



# Guidelines for Public Sector Linkages Program

## FOR APPLICANTS OF 2009–10 ROUND TWO FUNDING FOR ACTIVITIES RELATING TO APEC, ASEAN, PHILIPPINES, INDIA AND SOUTH ASIA

Closing time and date: 5pm AEDT, 31 March 2010

- Activity Concepts should be forwarded to: [pslp@AusAID.gov.au](mailto:pslp@AusAID.gov.au)

These Guidelines contain five sections:

- > an introduction to PSLP (p. 1)
- > assessment criteria (p. 3)
- > eligible costs (p. 4)
- > assessment process (p.5)
- > implementation (p.6)

### 1. INTRODUCTION TO PSLP

#### BACKGROUND

The Public Sector Linkages Program (PSLP) helps to strengthen whole-of-government responses to issues and priorities affecting Australia's national interest by:

- > introducing greater consistency of approach, user-friendliness, flexibility and responsiveness, and
- > improving activity design and reporting quality.

#### DEVELOPMENT GOAL

To improve nationally determined development outcomes in selected Asian countries by improving governance and management in their public sectors.

#### PURPOSE

To transfer capacity-building skills and expertise from Australian federal, state and territory government departments and agencies – as well as universities – to public sector counterpart institutions in partner countries, and to support the strengthening of sustainable and development-focused public sector bilateral and regional linkages.

#### ELIGIBLE APPLICANTS

Eligible applicants for PSLP funding are:

- > **Australian** federal government departments, agencies and statutory authorities<sup>1</sup>
- > **Australian** state and territory government departments, agencies and statutory authorities,<sup>1</sup> and
- > **Australian** public universities (those established under Commonwealth or state statute).

#### ELIGIBLE COUNTERPARTS

Counterpart organisations **must** be in the partner country's public sector. Linkages can cross subsectors to join, for example, an Australian university and a government agency of the partner country. A partner country public sector organisation cannot apply directly for PSLP funding, but it can initiate contact with an Australian organisation to explore the latter's interest in applying for funding.

#### ELIGIBLE ACTIVITIES

PSLP activities **must**:

- > have a primary developmental focus and be definable as Official Development Assistance (ODA)<sup>2</sup>, and
- > clearly identify sustainable benefits to the partner country.

Activities will primarily deliver technical assistance and training and can include:

<sup>1</sup> Excludes government business enterprises and other profit-making public sector organisations.  
<sup>2</sup> The OECD Development Assistance Committee defines ODA as those financial flows from the official sector for – and technical cooperation with – developing countries that are administered with the promotion of the economic development and welfare of developing countries as the main objective.

- > institutional strengthening and/or capacity building in counterpart organisations in partner countries
- > short-term training for a counterpart organisation's staff in either the partner country or Australia
- > secondments and work attachments for a counterpart organisation's staff with the Australian counterpart organisation
- > secondment of Australian staff to advise or work in the counterpart organisation in the partner country, and
- > applied policy research, feasibility studies and the implementation of small projects (excluding activities focused primarily on basic research and capital procurement).

Activities that contribute to a whole-of-government response to development problems are encouraged. For example, the applicant could seek to involve AusAID or other Australian Government departments in an Activity Advisory Committee or coordinate their activity with existing Australian aid activities.

Activities must **not** provide or aim to provide a direct commercial benefit to any company or consortium (other than any subcontracted to assist activity implementation).

PSLP does **not** fund activities that have already commenced.

PSLP does **not** fund scoping exercises. Applicants are expected to have already consulted their counterpart organisation and obtained in-principle agreement on a clearly outlined program of work.

PSLP does **not** support activities that could be funded by the applicants themselves or that may become dependent on PSLP funding.

PSLP does **not** fund activities prepared by applicants with little input from their partner country counterpart organisation. Activity concepts can originate in Australia, however, applicants should demonstrate that they have consulted their counterpart and adapted the activity to suit its needs.

