

CONSTITUTIONAL AND LAW REFORM  
COMMISSION

A Review of the  
Implementation of the OLPG &  
LLG: A Six Provinces Survey

MONOGRAPH NO. 1

CONSTITUTIONAL AND LAW REFORM COMMISSION OF  
PAPUA NEW GUINEA

MONOGRAPH 1

REVIEW OF THE IMPLEMENTATION OF THE OLPG &  
LLG ON SERVICE DELIVERY ARRANGEMENTS: A SIX  
PROVINCES SURVEY

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## Foreword

There has been concerns raised about the state of affairs in the system of decentralization that we now have under the current Organic Law on Provincial and Local-level Governments – essentially that under this current system, delivery of basic government provided services such as in health, education, transportation, communication, etc., have deteriorated

and that the current system is not functioning well. Therefore many of our current leaders, including the Prime Minister Grand Chief Sir Michael Somare, have called for the review of the current system of decentralization. The National Executive Council has in 2006 (NEC Decision 326/2006 on 22.12.06) directed the relevant agencies, including my Department and the Constitutional and Law Reform Commission (CLRC) to review the current Organic Law and the current system of decentralization but subsequent three other NEC decisions have established other task forces to conduct broad based review and appraisal of the system of sub-national government administration in collaboration with the Public Sector Reform Management Unit (PSRMU) of the Department of Prime Minister and National Executive Council. This work is now on foot. At the 2008 national Governors Conference which I hosted in Lorengau, Manus Province from June 2 – 3, the Governors were resolute in their view that the current system of decentralization and the relationship between national government and the other sub-national governments needed to be reviewed as a matter of urgency and recommended to the national government to refer this task to the CLRC to coordinate and collaborate with my Department and others to undertake this work. Whilst the mechanics of this exercise were being worked out, the NEC moved quickly and established the Task Force on National Strategic Plan and this new task force is now, amongst other things, looking into an appropriate and suitable system of decentralization and sub-national governments system. Whilst all these work is being done to review the current system of decentralization, I note that there has been no detailed work done concentrating on the Organic Law on Provincial and Local-level Governments. I therefore welcome this monograph produced by the CLRC which presents very useful analysis of the Organic Law provisions relating to service delivery. I note from these examination of the relevant provisions of the Organic Law that the functional roles and responsibilities of the Provincial Administrator (PA) and the District Administrator (DA) are very critical and crucial for service delivery in the provinces and

districts. The

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PA and the DA are ultimately responsible to ensure that basic service delivery projects and programs are functioning in the province and or the districts. If the PA establishes a Provincial Management Team (PMT) comprising all the DAs in the province and such other senior officers in the province and uses the PMT to coordinate and monitor the state of service delivery projects and programs in the districts and the province as a whole, then I am convinced that there would be better and improved output in the provinces. Apart from the discussions on the Organic Law provisions, I note that the case studies on the review of the six provinces covered in this monograph are extremely useful for reflection and correction. I commend the CLRC for producing this work at this point in time and I hope that some of the recommendations which they make in this monograph would be taken on board in any subsequent review of the Organic Law.

Hon. Job Pomat MP  
Minister for Provincial and Local Government Affairs.

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## Preface

The reforms to the system of decentralization which Papua New Guinea previous had under the pre- 1995 system were introduced by the 1995 Organic Law on Provincial and Local – level Government (OLPGLLG) and came into being on 19 July 1995. One of the key objective of the 1995 reforms was improved service delivery to the greater majority of Papua New Guineans who are living in the rural areas of the country. The Provincial Administrators and the District Administrators were then given administrative coordination and facilitation functional roles and responsibilities over their respective provinces and districts to ensure that services in their provinces and districts were delivered. Other key

