

Government of Papua New Guinea

United Nations Development Programme

Project Document<sup>1</sup>

**National Capacity Self-Assessment for Global  
Environmental Management – Project Development  
Fund/Block A, Global Environment Facility  
(NCSA - PDF A)**

**Brief Description:**

The purpose of this activity is to prepare a request for GEF financing (a GEF Project Brief and associated UNDP Project Document) to conduct a thorough assessment and analysis of the capacity needs and constraints faced by Papua New Guinea (National Capacity Self-Assessment for Global Environmental Management - NCSA) as it works to meet its global environmental management obligations as set forth in the Rio conventions and related international instruments.

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<sup>1</sup> This Project Document format corresponds to that specified by UNDP/BDP in January 2004 and supports the ERP

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**SIGNATURE PAGE**

**Country: Papua New Guinea**

**UNDAF Outcomes:**   
 • Enhanced Leadership and Participation   
 • Improved regional and global Integration

**Expected Outcome/Indicators:**   
 (i) An overall understanding of capacity needs with regard to global environmental management and focus for the forthcoming capacity self-assessment   
 (ii) Increased Government commitment to implement and enhance national capacity to monitor UN Environmental Agreements and Conventions.

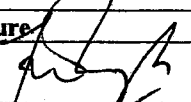
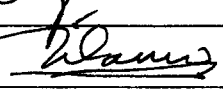
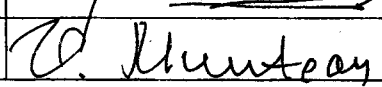
**Expected Output/Indicator:** NCSA Proposal for GEF funding

**Implementing partner:** Department of Environment and Conservation – DEC

**Other Partners:** Department of Environment and Heritage (DEH) – Government of Australia

Programme Period:	2003 - 2007
Programme Component:	Environment/Governance
Project Title:	National Capacity Self-Assessment, NCSA PDF A
Project ID:	00032173
UNDP GEF PIMS NO:	3073
Project Duration:	01.03.2004 - 31.04. 2004 (2 Months)
Management Arrangement:	National Execution (NEX)

Budget	USD 25,000.00
General Management Support Fee	N/A
Total budget:	USD 25,000.00
Allocated resources:	
• Government	N/A
• Regular (GEF)	USD 25,000.00
• Other:	N/A
• In kind contributions	USD 20,500.00
• DEC	USD 4,500.00
• DEH	USD 16,000.00
Unfunded budget:	N/A

	Name/Title	Signature	Date
Agreed by Government of Papua New Guinea:	MOSUAYDLA KWAYHILA FIRST ASSISTANT SECRETARY		03/03/04
Agreed by Department of Environment and Conservation:	WARI IANLO SECRETARY		03/03/04
Agreed by UNDP:	DRR, UNDP		03/03/04

## Section I – PDF A proposal

### Part I. & II. – Situational Analysis & Strategy

#### GEF - PDF BLOCK A – PAPUA NEW GUINEA

PART I - ELIGIBILITY	
1. <b>Project name:</b> National Capacity Self-Assessment (NCSA) for Global Environmental Management	2. <b>GEF Implementing Agency:</b> UNDP.
3. <b>Country in which the project is being implemented:</b> Papua New Guinea	4. <b>Country eligibility:</b> Papua New Guinea ratified the UNFCCC on 16 <sup>th</sup> March 1993, acceded to the CCD on 6 <sup>th</sup> Dec 2000 and meets all other eligibility requirements for funding.
5. <b>GEF focal area(s):</b> Multiple focal areas	6. <b>Operational programme:</b> Enabling Activity – NCSA
<p><b>7. Background activities related to the NCSA process:</b>                      The Government of Papua New Guinea gives high priority to environmental issues. The fourth objective of the national constitution directly addresses PNG's natural resources and environment stating "<i>We the people of Papua New Guinea declare our fourth goal to be for Papua New Guineas natural resources and environment to be conserved and used for the collective benefit of all, and be replenished for the benefit for future generations</i>".</p> <p>Papua New Guinea has ratified the UNFCCC, the CBD and UNCCD. It is also a party to the following regional and global agreements relevant to NCSA process:</p> <p><i>Global</i></p> <ul style="list-style-type: none"> <li>• Vienna Convention - 27 Oct 92 (Acc), 27 Jan 93 (F)</li> <li>• Montreal Protocol - 27 Oct 92 (Acc), 25 Jan 93 (F)</li> <li>• Kyoto Protocol - 28 March 02 (Rat)</li> <li>• CITES - 12 Dec 75 (Acc), 11 March 76 (F)</li> <li>• RAMSAR - 16 Jul 93 (F)</li> <li>• UNCLOS - 04 Dec 95 (Signature)</li> <li>• WHC - 08 Jul 97 (Acc)</li> <li>• POPs - 23 May 01 (Signature)</li> <li>• Basel - 01 Sep 95 (Acc), 30 Nov 95 (F)</li> <li>• MARPOL - 25 Oct 93 (Acc), 25 Jan 94 (F)</li> </ul> <p><i>Regional</i></p> <ul style="list-style-type: none"> <li>• Convention for the Protection of the Natural Resources and Environment of the South Pacific Region (Noumea) - 22 Aug 90 (F)</li> <li>• Protocol for the Prevention of Pollution of the South Pacific Region by Dumping - 18 Aug 90 (F)</li> <li>• Protocol concerning Cooperation in Combating Pollution Emergencies in the South Pacific Region - 18 Aug 90 (F)</li> <li>• Plant Protection Agreement for the Asia and the Pacific Region - 01 Jun 76 (Acc)</li> <li>• Agreement Establishing the South Pacific Commission - 16 Sep 75 (Acc)</li> <li>• South Pacific Fisheries Forum Agency Convention - 10 Jul 79 (F)</li> <li>• Convention on Conservation of Nature in the South Pacific (Apia) - 12 Jul 76 (signature)</li> <li>• The South Pacific Nuclear Free Zone Treaty (Rarotonga) - 15 Sep 89 (F)</li> <li>• Agreement establishing the South Pacific Regional Environment Programme (SPREP) - 31 Aug 95 (F)</li> <li>• Convention to ban the Importation into Forum Island Countries of Hazardous Wastes and Radioactive Wastes</li> </ul>	

