed (as evidenced by comments from the review of EU funded NSA Strengthening Programme), hence selection of appropriate CBOs is important for the Pilot Project.

This analysis is based on the monitoring of all participating NSAs in the RWSSP\(^{14}\) plus observations of the Consultant on his field visits during the mission and discussions with the CBO Project Managers. The monitoring was carried out by the RWSSP against a set of agreed results with indicators and recorded for each NSA and is based on field visits by the PMU to NSAs during a period 5 – 26 July, 2011 to measure progress against results for each NSA. Scores on achievement and prediction of completion for progress in each NSA are given against each of four sections: awareness; planning; implementation; completion.

And marked as

- 0: Exceeds expectations
- 1: Already achieved
- 2: Certain to be achieved
- 3: Likely to be achieved
- 4: Unlikely to be achieved
- 5: Will not be achieved.

The main geographical coverage, number of RWSSP schemes implemented, or being implemented, other comments on effectiveness and scores for the four selected CBOs are given below. All have been commended for a good or very good CD approach, have supported well organised community development, established cooperation and confidence of the communities and have been active over an extended period of years. None were identified as “of concern” requiring closer monitoring and support to ensure that they complete contracts on time and to standard.

\(^{14}\) NSA Monitoring Report M&E Summary Report, RWSSP, July 2011 These NSAs have already been screened in the RWSSP initial selection process.
<table>
<thead>
<tr>
<th>CBO</th>
<th>Main Geographical Coverage, RWSSP Projects and Other Comments</th>
<th>Awareness</th>
<th>Planning</th>
<th>Implementation</th>
<th>Completion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Baptist Union</td>
<td>WHP, Mt Hagen office, 2 current RWSSP schemes: Kuyamu (procurement infrastructure successfully completed) and Sula (new), good CD, consulted well with the community and community well prepared and 10% contribution all collected, hygiene training conducted and women awareness stressed, wider and previous experience in Highlands region</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>ICHD</td>
<td>Jiwaka Province, Domil Village, Office in village. Excellent evidence of on-going community management and project supervision. Domil village is well regarded at national level and is considered as a model village for the 2050 vision. The CBO project manager has been invited to present views on policy of total community development to Minister of Rural Development and the Prime Ministers office. The CBO and Community have a long history of working together and this has led to successful implementation. The Community has participated well in RWSSP and has developed across all sectors, especially in income generation.</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>MBCDFA</td>
<td>MBP, office in Alotau. Have implemented RWSSP schemes in 6 scattered and remote villages. Progress is very good. Sibilai scheme is completed. Community involvement and motivation on this project appear to have been very high. Especially for such a remote village. Sibilai received RWSSP prize for “excellence”. Training conducted and women participation focus.</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>SSEC</td>
<td>ESP, office at Brugam, Maprik District. Focus is on improvement of social infrastructure through a multi-sector approach involving the establishment of well staffed and equipped Health Centres (serving several villages) and aid posts (at village level utilising trained health volunteers), improvement of school infrastructure, establishment of community office and meeting rooms, provision of water supply and sanitation, electrification, improvement of village housing and training/capacity building using the SSEC’s central “learning centre”. Considerable previous donor investment in Health Centres serving some 100,000 people in 200 villages. A large scale RWSSP scheme in 20 villages with a population of 11,000 being implemented. Approach based on Healthy Island Concept. Community participation on the whole appears very good and RWSSP project fits in well with the overall Healthy Island concept. Women active and empowerment focus. Focus on social infrastructure only – needs income generation, accepted by SSEC.</td>
<td>2</td>
<td>2</td>
<td>3</td>
<td>3</td>
</tr>
</tbody>
</table>
## APPENDIX 6. MDG Baseline Data, Targets and Index Score Card

### Table 6.1 Baseline and Localised 2015 MDG Targets

<table>
<thead>
<tr>
<th>MDG National (localised) Targets for 2015</th>
<th>1990</th>
<th>Recent estimate</th>
<th>Target 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1. Eradicate Extreme Poverty and Hunger</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- decrease by 2015 proportion of people below the lower poverty line by 10%</td>
<td>30</td>
<td>28</td>
<td>27</td>
</tr>
<tr>
<td><strong>2. Achieve Universal Primary Education</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Gross enrolment rate of 85% at primary school</td>
<td>74</td>
<td>75</td>
<td>85</td>
</tr>
<tr>
<td>- Retention Rate of 70% at primary level</td>
<td>62</td>
<td>62</td>
<td>70</td>
</tr>
<tr>
<td>- Youth Literacy Rate of 70%</td>
<td>61</td>
<td>62</td>
<td>70</td>
</tr>
<tr>
<td><strong>3. Promote Gender Equality &amp; Empower Women</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- GPI students in primary education</td>
<td>0.96</td>
<td>0.90</td>
<td>1.0</td>
</tr>
<tr>
<td><strong>4. Reduce Child Mortality</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reduce infant mortality rate (per 1000 births)</td>
<td>72</td>
<td>44</td>
<td></td>
</tr>
<tr>
<td>Reduce Under 5 Mortality Rate (per 1000 live births)</td>
<td>115</td>
<td>72</td>
<td></td>
</tr>
<tr>
<td><strong>5. Improve Maternal Health</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- decrease maternal mortality ratio per 100,000 births</td>
<td>739</td>
<td>733</td>
<td>274</td>
</tr>
<tr>
<td><strong>6. Combat HIV/AIDS, Malaria and Other Diseases</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Incidence rate of HIV/AIDS by 2020</td>
<td>n/a</td>
<td>0.8</td>
<td>Imprecise</td>
</tr>
<tr>
<td>- incidence rate of Malaria per 100,000 per year</td>
<td>246*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- incidence rate of TB per 100,000 per year</td>
<td>475*</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>7. Ensure Environmental Sustainability</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- HHs with sust access to safe water sources %</td>
<td>n/a</td>
<td>16</td>
<td>73</td>
</tr>
<tr>
<td><strong>8 Develop a Global Partnership for Development</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Millennium Devel Goals, Summary Report 2009 UNDP/GoPNG+* 2008 source below