monitoring agencies like the Provincial and Local-level Services Monitoring Authority (PLLSMA) were also established to monitor the service delivery levels through out the country. The actual state of implementation of the key service delivery mechanisms and processes and their monitoring in the last 13 years has been somewhat lukewarm. There is now so much disquiet through out the country that service delivery in the last thirteen years since the introduction of the 1995 reforms has fallen to levels well below the pre-1995 levels and in some areas, the situation has deteriorated. A full and comprehensive review of the current system of decentralization that Papua New Guinea now has is now due. This study only looks at the six provinces which we considered. In 1997, a significant amendment was introduced to the 1995 Organic Law – where a new Section 33A was inserted to create Joint Districts Planning and Budgets Priorities Committees (JDPBPC). The 1995 Organic Law had deemed the existing 89 Open Electorates as districts without any regards and consideration for the reasons behind the establishment of the then existing administrative districts and sub-districts in the first instance. This meant that there were new 89 JDPBPCs created by the operation of law. There are 305 Local-level Governments (LLGs) throughout the country. The creation of the 89 JDPBPCs has now had the effect of rendering the existing 305 LLGs redundant in any meaningful service delivery programs and projects because the National Government's focus and attention has been shifted to the JDPBPCs – where through the District Services Improvement Program (DSIP) in the recent past, the National Government has been channeling up to K14 million directly to the districts, by-passing the Provincial Governments and LLGs and directly to the 89 JDPBPCs. Like many others before us, we make the observation in this monograph

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that the “service delivery approach through JDPBPCs” is clearly unsustainable and largely driven by political considerations but utilizing scarce national government funds – which currently stands in excess

of  
K1.2 billion. There is not much to show for in terms of capital  
works  
infrastructure development to assist in service delivery through out  
the  
country for such a large amount of money in 5 years. The JDPBPCs  
through  
out the country do not have technical and administrative capacity to  
implement service delivery programs – but the Provincial Governments  
and  
the District administrations do have some capacity. Therefore, it is  
fair to  
say that National Government funds for service delivery projects and  
programs must be channeled through the Provincial Government system.  
The six provinces survey which we have conducted and present in this  
monograph has been undertaken through a “rapid report card”  
reporting  
approach – where we selected the six provinces randomly but as  
representatives of the four regions of the country – and then  
visited the  
provincial administrations and selected district administrations in  
the  
province and then looked at their situations and presented them in  
the six  
chapters as “situational report cards”. The six provinces covered in  
this  
study are: New Ireland Province 2002 – 2007; Morobe Province; East  
Sepik  
Province; Gulf Province; Southern Highlands Province; and Eastern  
Highlands Province. This “situational report card assessment” we  
conducted covering these six provinces, emanates from the initial  
two  
related National Executive Council Decisions No. 326/2006 and No.  
327/2006 which were both made on 21 December 2006 which directed the  
CLRC and the DPLGA to review the OLPGLLG and related legislation.  
Following these two NEC decisions, we held initial discussions with  
the  
DPLGA and then took initial steps to work on the proposed review of  
the  
OLPGLLG. This “situational report card assessment” of the selected  
six  
provinces which we now publish as a CLRC monograph is a result of  
this  
preparatory work towards a review of the OLPGLLG – where work such  
as  
this would guide and inform the formal review in the future as and  
when the  
Government issues a formal Directive to us. As we were attending to  
this  
preparatory work towards the review, NEC Decision NG 36/2007 was  
then  
taken on 5 November 2007 and a further related decision NG 63/2007  
was  
taken on 6 December 2007 – both of these decisions have now somewhat

re-directed the review of the OLPGLLG to a newly created task force under the leadership of Sir Barry Holloway. In essence, these two decisions established a Task Force on Government and Administrative Reforms to look at not only the OLPGLLG but also broader systems and processes of government administration, inter-government relations and politics, and political representation.

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In the more recent past, the Government has established a National Strategic Plan Task Force to conceptualize and present to Government a 40 years national development plan and in the process also look at existing inter-government relations and a suitable system of sub-national governmental arrangement to, inter alia, restore the delivery of government services to the rural majority. This aspect of the National Strategic Plan Task Force work has direct implications for review of the OLPGLLG and it is our hope that some of our views and concerns expressed in this monograph will be considered seriously.

Lawrence Kalinoe  
Port Moresby  
15 September 2009.

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### Acknowledgements

We wish to formally record our sincere appreciation and gratitude to all the Provincial Administrators, the Districts Administrators, Divisional Heads and Advisers and all those other staff of the six provinces covered in this study – namely: New Ireland Province; Morobe Province; East Sepik Province; Gulf Province; Southern Highlands Province; and Eastern Highlands Province. This study would not have materialized if it was not for their cooperation and participation – often times with frankness and on short notice. The Department of Provincial and Local Government

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PhD  
candidate at the SSGM program, ANU for allowing us to include a  
paper  
she wrote earlier whilst at the NEFC – now as Chapter 8 of this  
monograph.  
Although this paper was written earlier, it addresses some of the  
main  
issues and concerns which are still relevant and current now.  
Finally we thank our Commissioners (CLRC Commissioners) for their  
support of this project and Mrs Angela Banama Anis of the CLRC for  
word  
processing and typesetting.