and to control the Transboundary Movement and Management of Hazardous Wastes with the South Pacific (Waigani) - 21 Oct 01 (F)

Over the past three years, Papua New Guinea has completed the following enabling activities or capacity assessments directly or indirectly related to the three thematic areas that are to be addressed in the National Capacity Self-Assessment:

**PNGCCAP** - The PNG Climate Change Enabling Project – Phase I- was approved in 1998. Its main objective was to commence implementation of our reporting requirements under the United Nations Framework Convention on Climate Change (UNFCCC). Its main outcome, PNG's Initial National Communication was approved by NEC in January 2002 and submitted to the UNFCCC Secretariat in March 2003.

**PIREP** - PNG is also a key participant in the UNDP GEF-funded Pacific Islands Renewable Energy Project (PIREP), which also involves capacity needs assessment in the area of renewable energy development and application as part of the Pacific Island Countries' (such as PNG) mitigation measure to climate change.

**The Ozone ISP** - The Institutional Strengthening Project on implementation of the Montreal Protocol was approved in 1997. It will be terminally closed at the end of 2003. A submission for extension has been endorsed by Secretary for submission to the Multilateral Fund by our international implementing agency GTZ Proklima. The extension is for period 2004 – 2005. The main objectives of the Project was to set up the ozone office, create awareness on the objectives of the Montreal Protocol and undertake control measures to protect the Ozone Layer.

**The Terminal CFC Phase out Management Project** - This project was approved by the Montreal Protocol Multilateral Fund in March 2003. Its objectives are to undertake control measures to phase out the use of CFCs by year 2008. It is implemented by GTZ Proklima and will run until 2008.

**The National Action Plan under the UNCCD** - This Project is yet to be undertaken. DEC-Green House Unit is currently working on the request for funding with SPREP and the UNCCD Secretariat.

**The National Strategy Study on UNFCCC Clean Development Mechanism (CDM)** - This project has been revived by the World Bank. Australia's Department of Environment and Heritage (Environment Australia) has been identified as the implementing agency. The proposal is yet to be finalized.

**Biodiversity Strategy and Action Plan** - A principal requirement of biodiversity conservation that has not been complied with by PNG since ratifying the Convention in 1993 is the National Biodiversity Strategy and Action Plan (NBSAP). However, the implementation of the CBD commenced in earnest with the development of the National Forest Conservation Action Plan (NFCAP) in the mid-1990s. A number of major NFCAP projects laid the foundations, however this momentum has not been maintained due to budgetary and capacity constraints. The PNG National Report was also to have been submitted to the CBD Secretariat by 1998 through the NBSAP Project, however this action program never eventuated as projected.

**Persistent Organic Pollutants (POPs) Pilot Project** – The objective of the project is to strengthen national capacity to manage persistent organic pollutants (POPs) and to assist the Government in meeting its obligations under the Stockholm POPs Convention. The project will assist in developing a National Implementation Plan (NIP) for POPs management, thus enabling the government to reduce an eventually eliminate the POPs emissions. Duration of the project is 24 months (1 May 2002 – 30 April 2004).

#### **UNU Interlinkages PNG Case Study**

The most recent capacity-related project PNG has been involved with is the UNU Interlinkages Report, which examined possibilities for interlinkages and synergies between obligations under Multilateral Environment Agreements. As part of the UNU project a case study examining barriers to successful implementation of MEAs in PNG was conducted, endorsed by the UNU, DEC and the UNDP. This case study found that capacity constraints are a significant barrier to PNG meeting their responsibilities under MEAs to global environmental management, and recommended that PNG conduct an NCSA to identify gaps in capacity and opportunities to develop capacity.