Activities **must** be implemented in partnership with the counterpart. Subcontracted consultants and third parties may be used to facilitate implementation where justified, however, this should be minimised as a primary objective of PSLP is to build linkages between Australian and

counterpart public sector organisations. Subcontracting processes must comply with the Australian Government Procurement Guidelines or their state, territory or university equivalents.

#### COST

Activities generally will cost between \$50 000 and \$250 000. However, activity concepts costed outside of these limits **are eligible** and will be considered.

#### DURATION

Activities will generally be self-contained and be from 3 to 36 months in duration. Activities should be long enough to transfer capacity building skills and build sustainable development-focused linkages.

For sustainability reasons, activity concepts outlining a multi-year program of cooperation are welcomed, although PSLP funding commitment is made on an annual basis only.

#### FUNDING ROUNDS

Two rounds are scheduled to open each year at the beginning of March and September, via an *Invitation to Submit Activity Concepts* posted at [www.ausaid.gov.au/pslp](http://www.ausaid.gov.au/pslp). Each Round is open to receive submissions for four weeks.

#### 2009–10 ROUND TWO COUNTRIES

Round Two for 2009–10 opens on 1 March and closes on 31 March 2010 for activity concepts relating to APEC, ASEAN, Philippines, India and South Asia.

Other AusAID country programs may participate in subsequent Rounds. Countries not participating in this round are still eligible to be included under regional APEC and ASEAN concepts.

## 2. ASSESSMENT CRITERIA

### GENERIC ASSESSMENT CRITERIA

Preference will be given to activity concepts that:

- > are consistent with:
  - the Australian aid program’s objective ‘to assist developing countries to reduce poverty and achieve sustainable development, in line with Australia’s national interest’
  - the principles outlined in AusAID’s development policy guidelines on gender and development (at a minimum, **gender equity in activity participation must be addressed**), environment, sustainability, family planning and conflict prevention/peace building (see [www.usaid.gov.au/pslp](http://www.usaid.gov.au/pslp))
  - the parameters of the relevant country or regional program strategy, as reflected in the country/region-specific assessment criteria below
- > clearly articulate achievable objectives, outcomes, outputs and inputs as well as credible cost estimates
- > address institutional strengthening and capacity building needs of the partner country organisation
- > indicate at least in-principle endorsement by a clearly identified lead counterpart organisation in the partner country
- > relate to a specific development priority or program of the partner country organisation
- > contribute to development of sustainable institutional links that promote positive partner country development outcomes
- > demonstrate how activity benefits will be sustained over the longer term without dependence on continued PSLP funding
- > seek to ensure that the most appropriate participants for study tours, secondments and/or training are selected from the counterpart, and that the participants’ new knowledge is disseminated as widely as possible in the appropriate quarters (see the PSLP document, *Information and Advice on Activity Concepts* for suggested approaches), and
- > maximise applicant, counterpart and third party cost-sharing contributions. Where

activities are assessed as being of equal merit, preference will be given to those with the greatest level of cost-sharing.

### APEC-SPECIFIC ASSESSMENT CRITERIA

**High** priority is attached to capacity building initiatives. **Lower** priority is accorded to research activities (unless they are assessed as central to core APEC priorities and policy formulation) and to supporting participation in workshops or conferences (such requests will only be considered if they deliver technical assistance or training).

Preference will be given to activities that:

- > further APEC’s mandate of facilitating open and secure trade, investment, development and growth in developing APEC economies by:
  - supporting trade and investment liberalisation and facilitation
  - supporting regional economic integration, structural reform, transparency and anti-corruption
  - enhancing human security (such as counter-terrorism, energy security, food and product safety, and emergency preparedness)
- > are regional in nature (that is, address issues that exist above the national level and/or require a regional response) and target more than one APEC member economy, in particular Indonesia, the Philippines, Vietnam, China, Papua New Guinea, Chile, Peru and Mexico. Second order priority is attached to submissions targeting other Asian non-member developing economies that are priority Australian development cooperation partners.