### Table 6.2 Comparison of Baseline MDGs, Localised 2015 & 2030 Targets

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Base</th>
<th>Tailored 2015 Target</th>
<th>2030</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Health Indicators</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Infant Mortality</td>
<td>57/1000 in 2006</td>
<td>44/1000</td>
<td>&lt;17/1000</td>
</tr>
<tr>
<td>Under 5 Mortality</td>
<td>75/1000 in 2006</td>
<td>72/1000</td>
<td>&lt;20/1000</td>
</tr>
<tr>
<td>Maternal Mortality</td>
<td>723/100,000</td>
<td>274/100,000</td>
<td>&lt;100/100,000</td>
</tr>
<tr>
<td>Incidence of TB</td>
<td>475/100,000 - 2008</td>
<td>TB under control</td>
<td>150/100,000</td>
</tr>
<tr>
<td>Incidence Malaria</td>
<td>246/100,000 - 2008</td>
<td>Has risen since</td>
<td>&lt;100/100,000</td>
</tr>
<tr>
<td><strong>Education Indicator</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net enrolment rate primary school</td>
<td>52.9%</td>
<td>Low due to low affordability, poor infrastructure, poor teachers, esp. in rural areas</td>
<td>100%</td>
</tr>
<tr>
<td>Completion Rates to level 8</td>
<td>45.4%</td>
<td>No improvement</td>
<td>Close 100%</td>
</tr>
<tr>
<td>Retention Rate</td>
<td>30%</td>
<td>A low transition rate</td>
<td>70%</td>
</tr>
<tr>
<td>Youth Literacy</td>
<td>&lt; 64%</td>
<td>Low due to low enrolment and retention and weak teaching</td>
<td>90%</td>
</tr>
<tr>
<td><strong>Water &amp; Sanitation</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Access to improved water source</td>
<td>39% total pop; 30% of rural pop, 2005</td>
<td>Just 9% of population of PNG have access to piped water</td>
<td>70% of pop</td>
</tr>
<tr>
<td>Access to improved sanitation</td>
<td>44% of population</td>
<td>Only 5% of pop have flushing toilets and 44% some form of improved sanitation</td>
<td>70% of pop</td>
</tr>
</tbody>
</table>

**Access to Electricity** | 12.4% of popln | 70% of pop |

Selected Indicators only Source: PNG Development Strategic Plan 2010-2030
MDG Progress Index Scorecard - Papua New Guinea  

Score: 0.5

**MDG 1A: Extreme Poverty**  
Halve Proportion of Population Under $1.25/day

![Graph showing insufficient data available.]

**MDG 1C: Hunger**  
Halve the Proportion of Undernourished Population

![Graph showing insufficient data available.]

**MDG 2: Education**  
Achieve Universal Primary Education

![Graph showing insufficient data available.]

**MDG 3: Gender Equality**  
Achieve Gender Parity in Schooling

![Graph showing insufficient data available.]

**MDG 4: Child Mortality**  
Reduce Child Mortality By Two-Thirds

![Graph showing observed and required achievement.]

**MDG 5: Maternal Health**  
Reduce Maternal Mortality by Three-Quarters

![Graph showing observed and required achievement.]

**MDG 6: Combat HIV/AIDS**  
Halt and Begin to Reverse the Spread of HIV/AIDS

![Graph showing observed and required achievement.]

**MDG 7: Environmental Sustainability**  
Halve the Proportion of People Without Access to Safe Drinking Water

![Graph showing observed and required achievement.]

Source: CGD MDG Progress Report Sept 2011
APPENDIX 7. Map

Location of 4 MVD Pilot Project Villages

ESP Musendai

WHP Trolga

Jiwaka, Domil

MBP Sibilai
ANNEX III

BUDGET FOR THE ACTION

Excel file ProjectBudgetwithYear1.xls to insert