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#### List of Abbreviations

ANU	Australian National University
BMS	Bureau of Management Services
CBO	Community Based Organisation
CDC	Constitutional Development Commission
CEO	Chief Executive Officer
CEO	Chief Executive Officer
CIC	Coffee Industry Corporation
CLRC	Constitutional and Law Reform Commission
CRMF	Christian Radio Ministry Fellowship
DA	District Administrator
DAL	Department of Agriculture & Livestock
DEIP	District Education Improvement Program
DHIP	District Health Improvement Program
DLJP	District Law and Justice Program
DPI	Department of Primary Industry

DPLGA Department of Provincial and Local Government Affairs  
DPM Department of Personnel Management  
DTIP District Transport Improvement Program  
EDF Electoral Development Fund  
ESP East Sepik Province  
ESPG East Sepik Provincial Government  
FER Full Fiscal Responsibility  
GST Goods and Services Tax  
HF High Frequency  
IMF International Monetary Fund

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IMR Institute of Medical Research  
JDPBPC Joint District Planning and Budget Priorities Committee  
JPPBPC Joint Provincial Planning and Budget Priorities Committee  
LLG SPA Local Level Government Special Purpose Authority  
LLG Local-level Government  
MAF Missionary Aviation Fellowship  
MI Melanesian Institute  
MP Member of Parliament  
MUG Minimum Unconditional Grant  
NCD National Capital District  
NCDC National Capital District Commission  
NDOH National Department of Health  
NEC National Executive Council  
NEFC National Economic and Fiscal Commission  
NGOs Non-Governmental Organisation  
NIP New Ireland Province  
NIPG New Ireland Provincial Government  
NIPGA New Ireland Provincial Government Administration  
NRI National Research Institute  
OIC Officer In Charge  
OLPGLLG Organic Law on Provincial Government and Local-level Government  
ORD Office of Rural Development  
PA Provincial Administrator  
PEC Provincial Executive Council  
PLLSMA Provincial and Local-level Service Monitoring Authority  
PMT Provincial Management Team  
PSC Project Screening Committee

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PSRAG Public Sector Reform Advisory Group  
PTB Plant and Transport Branch  
RAF Rural Action Program  
SDA Seventh Day Adventist Church  
SHP Southern Highlands Province  
SIL Summer Institute of Linguistics  
SPA Special Purposes Authority  
SSGM State, Society and Governance in Melanesia  
TA Traveling Allowance

VAT Value Added Tax  
VHF Very High Frequency  
WDC Ward Development Committee  
WSP Water Supply Program

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## Chapter One

### Introduction to the Organic Law on Provincial and Local-level Government on Service Delivery

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18	Provincial Audit Service
19	Local Level Governments
19	Local Level Government Special Purposes Authorities
21	Ward Development Committee
23	National Economic and Fiscal Commission
24	Provincial and Local Level Service Monitoring Authority
25	

## Background

The Provincial Government system that Papua New Guinea adopted soon after independence in 1977 under the now repealed Organic Law on Provincial Governments 1 was given a major revamp in 1995 through the Provincial Governments reform exercise initially under the Prime Minister Pias Wingti's government's "provincial government reform exercise" (1992 – 1993) that eventually got bipartisan support on the floor of Parliament<sup>2</sup>, resulting in the passage of the Organic Law on Provincial and

1 For a comprehensive treatment, from the constitutional to administrative aspects of the system of decentralization under this repealed law, see: Ghai Y and Regan A J (1992) *The Law, Politics, and Administration of Decentralization in Papua New Guinea* (Port Moresby: National Research Institute.  
 2 See National Parliament (1993) Report of the Bi-Partisan Select Committee on Provincial Government: Part 1, Restructured Constitutional Authority, and

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Local-Level Governments 1995 under Sir Julius Chan's tenure as Prime Minister.