**8. GEF national operational focal point and date of country endorsement:**

Dr. Wari Iamo-Secretary

Department of Environment and Conservation

Date: 5 June 1994

**9. Project rationale and objectives:**

The purpose of the project is to conduct a thorough assessment and analysis of the capacity needs and constraints facing Papua New Guinea as it works to meet its global environmental management obligations as set forth in the Rio conventions and other related international instruments. Current capacity is insufficient to make significant progress with implementing the MEA instruments within PNG. A prioritization process is needed through which Papua New Guinea can identify key capacity building needs and their roots causes, and establish any potential synergies between obligations under the three Rio conventions and other international instruments. The project will undertake a thematic profile for each subject area, (Biodiversity, Climate Change, and Land Degradation and other instruments) review priorities within each area and then identify capacity constraints at the individual, institutional and systemic levels. Opportunities for capacity building will be identified for each theme and then opportunities for capacity building across each theme will be identified where possible. The objective is to identify through a country driven consultative process, priorities, needs and the underlying causes for capacity building to protect the global environment.

The National Capacity Self-Assessment will build on current government policies and strategies by identifying both limits on capacity and opportunities to improve capacity, for example by identifying opportunities for coordination and cooperation between departments. Current GoPNG strategies and policies include the draft Medium Term Development Strategy (MTDS), as well as environmentally relevant policies such as the National Forest Policy, the Mining Policy, and the Fisheries Policy. The government's proposed Poverty Reduction Strategy lists as a priority area strengthening governance. A thorough capacity assessment in the environmental management field will build on this strategy by resulting in valuable knowledge that can be used to strengthen capacity throughout the government, which can be expected to lead to better environmental outcomes as GoPNG becomes more capable of implementing its international obligations.

Other work recently conducted relevant to the NCSA process has been through the UNU's Interlinkages Project. A case study was conducted on the environmental management regime in PNG. The study found that while PNG has a well-established institutional set-up for environmental management, including inter-agency bodies and organizations, very little coordination and cooperation occurs through these formal bodies, and capacity constraints hinder individuals, institutions and the system also. The study recommended that a comprehensive NCSA be undertaken to properly identify capacity constraints and opportunities related to environmental management in PNG.

The NCSA is intended to build on the above enabling activities; policies and studies relevant to capacity building that are already completed. The relevant executing agencies of GoPNG will work with the implementing agency, UNDP, to ensure the NCSA incorporates the following principles:

- The assessment is country-owned and driven
- The assessment is holistic, examining capacity needs at the systemic, institutional, and individual levels
- The assessment is developed through the engagement of a broad spectrum of national stakeholders in a consultative process
- The assessment identifies any synergies, overlapping obligations, and conflicting priorities between and among the thematic areas

As the NCSA proposal is developed, GoPNG will:

- Designate and confirm a national institution/unit to serve as the Focal Point for the NCSA process (DEC).
- Obtain the necessary endorsement of the basic rationale and objectives of the NCSA from all relevant institutions (in particular, DNPRD and UNDP).
- Identify any existing institutions or processes upon which the NCSA should build.

- Decide whether the NCSA process will result in an action plan or similar formal document.

**PART II - INFORMATION ON BLOCK A PDF ACTIVITIES**

**10. Expected outcomes:** To design an adequate and appropriate National Capacity Self-Assessment that conforms with all of the requirements set forth by the GEF Secretariat in accordance to the relevant GEF Council decisions and prepare a funding proposal for that assessment.

The NCSA will identify priority issues, capacity constraints and opportunities for capacity building in the areas of bio-diversity management, desertification, mitigation of climate change, and cross-cutting issues such as impacts and adaptation and take into account other international instruments. A report shall be produced at the end of the project outlining the main capacity needs in PNG, which may include an action plan for addressing capacity constraints, and an identification of areas which need further examination and improvement.

**11. Planned activities to achieve outcomes:**

To achieve the outcomes above, at minimum the following activities will be carried out:

1. Reviewing the formal proposal criteria and other related documents prepared by the GEF Secretariat
2. Identifying and consulting with the key government authorities and other stakeholders that are likely to participate in the NCSA process
3. Identifying and reviewing relevant action plans, strategies, vulnerability and assessment study reports and other relevant documents completed in the past three years
4. Identify and consulting with any relevant ongoing activities and programs,
5. Agreeing appropriate institutional arrangements for cross-sectoral integrated assessment,
6. Designing, in a highly participatory and consultative fashion, an NCSA project document
7. Preparing a proposal to obtain GEF funding to support the NCSA Process.

**12. Without limiting the possible stakeholders that may identified during the design of the NCSA proposal, it is anticipated that the following stakeholders will be involved:**

- 1 Key government ministries focused on sectoral issues such as ministries of Environment and Conservation, Agriculture and Livestock, Petroleum and Energy, Mining, Forestry, Transport and Fisheries, including
  - The Department of Environment and Conservation (DEC)
  - The PNG Forest Authority (PNGFA)/ National Forest Service (NFS)
  - The Department of Mining (DOM)
  - The Department of Agriculture and Livestock (DAL)
  - The Department of Petroleum and Energy
  - The Department of Mining
- Other Government ministries with responsibilities of cross-cutting nature, in particular:
  - The Department of National Planning and Rural Development
  - The Department of Law and Justice
  - The Department of Provincial and Local Level Government
  - The Department of Foreign Affairs and Immigration
  - The Department of Prime Minister and NEC
- High level decision making bodies, such as
  - The National Executive Council
  - The Central Agencies Coordination Committee
- Representatives from local and provincial level governments, with individuals to be identified during NCSA proposal process.
- Representatives of private sector, academia, CBOs, NGOs and civil society, research institutions and professional associates. These will be further identified and the list refined during the NCSA proposal process, but it is anticipated the following stakeholders will be involved:

- ⇒ Representatives from the private sector, such as from the PNG Manufacturers Council and other industry bodies, including from forestry, farming, fisheries and oil palm production.
- ⇒ Representatives from the University of PNG and from the National Research Institute
- ⇒ Representatives from NGOs operating in PNG, including
  - The Nature Conservancy
  - World Wildlife Fund
  - Greenpeace
  - PNG Eco-Forestry Forum
  - Centre for Environmental Law and Community Rights
  - Conservation International
  - Conservation Melanesia

Other stakeholders may be identified and refined during the process of development of the NCSA project proposal.