Submissions need to demonstrate the applicant’s link to relevant APEC fora and explain how the proposed project contributes to that forum’s work program.

Information about APEC committees, working groups and task forces is available at [www.apec.org](http://www.apec.org) and [www.dfat.gov.au/apec](http://www.dfat.gov.au/apec)

### ASEAN-SPECIFIC ASSESSMENT CRITERIA

Preference will be given to ASEAN PSLP activity concepts that:

- > further ASEAN’s mandate of facilitating economic integration between member states

(in accordance with the ASEAN Economic Community Blueprint) through:

- developing a single market and production base that is characterised by the free flow of goods, services, investment, capital and skilled labour
  - establishing a competitive economic region through the alignment of consumer protection, competition policy, intellectual property rights, infrastructure development, taxation and e-commerce
  - furthering equitable economic development with a focus on SME's, bridging the development divide that exists between ASEAN countries, and advancing gender equality
  - furthering ASEAN integration into the global economy through the development of a coherent approach to external economic relations and enhanced participation in global supply networks
- > are regional in nature and target more than one ASEAN country, in particular Cambodia, Laos, Vietnam, Indonesia, Philippines
  - > clearly demonstrate long term capacity building and institutional strengthening benefits

Information about ASEAN Economic Community Blueprint is available at [www.ascansec.org/21083.pdf](http://www.ascansec.org/21083.pdf)

#### PHILIPPINES-SPECIFIC ASSESSMENT CRITERIA

Preference will be given to Philippines Activity Concepts that foster institutional linkages focused on:

- > education
- > mining
- > nursing
- > climate change, and
- > economic governance, specifically public financial management.

#### INDIA AND SOUTH ASIA-SPECIFIC ASSESSMENT CRITERIA

Preference will be given to activity concepts for both India and South Asia that foster institutional linkages focused on:

- > climate change, clean energy, environment and disaster management
- > improve service delivery in education and health, including water and sanitation
- > food security, agriculture/dryland farming
- > public sector effectiveness
- > electoral reform and support

Eligible South Asian countries include: Bangladesh, Bhutan, Maldives, Nepal, Pakistan and Sri Lanka (regional South Asia activity concepts may also include India).

### 3. ELIGIBLE COSTS

#### APPLICANT ORGANISATION PERSONNEL – SALARIES

For applicant organisations only<sup>3</sup> PSLP can meet up to 75% of:

- 1 the salaries cost of the staff input<sup>4</sup> required for activity implementation,
- 2 fee costs of subcontracted consultant input required for activity implementation,
- 3 reasonable charge-out rates normally applied by organisations required to operate on a cost-recovery basis,

up to a maximum of \$1 000 a day per person.

Where 75% of staff/consultant costs is less than \$1 000 a day, PSLP will pay only up to the lower amount. Where these costs exceed \$1 000 a day, the applicant must find the funds to meet the difference as a cost-sharing contribution.

Australian staff are paid for a five-day working week.

In exceptional circumstances PSLP will consider meeting up to 100% of the salaries cost. Such payment would require the agreement of the Inter-Departmental Assessment Panel and the AusAID Executive. The applicant organisation would need to demonstrate clearly that:

- > it is not resourced to work internationally, and
- > resources will be leveraged additional to that provided without such a contribution.

<sup>3</sup> PSLP cannot meet salaries or associated staff costs of partner country counterpart organisations.

<sup>4</sup> 'Salaries cost' is defined as the amount payable to the staff member as salary for the number of work days of input required, plus the amount payable as the employer's superannuation contribution for that period. Salary and superannuation contributions are based on the entitlements of the official immediately before starting work on the Activity.