The reforms were introduced largely in response to public anger over the poor state of delivery of basic Government services such as health, education, agricultural and fisheries extension services, communication (including postal and telecommunication); transportation (air and sea); poor

or deteriorating state of all rural infrastructure (roads, bridges, jetties, wharves, poor state of government stations etc). Some of the problems which the reforms intended to address in summary were:

- goods and services were not reaching the people, particularly in the rural areas. This has resulted in poor health, low literacy levels, and low incomes of many people;
- government services were concentrated only in the provincial centres, forcing people to travel far for basic services;
- politicians and public servant were based in Port Moresby and provincial capitals and were isolated from rural populations;
- community and Local – Level Government decision-making powers and processes have been weak;
- community and Local-Level Governments were strangled of funding by both national government and the respective provincial governments. Even in instances when budgetary provisions were made by the national government and such funding was earmarked, when the funds were transferred through provincial governments, they were not reaching the intended local level government concerned but ended up being appropriated by the provincial government concerned on its work programs and not the local level government's programs and priorities

Therefore, the reforms then were aimed at:

- improving the delivery of services, particularly in the rural areas;
- increasing participation in Government at the community and local levels;
- decentralizing powers and responsibilities to local levels;
- increasing funding to Local – Level Governments;

Corrigendum to Final Report of the Bi-Partisan Parliamentary Select Committee on Provincial Government (Port Moresby: Government of Papua New Guinea).

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- relocating public servants from urban centres to districts and stations nearer to majority of the people in the rural areas;
- reducing the number of elected politicians; and

- reducing mismanagement or misuse of funds etc..

The reforms introduced by the 1995 Organic Law on Provincial and Local Level Governments (OLPGLLG) were then implemented commencing July 19, 1995 with an interim period running until October 5, 1997. These reforms saw the introduction of major changes to the provincial and local level governments systems, ranging from changes to the level of political decision making systems and levels or forums, to new institutional structures with their attendant legal powers, funding arrangements, staffing and the various administration structures and systems needed to run the provincial and local level governments with the aim of improving service delivery. Ultimately, it was intended that the reform arrangements will enable the people to have a greater involvement in the decision making process in their provinces through their local level governments at the district and ward level and then improve the delivery of basic government services right across the country with the location of government officers and administrative centers at the district level so that the people did not have to travel far and wide seeking basic government services.

The original intention of the Bi-Partisan Parliamentary Select Committee on Provincial Government was really to do away with any notion of a provincial government and replace provincial governments with provincial authorities<sup>3</sup> and local level governments with efforts to be concentrated at the local level government level so that improved service delivery can be best attained. Therefore when the then Prime Minister, Hon. Pias Wingti announced the National Executive Council decision on 9 February 1994, under the heading "NEC Endorse Changes to Provincial Governments System"<sup>4</sup> he stated that his government has adopted a bill entitled: Organic Law on Provincial Authorities and Local Level Governments. Mr. Wingti then went onto make the following statements which I quote (liberally so as not to lose their intent and clarity):<sup>5</sup>

"The new organic law was prepared by the Constitutional

Commission, in line with recommendations of the former parliamentary bipartisan selected committee on provincial

3 See Recommendation 1.3 of the Report n. 2 above.

4 Media statement February 09, 1994 published in the Times of Papua New Guinea

Thursday April 7, 1994 p37.

5 Ibid

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governments. The proposed bill will make very substantial changes, aimed at bringing government to the people and not people having to wait or look to the government for action. This means ordinary people should be able to determine their future development with guaranteed financial support by the national governments. Within the proposed law, the national government and the local level governments will have substantial law making powers, both administratively and financially... the provincial authority would only become a facilitator with limited powers, being able to approve provincial budgets, and to supervise, monitor and control implementation of both the local level and national government policies. Under this new system, the provincial authority would consist of national members of parliament from the province, heads of local level governments and two nominated members as representatives of women and churches... Under the new system there would be no ministers. Instead, there would be permanent committees which will guide province executive councils and the local level governments...".

In recommending the changes to the then national Government, the Chairman of the Parliamentary Bi-Partisan Select Committee on Provincial

Government Ben Micah MP (then Member for Kavieng), who later became

the Chairman of the Constitutional Review Commission under the Julius

Chan Government in 1994 – 95, made the following address on the floor of

Parliament when presenting the Corrigendum to Final Report on the Bi-

Partisan Parliamentary Select Committee on Provincial Government on

17th August 1993:6

and  
"..... Mr Speaker that the two levels of Governments that are essential and vital for our country are the Local and National Level Government... The middle level governments in our opinion should be a facilitating process between the National

Local Level Governments. It should not be a replica of the

National and Local Level Governments..