**13. Total budget and information on how costs will be met:**

The PDF A budget is outlined in the table below. It is anticipated that the PDF A activities will commence December 2003 and will be finalized before April 2004. The Government of Papua New Guinea will contribute USD4500 as in-kind contribution. The Australian Government Department of Environment and Heritage (DEH) will contribute USD16 000 as in-kind contribution.

Budget item	GEF	DEC in-kind contribution	DEH in-kind contribution	Total
Identifying and consulting with the key government authorities and other stakeholders that are likely to participate in the NCSA process	2,000	1,000	1,000	4,000
Identifying and reviewing relevant action plans, strategies, or assessments completed in the past three years	4,000	500	2,000	6,500
Identifying and consulting with any relevant ongoing activities and programmes	7,000	500	1,000	8,500
Agreeing appropriate institutional arrangements for a cross-sectoral integrated assessment	2,000	500	2,000	4,500
Designing, in a highly participative and consultative fashion, an NCSA process	7,500	2,000	5,000	14,500
Preparing a proposal to obtain GEF funding to support the NCSA process	2,500		5,000	7,500
<b>Total</b>	<b>25,000</b>	<b>4,500</b>	<b>16,000</b>	<b>45,500</b>

**PART III - INFORMATION ON THE APPLICANT INSTITUTION**

<p><b>14. Name:</b> The Department of Environment and Conservation</p>	<p><b>15. Date of establishment, membership, and leadership:</b> The Department of Environment and Conservation was established in 1984. The political head is the Minister for Environment and Conservation and the Administrative Head is the Secretary of the Department.</p>
<p><b>16. Mandate/terms of reference:</b></p>	<p><b>17. Sources of revenue:</b></p>



The Department of Environment and Conservation is the National Government Agency responsible for biodiversity conservation and environment protection issues in the country. It is also responsible for negotiating, collaboration and implementation of international and regional instruments on biodiversity conservation and environment protection including UNFCCC, CBD and UNCCD. In respect to international instruments, it works closely with other relevant government ministries, CBOs, NGOs, private sector and other stakeholders. It takes its mandate from the Fourth Goal of the National Constitution, which addresses the country's natural resources and environment.

The Department of Environment and Conservation, being a national government agency, receives appropriations from the National Government budget. It is also supported by donor agencies through bilateral and multilateral arrangements. This project will be supported by funding from donor agencies as well as in-kind contributions from DEC and DEH.

**18. Recent activities/programmes, in particular those relevant to the GEF:**

There are a number of GEF Projects, both recent and ongoing that have or are being implemented in PNG.

Under the **CBD**, completed projects are:

- GEF/ICAD projects, such as Lak project, Bismarck Ramu project, and Biodiversity Conservation and Resource Management Programme.
- IPR Project,
- Bio-diversity Data Management Project (UNEP), and
- PNG Country Study on Biological Diversity (UNEP).

Ongoing projects are:

- NBSAP project, and
- Milne Bay Marine project. (Community based Integrated Biodiversity Conservation)
- GEF small grants projects

Under UNFCCC financial assistance was obtained through the GEF Climate Change Enabling Activity to produce the PNG Initial National Communication and currently PNG is in the process of securing further funding to work on the Second National Communication. PNG is also a key participant of the regional Pacific Islands Renewable Energy Project (PIREP), executed by SPREP. The project will identify and assess the various barriers to the widespread development and application of renewable energy systems in all the Pacific Island Countries (PICs), and come up with a comprehensive regional renewable energy project proposal addressing the specific barriers in each of the PICs.

Some funding has been received to hold the initial workshop on Land Degradation under CCD in November 2001. Under the International Waters Program a Project Identification Mission from SPREP was in PNG during the 1<sup>st</sup> part of 2001 to hold discussions with different Government Agencies. The project has already commenced in the country. Under POP's Enabling Activities, the procedures and processes for "**domesticating**" the convention have been completed.

**PART IV – INFORMATION TO BE COMPLETED BY IMPLEMENTING AGENCY**

**19. Project identification number: PIMS 3073**

**20. Implementing agency contact person:**

Dirk Wagener, Programme Officer, UNDP Papua New Guinea.

E-mail: [dirk.wagener@undp.org](mailto:dirk.wagener@undp.org)

Tim Clairs, Regional Coordinator, UNDP-GEF Regional Service Unit, Kuala Lumpur.

Email: [tim.clairs@undp.org](mailto:tim.clairs@undp.org)

Yumiko Yasuda, Programme Officer, UNDP-GEF Regional Service Unit, Kuala Lumpur.