## APPLICANT ORGANISATION PERSONNEL – OTHER

PSLP will meet the costs of **airfares** (up to business class on international sectors and domestic sectors in partner countries, and economy class on Australian domestic sectors), **insurance** (medical, dental, travel and *force majeure* evacuation), **ground transport** and **living expenses** (accommodation, meals and incidentals). **Applicants should follow their own guidelines for levels of domestic and international living expenses. If these do not exist, applicants should consult the ATO taxation determination titled ‘Income tax: what are the reasonable travel and overtime meal allowance expense amounts?’<sup>5</sup> which is updated each financial year.**

In those unusual instances where living expenses in excess of six weeks may be justified, an agreed rate will be negotiated.

## APPLICANT ORGANISATION – ADMINISTRATIVE SUPPORT COSTS

PSLP’s contribution towards administrative support costs will be capped at up to an additional 10% of each activity grant. This additional financial support must be included in the normal activity budget and end-of-activity funds acquittal.

Administrative support costs cover staff costs incurred in (a) arranging travel (e.g. flights and other transportation), accommodation and visit programs (e.g. workshops and meetings), and (b) complying with official AusAID activity reporting and financial acquittal requirements.

Activity concepts must **not** include administrative support costs under any other cost category.

Please note that on-costs and administrative overheads remain **ineligible** for PSLP funding. These costs (which include overtime/allowances, leave accrued, office rental, depreciation, IT and corporate support, human resources development, utilities, communications and postage) continue to be welcomed as a cost-sharing contribution by the applicant organisation.

## PARTNER COUNTRY COUNTERPART ORGANISATION PERSONNEL

PSLP will meet the costs of **medical insurance** for counterpart organisation staff when in Australia, and **travel insurance** and **ground transport** related to activity input. **Airfares** and **living expense** entitlements are at the discretion of the applicant organisation but cannot exceed the above-specified limits for applicant organisation personnel and must be cost-effective.

## PROCUREMENT

PSLP will meet the small-scale purchase and freight (and/or hire) costs of items essential for achieving activity objectives, but only if the non-hired items become the property of the counterpart organisation upon activity completion.

## TRAINING

PSLP will meet the cost of trainers, consumables, venues, printing, training materials, course evaluation, etc. Where applicants and counterparts intend contributing to training either through training personnel, venues or facilities, proposals should indicate whether these inputs are to be provided in cash or kind. Strict limits will apply to PSLP contributions towards the cost of opening functions, dinners, end-of-course presentations and closing ceremonies.

## COST-SHARING

Sharing the costs of activity implementation is an important PSLP principle. Applicants should be prepared to contribute to the activity from their own financial resources. Counterpart organisations in the partner country should also share costs by, for example, making cash or in-kind contributions.

## 4. ASSESSMENT PROCESS

### STAGE ONE: COMPETITIVE ASSESSMENT

Activity concepts are assessed on a competitive basis by an Inter-Departmental Assessment Panel comprising senior representatives from the Department of Foreign Affairs and Trade, the Department of the Prime Minister and Cabinet and AusAID.

The Panel recommends to AusAID activity concepts that should be pursued in more detail based on relative merit against the PSLP

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<sup>5</sup> See <http://law.ato.gov.au/ato/law/>

guidelines, generic and country/region-specific assessment criteria and the available budget.

AusAID, in consultation with the panel, retains flexibility to determine and assess activity concepts at any time in the light of evolving whole-of-government priorities.

**Because PSLP is a competitive funding mechanism, your activity concept may not be successful.**

All applicants are advised of the outcome of their submission within six weeks of the round's closing date.

AusAID seeks partner government (aid coordinating authority) endorsement for all successful bilateral activity concepts.

Note: Comments from the partner government may require an activity to be modified.

## STAGE TWO: DETAILED PROPOSAL PREPARATION

When AusAID seeks partner government endorsement of the activity concepts it has accepted, it also asks successful applicants to:

- > advise their counterpart of the conditional success of their applications, and
- > expand their activity concepts by completing the **Detailed Proposal** form in conjunction with their counterpart, after reading the **Information on Detailed Proposals** document and drawing on the PSLP informal note, *Aspects of development and Activity design* ([www.aisaid.gov.au/pslp](http://www.aisaid.gov.au/pslp)) to help ensure design integrity.