E-mail: [yumiko.yasuda@undp.org](mailto:yumiko.yasuda@undp.org)

**21. Project linkage to implementing agency programme:**

In addition to the links to specific UNDP projects listed in section 18 above, the proposal responds to the United Nations Development Cooperation Framework (UNDAF) 2003-2007 Objectives 1, Enhanced Leadership and Participation as well as Objective 3, Improved Internal, regional and global integration. The overarching goal is

*"To support PNG's national development strategies for achieving sustainable human development and poverty reduction through equality and participation and the sustainable use of the country's resources while ensuring environmental conservation".*

In the UNDP Country Programme 2003-2007 this overarching goal is operationalized through a focus on capacity building and human resource development for: 1) Good governance and 2) Poverty reduction and sustainable livelihoods whereas 2) also includes environmental conservation.

Thus, a National Capacity Self Assessment of Global Environmental Management addresses both issues of capacity building (with regard to environmental management) and environmental conservation/sustainable livelihoods. Only through the identification of capacity gaps and needs can a comprehensive strategy to address these issues be developed. It complements the UNDP PNG governance as well as environment programme and directly supports the UNDAF and Country Programme goals and objectives.

### **Part III. Management Arrangements**

The project will be implemented using national execution (NEX) modality whereas UNDP PNG is the GEF Implementing Agency (IA) and the Department of Environment and Conservation (DEC) the Executing Agency (Implementing Partner). The NEX execution modality is subject to the rules and regulations as laid out in the UNDP Programming Manual (Chapter 6.2.2, page 5, National Execution) and the UNDP 'Procedures for National Execution', UNDP 1998).

Overall responsibility for project implementation will lie with the Department of Environment Conservation (DEC). The Secretary will have specific responsibility for overseeing the project and will also serve as National Project Director (NPD) ensuring coordination among government agencies. The National Project Director will be responsible for monitoring and adherence to the work plan, which forms the basis for project execution. UNDP will be represented jointly by UNDP Papua New Guinea and UNDP-GEF.

The UNDP PNG Country Office will provide support services for the project as laid out in the attached 'Letter of Agreement for Provision of Support Services' (Annex 3). Project payments will be done directly by UNDP or through advances to a DEC trust account to be specified by DEC.

#### **Partnership arrangement with the DEH and its pertaining Management arrangements**

The Department of Environment and Heritage (DEH, Australia) has been in close contact and cooperation with the DEC as well as GEF and UNDP. DEH will provide in-kind technical advisory services to the NCSA process by secondment of 2 staff as technical advisors to assist the DEC in the preparation and finalization of the NCSA proposal for submission to GEF. The fees for this technical advisory services will be covered by DEH (in-kind cost-sharing; USD 16,000.00). Transport (return trip Canberra – Port Moresby), terminal expenses and a daily subsistence allowance (DSA) of the advisors will be covered from project funds. The DSA and terminal expenses will be paid according to UNDP travel regulations, allowance and exchange rate.

UNDP in consultation with DEH will identify suitable technical advisors from within the DEH Australia to undertake the advisory services under the above outlined conditions and based on the TORs for the attached technical advisors (Annex 1a). DEC is in support of this agreement and UNDP will provide support services to the project as outlined in the attached 'Letter of Agreement for Provision of Support Services' (Annex 3).

### **Part IV. Monitoring & Evaluation, Audit**

#### **AUDIT:**

The project will be subject to one audit after completion. Ongoing regular UNDP and GEF monitoring and evaluation procedures will be observed. The audit to be undertaken by a commercial auditor as well as financial

reporting by the Implementing Partner (DEC) will strictly follow the procedures as laid out in the 'UNDP Programming Manual', UNDP rules and regulations, and in particular the UNDP Procedures for National Execution. For the audits please refer to 'UNDP Procedures for National Execution', chapter 9, audit requirements, pages 18–20.

**Objective and scope:**

In auditing programmes and projects, the objective is to assure UNDP that its resources are being managed in accordance with:

- The UNDP financial regulations, rules, policies and procedures that apply to programmes and projects;
- The PSD or project document and the work plans, including activities, management arrangements, expected results, monitoring, evaluation, and reporting provisions; and
- The key considerations for management, in the areas of management, administration and finance;

**Policies:**

The audit of programmes and projects must cover, but may not necessarily be limited in scope to, the following:

- The rate of delivery;
- Financial accounting, monitoring and reporting;
- Systems for recording and reporting on resources;
- Equipment use and management;
- Management structure, including the adequacy of internal control and record-keeping mechanisms;

The audit of programmes and projects must confirm and certify that:

- Disbursements are made in accordance with the activities, work plan and budgets of the project document;
- Disbursements are supported by adequate documentation;
- Financial reports are fairly and accurately presented and represent correctly the financial position;
- Appropriate management structure, internal controls and record-keeping systems are maintained;
- Monitoring and evaluation of activities and the progress towards expected results are undertaken as planned and according to the key considerations for management;
- Procurement, use and disposal of equipment are in accordance with the key considerations for management, the procedures governing the programme or project, and UNDP rules;
- Satisfactory measures have been taken by the designated institution and by UNDP to comply with the recommendations of prior audits.

**The Audit Process:**

The audit must be conducted in conformity with generally accepted common auditing standards and in accordance with the professional judgment of the auditor. The audit may refer to the standards and terms of reference established for the United Nations Board of Auditors.

UNDP PNG will identify a commercial auditor who will then be engaged to carry out the project audit after the project completion. The implementing partner (DEC) will ensure that the audit is performed in accordance with generally accepted auditing standards and will also insure that the audit report is duly reviewed and that it will reach UNDP Headquarters (OAPR) via the UNDP country office by 30 April of each year.

UNDP PNG will organize briefings with the auditors before the audit exercise and upon the completion of the audit even if the auditors have prior experience of auditing UNDP programmes and projects.

The auditors must discuss the findings in the draft audit report with the parties concerned (DEC, including appropriate programme or project staff, Department of National Planning and Rural Development (DNPRD) as aid coordinating department; the UNDP resident representative), and include their comments in the final report.

The auditors send the final audit report to the designated institution (DEC). This institution distributes it to the UNDP resident representative for review and transmission to OAPR at UNDP headquarters; to the Government coordinating authority; and to other parties concerned, such as contractors and United Nations agencies.

The audit report, together with the annual financial report on the status of funds as at 31 December, as certified by the auditors, must reach OAPR at UNDP headquarters via the UNDP country office by 30 April of the following year.

## **Part V. Legal Context**

This project document shall be the instrument referred to as such in Article 1 of the Standard Basic Assistance Agreement between the Government of Papua New Guinea and the United Nations Development Programme, signed by the parties on 7 April 1981. The host country implementing agency shall, for the purpose of the Standard Basic Assistance Agreement, refer to the government co-operating agency described in that Agreement.

The following types of revisions may be made to this project document with the signature of the UNDP Resident Representative only, provided he or she is assured that the other signatories of the project document have no objections to the proposed changes:

- a. Revisions in, or addition of, any of the annexes of the project document (with the exception of the Standard Legal Text for non-SBAA countries which may not be altered and the agreement to which is a pre-condition for UNDP assistance);
- b. Revisions which do not involve significant changes in the immediate objectives, outputs or activities of a project, but are caused by rearrangement of inputs agreed to or by cost increases due to inflation; and
- c. Mandatory annual revisions, which rephrase the delivery of agreed project inputs or increased expert or other costs due to inflation or take into account agency expenditure flexibility.

## Section II – Project Results and Resources Framework

<p><b>Intended Outcome as stated in the Country Results Framework:</b>                  1. Policies developed and implemented to promote national, provincial, local level government and community commitment to sustainable development and environmental protection                  2. Increased government commitment to monitor UN Agreements and Conventions</p> <p><b>Outcome indicator as stated in the Country Programme Results and Resources Framework, including baseline and target:</b>                  Monitoring and reporting requirements of key UN Agreements and Conventions, National MDG Reporting</p> <p><b>Applicable MYFF Service Line:</b> N/A</p> <p><b>Partnership Strategy:</b> NEX Execution through partnership with the Department of Environment and Conservation (DEC), Other partners and stakeholders: include a wide range of government departments, environmental NGOs/CSOs, and also the Department of Environment and Heritage (government of Australia) who is sending consultants as in-kind contribution.</p> <p><b>Project title and ID:</b> 00032173, National Capacity Self-Assessment for Global Environmental Management - PDF A (NCSA – PDF A)</p>			
Intended Outputs	Output Targets for (years)	Indicative Activities	Inputs
1 NCSA proposal drafted and submitted for endorsement to UNDP and GoPNG	N/A	1.1 Literature and NCSA guidelines review 1.2 Collection of baseline information with regard to implementation of MEAs in PNG 1.3 DEC and Government Departments internal workshop in Port Moresby 1.4 Stakeholder workshop in Port Moresby 1.5 NCSA proposal guidelines review 1.6 Drafting of NCSA Proposal	<ul style="list-style-type: none"> <li>• USD 25,000.00 GEF PDF A funding (for workshops and travel/DSA DEH technical advisors)</li> <li>• Managerial support to the project (UNDP)</li> </ul>

### Section III - Total Workplan and budget



United Nations Development Programme  
Papua New Guinea

Year: 2004

Project Number: 00032173

Project Title: National Capacity Self-Assessment - NCSA PDF Block A



Proj. ID	Expected Output	Key Activities	Timeframe			Resp. Partner	Planned Budget						
			Q1	Q2	Q3		Q4	Fund	Donor	Budget	Description	Amount	
00032173	NCSA proposal drafted	Project Coordination and Partnership Building		X		DEC	62000	10003	72100	SERCT	National Coordinator	1,500.00	
		Stakeholder workshops				DEC	62000	10003	74500	MISC	Sundries	1,000.00	
						DEC	62000	10003	74500	MISC	Audit	3,000.00	
						DEC	62000	10003	71600	TRAV	Mission Cost	9,000.00	
				X		DEC	62000	10003	74500	MISC	Meeting/Training	10,000.00	
						DEC	62000	10003	74100	MISC	Reporting	500.00	
Sub total												25,000.00	
TOTAL													25,000.00

#### In Kind Contributions:

Department of Environment and Conservation:  
Office space and miscellaneous support: USD 4,500.00