Credible monitoring, risk management and sustainability enhancement strategies **must** be articulated in the detailed proposal, along with how the activity would support adoption of new skills in the counterpart organisation. Applicants should include in their detailed proposals the time and cost needed to undertake monitoring and evaluation, especially for larger (>\$250,000) activities.

The completed detailed proposal form **must** be submitted within five weeks of notification of in-principle AusAID endorsement of the activity concept.

An **Activity Design Document** (ADD), rather than a detailed proposal, **must** be prepared for selected larger activities to enable effective management of the larger risks involved. The

PSLP Secretariat will advise when successful applicants must prepare an ADD.

### *Evidence of partner support*

The completed detailed proposal **must** be accompanied by a letter from the partner country counterpart organisation(s), signed at senior level. The letter **must** include a clear commitment to ensuring that participants in study tours, secondments and training will disseminate the new information they have learned once they return to their workplace(s) (see the PSLP document, *Information and Advice on Activity Concepts*).

## 5. IMPLEMENTATION

### RECORD OF UNDERSTANDING/FUNDING AGREEMENT

Commonwealth agencies are required to sign Records of Understanding or an Activity Agreement under an ongoing Head Agreement which they may have with AusAID. State/territory government agencies and public universities are required to sign Funding Agreements with AusAID.

Records of Understanding or Funding Agreements need to be finalised within one month of the first draft being forwarded to the applicant. Delays may cause AusAID to withdraw the funding offer. A draft Record of Understanding and Funding Agreement are available from [www.aisaid.gov.au/pslp](http://www.aisaid.gov.au/pslp)

### FUNDING CYCLE

Funds for most activities are disbursed as a single advance after the Record of Understanding or Funding Agreement has been signed and AusAID has received a valid Tax Invoice from the activity implementer.

PSLP funding of subsequent years of a multi-year activity depends upon:

- > the availability of funds, and
- > a positive review of an end of year or interim progress report showing satisfactory progress of planned outcomes.

### RESPONSIBILITIES

The activity implementer is responsible for:

- > all funds granted by AusAID

- > all aspects of implementation including official, personal and commercial arrangements  
(Note: AusAID staff in any location are **not** available to assist in arranging visas, customs clearances, travel and accommodation bookings, meetings or appointments.)
- > advising AusAID in advance of official travel to a partner country
- > advising AusAID of media contact and clearing media releases where necessary
- > adhering to the Australian Government Procurement Guidelines (or the state, territory or university equivalents) when undertaking any procurement (including subcontracting)
- > obtaining prior AusAID approval for any significant (10+% variation(s) to a budget component of an activity<sup>6</sup>
- > advising AusAID if an activity will not be completed by the date specified in the Record of Understanding or Funding Agreement, stating the reason for the delay, and
- > submitting the completion report to AusAID within the agreement period.

Activity concepts should be forwarded to: [pslp@ausaid.gov.au](mailto:pslp@ausaid.gov.au) in Word format

#### COMPLETION REPORT AND FUNDS ACQUITTAL

The **completion report must** include results of monitoring and evaluation undertaken during the activity to support statements of success or otherwise and identify lessons learned.

The completion report includes a Funds Acquittal which **must** be signed by a delegated officer. Significant variations from the approved budget must be explained.

The completion report also includes a simplified counterpart report, signed by a senior officer of the lead counterpart organisation, which assesses the benefit of the activity to the counterpart organisation. (For regional activities funded through APEC, ASEAN or South Asia, applicants will need to provide counterpart reports from a majority of the counterpart organisations.)

An organisation's eligibility to apply for new PSLP grants depends on the timely submission and AusAID's acceptance of satisfactory completion reports for previous activities.

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<sup>6</sup> Minor changes to the funds allocation structure agreed in the PSLP Activity Details Proposal Form can be made without reference to AusAID, provided the intended Activity outputs do not change and the overall Activity budget does not increase.