Australian Government, Department of Environment and Heritage:  
2 International Technical Advisors (fees): USD 16,000.00

## Annex 1a. Terms of Reference international Technical Advisors

### Lead International Technical Advisor

Under the direct supervision of the Secretary of the Department of Environment and Conservation (DEC) and in close consultation with the NCSA Focal Point in the UNDP country office, the lead technical advisor will take overall responsibility for ensuring the eligibility and readiness of the GEF Enabling Activity proposal for funding for a National Capacity Self Assessment. Specifically the lead technical advisor will:

1. Review the background material prepared by the Department of Environment and Conservation (DEC):
  - The analysis of established priorities, capacity constraints and needs and gaps in these
  - Information on available national expertise in capacity development
  - Information on the full range of sectoral agencies and institutions involved in the process
  - Information on the other ongoing processes and activities relevant to the NCSA
2. Assist and guide the DEC in completing gaps in the background information and processes through an internal DEC workshop with duration of one week
3. Assist and guide the DEC in developing the NCSA process and institutional mechanisms for coordination, implementation and supervision.
4. Draft the final proposal to GEF, including the preparation of a full NCSA Project Brief and accompanying standard UNDP Project Document (i.e. an additional cover page, legal agreement, line item budget, work plan, and key Terms of Reference)
5. Present the final proposal to all key stakeholders

### Qualifications

- A university advanced degree in environmental, applied social sciences or similar field, with significant background and experience working experience
- Experience facilitating multisectoral consultative processes, preferably in the environment field
- Experience facilitating organizational management and change processes
- Experience working with government agencies and institutions in Papua New Guinea, especially with the DEC
- Excellent writing and communication skills
- Proven track record of preparing projects for GEF funding

Duration            8 weeks (6 weeks preparatory work in Australia, 2 weeks in Papua New Guinea)

### Second International Technical Advisor

Under the direct supervision of the lead technical advisor and in close consultation with the Secretary of the Department of Environment and Conservation and the NCSA Focal Point in the UNDP country office, the second technical advisor will assist the lead technical advisor in the final preparation and drafting of the NCSA proposal and associated UNDP Project Document. Specifically the second technical advisor will:

1. Review the background material prepared by the Department of Environment and Conservation (DEC):
  - The analysis of established priorities, capacity constraints and needs and gaps in these
  - Information on available national expertise in capacity development
  - Information on the full range of sectoral agencies and institutions involved in the process
  - Information on the other ongoing processes and activities relevant to the NCSA
2. Develop workshop programmes and assist in facilitating the different sub-groups during the workshops

- 3 Assist the lead technical advisor in drafting the final proposal to GEF, including the preparation of a full NCSA Project Brief and accompanying standard UNDP Project Document.

Qualifications

- A university advanced degree in environmental, applied social sciences or similar field, with significant background and experience working experience
- Experience facilitating multisectoral consultative processes, preferably in the environment field
- Experience facilitating organizational management and change processes
- Excellent writing and communication skills
- Proven track record of preparing projects for GEF funding

Duration            8 weeks (6 weeks preparatory work in Australia, 2 weeks in Papua New Guinea)



## Annex 1b: Terms of Reference National Project Coordinator

### National Project Coordinator

Under the direct supervision of the Secretary of the Department of Environment and Conservation (DEC) as well as of the international technical advisors and in close consultation with the NCSA Focal Point in the UNDP country office, the consultant will undertake preparatory work for the development of the GEF Enabling Activity proposal for funding for a National Capacity Self Assessment and will also assist in the actual formulation of the proposal. Specifically the project coordinator will:

1. Review the operational criteria for GEF funded National Capacity Self Assessments
2. Review the GEF “Guidelines for Self-Assessment of Country Capacity Needs for Global Environmental Management”
3. Identify and contact a core group of key multi-sectoral stakeholders from all relevant agencies and organizations
4. Organize a meeting to brief the key stakeholders on the GEF NCSA
5. Identify national expertise and resources in capacity development that can be drawn into and assist in the process
6. Identify and compile relevant documents such as MTDS, NPRS, national environmental action plans, etc., reports to the Conventions on Biodiversity, Climate Change and Land Degradation, Agenda 21 reports and draft reports to the WSSD, etc, that identify both thematic and overall sustainable development priorities for [country], and might give some indications of priorities and constraints
7. Analyze these documents to identify established priorities, capacity constraints and needs, as well as gaps in information about priorities, capacity constraints and needs
8. Identify other key processes and activities such as ongoing preparations for WSSD, Capacity 21 projects, national capacity assessments in biodiversity funded under the GEF Enabling Activity window, and other relevant activities related to sustainable development and capacity (noting the need to deal with capacity at individual, institutional, and systemic levels)
9. Organize a consultative process amongst all stakeholders to elaborate and agree:
  - The key work required to conduct and complete a national capacity self-assessment for global environmental management
  - A process for carrying out the national capacity self-assessment
  - A mechanism for carrying out the NCSA
  - A cross-sectoral mechanism for overseeing the NCSA process
  - A mechanism for ensuring continued participation and consultation with all relevant parties
10. Organize two consultative workshops of all players to agree on the content of the NCSA proposal to GEF
11. Contribute to the preparation of the final proposal

### Qualifications (indicative)

- A university degree in environmental or applied social sciences, or a similar field
- Extensive working experience within the Government of Papua New Guinea and especially the DEC
- Experience in the management of environmental projects or organizational management and change processes
- Excellent writing and communication skills
- Ability to write reports and the organize logistics

Duration            6 weeks

**Annex 2: Project Workplan**

	Task (by week)	1	2	3	4	5	6	7	8	9
1	Reviewing the formal proposal criteria and other related documentation prepared by the GEF Secretariat	X	X	X	X					
2	Identifying and consulting with the key government authorities and other stakeholders that are likely to participate in the NCSA process, invitations of stakeholders	X	X							
3	Identifying and reviewing relevant action plans, strategies, or assessments completed in the past three years	X	X	X	X					
4	Identifying and consulting with any relevant ongoing activities and programmes	X	X	X						
5	Agreeing appropriate institutional arrangements for a cross-sectoral integrated assessment			X	X					
6	Designing, in a highly participative and consultative fashion, an NCSA process			X	X	X	X			
7	GoPNG workshop in Port Moresby					X				
8	External Stakeholder workshop (POM)						X			
9	Preparing NCSA proposal for GEF funding and UNDP Project Document					X	X	X	X	X

### **Annex 3: Letter of Agreement for Provision of Support Services**

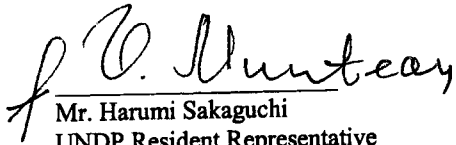
#### *LETTER OF AGREEMENT BETWEEN UNDP AND THE GOVERNMENT OF PAPUA NEW GUINEA FOR THE PROVISION OF SUPPORT SERVICES TO 'NATIONAL CAPACITY SELF-ASSESSMENT FOR GLOBAL ENVIRONMENTAL MANAGEMENT – GEF/PDF A' - PROJECT*

Dear Dr. Iamo,

1. Reference is made to consultations between officials of the Government of Papua New Guinea (hereinafter referred to as "the Government") and officials of UNDP with respect to the provision of support services by the UNDP country office for the project 'National Capacity Self-Assessment for Global Environmental Management' (GEF PDF A, NCSA proposal preparation). UNDP and the Government hereby agree that the UNDP country office may provide such support services at the request of the Government through its institution designated in the relevant project document, as described.
4. The UNDP country office may provide support services for assistance with reporting requirements and direct payment. In providing such support services, the UNDP country office shall ensure that the capacity of the Government-designated institution is strengthened to enable it to carry out such activities directly.
3. In addition, the UNDP country office may provide, at the request of the designated institution/Executing Agent, the following support services for implementation activities:
  - (a) Identification and assistance with and/or recruitment of project personnel;
  - (b) Procurement of goods and services;
  - (c) Access to UNDP-managed global information systems, including rosters of consultants and providers of development services
4. The procurement of goods and services and the recruitment of project and programme personnel by the UNDP country office shall be in accordance with the UNDP regulations, rules, policies and procedures. Support services described in paragraph 3 above are detailed in the project document. If the requirements for support services by the country office changes during the life of the project, the changes in the support services described in this agreement shall be revised through a mutual agreement between the UNDP Resident Representative and the designated institution.
5. The relevant provisions of Article 1 of the SBAA between the Government of Papua New Guinea and UNDP signed on the 7th April 1981 (the "SBAA"), including the provisions on liability and privileges and immunities, shall apply to the provision of such support services. The Government shall retain overall responsibility for the nationally executed project or programme through its designated institution/Executing Agent. The responsibility of the UNDP country office for the provision of the support services described herein shall be limited to the provision of such support services detailed in the annex to the project document.
6. Any claim or dispute arising under or in connection with the provision of support services by the UNDP country office in accordance with this letter shall be handled pursuant to the relevant provisions of the SBAA.
7. In accordance with the mutual agreement reached by the UNDP country office and the designated institution as well as according to the GEF regulations for PDF A projects, the UNDP country office will provide the support services to the NCSA PDF A project described in paragraph 3 free of charge.
8. The UNDP country office shall submit progress reports on the support services provided and shall report on the costs reimbursed in providing such services, as may be required.
9. Any modification of the present arrangements shall be effected by mutual written agreement of the parties hereto.

10. If you are in agreement with the provisions set forth above, please sign and return to this office two signed copies of this letter. Upon your signature, this letter shall constitute an agreement between your Government and UNDP on the terms and conditions for the provision of support services by the UNDP country office for this project.

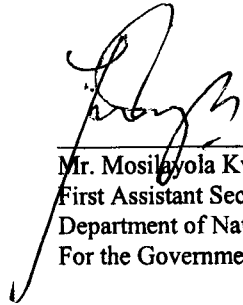
Yours sincerely,



Mr. Harumi Sakaguchi  
UNDP Resident Representative  
Signed on behalf of UNDP



Dr. Wari Iamo  
Secretary  
For the Department of Environment and Conservation  
(Implementing Partner/Designated Institution)



Mr. Mosilyola Kwayaila  
First Assistant Secretary  
Department of National Planning & Rural Development  
For the Government of Papua New Guinea