The recommendations to integrate local level leaders and members of National Parliament in the proposed Provincial

6 See National Parliament (1993) Corrigendum to Final Report on the Bi-Partisan

Parliamentary Select Committee on Provincial Government (Port Moresby:

Government of Papua New Guinea) Chairman, Ben Micah's report presentation

speech to Parliament pp.3-4.

#### INTRODUCTION TO THE OLP&LLG 5

Authority is aimed at encouraging co-operation rather than competition. Members of Parliament apart from their duties as national legislators, will now play a more effective and constructive role in the development of their electorates.

The changes we are proposing have been made after a very careful consideration of the kind of political and administrative structures which are

needed to make our Government much more effective and responsible to our people... We are proposing a system of Government where politician

are few, their responsibilities are clearly defined and the administrative

structures are efficient and responsive. This will result in real improvement

in the lives of our people".

The Constitutional Commission which undertook the drafting of the new

OLP&LLG under the leadership of Ben Micah as Chairman and Bernard Narakobi MP (then Member for Wewak) as Vice Chairman, issued various media statements for public consumption, but mainly to inform the public

on the reasons and justifications of the changes. In one such statement, they

proclaimed: "Provincial Government Reforms – It Must Come For the People's Sakes"<sup>7</sup>. In another media statement, under the heading: "Brief

Reasons on the Important Need of Reforming the Current System of Government", the Constitutional Commission said rather in poetic flattery:<sup>8</sup>

"... For too long our people have been struggling to come to their

government. They have been walking long distances to come to the door steps of their government. Time has come for us to rest those weary feet and to bring to them what is rightfully theirs – their governments and their entitlement to governmental services. Time has come for us to build up their capacity and the capacity of governments closest to them so that they too can have fresh

water, so that the mothers and children out there can have certainty of life...”

So what then were the institutional and administrative structures and processes which were set up under the OLPGLLG to deliver on one of the intention of the reform – bringing government and government services to the people right down to their various and respective LLGs and Wards? In the remaining part of the Chapter, I take up this question by commencing

7 The Times of Papua New Guinea Thursday April 7, 1995 p. 31.

8 The Times of Papua New Guinea Thursday April 7, 1994 p. 34.

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with a consideration of the roles and responsibilities of the Provincial Governments.

Provincial Governments

Notwithstanding the strong recommendations from the Bi-Partisan Parliamentary Select Committee on Provincial Governments and the Constitutional Commission which prepared the initial drafts of the new

Organic Law proposing for Provincial Authorities rather than Provincial Governments, Provincial Governments were significantly

reconstituted and

re-established for each province under Section 10 (1) of the OLPGLLG but

without directly elected politicians. Provincial legislatures known as

Provincial Assemblies are also established for each provinces under this

same provision with membership comprising of:

- the Provincial Member in the National Parliament as the Chairman of the Provincial Assembly<sup>9</sup>; Chairman of the Provincial Executive Council<sup>10</sup>; and Governor of the Province<sup>11</sup>. If the person elected as Governor accepts any national responsibility as a State Minister or any

leadership role

in a Parliamentary Committee, or becomes Leader or Deputy Leader of the Opposition, the Regional MP concerned would

be

disqualified from these roles and responsibilities, and

another

MP from the Province would take up these roles and responsibilities;

- all Members of Parliament (MPs) representing electorates in the province;
- all heads of the rural Local Level Governments in the province until 30 January, 2007 when the Organic Law on Provincial Government and Local-level Governments (Amendment No. 10) Law came into effect thereby removing all presidents of LLGs (including urban LLG lord mayors) from the Provincial Assembly;
- one women representative nominated by the Provincial Council Of Women;
- three persons appointed by the Provincial Assembly; and
- if there is an existing and functioning paramount chieftaincy in the province concerned, not more than three such paramount

9 Section 14 OLPGLLG  
 10 Section 23(3) OLPGLLG  
 11 Section 17 OLPGLLG

#### INTRODUCTION TO THE OLPG&LLG 7

chiefs appointed by the Minister responsible for provincial and local level governments on recommendation from the Provincial Executive Council.

Section 16A of the OLPGLLG allows the Provincial Assembly of the Provincial Government to appoint such number of committees which it may consider necessary to carry out its functions, roles and responsibilities.

Practice to date has been that the Governors have utilized this provision to allocate functional responsibilities in areas such as finance, education, health, community development, business development, agriculture, fisheries etc., and created committees akin to and mimicking ministries in the National Government, and appointed their allies as Chairmen of such committees. These chairmen of committees then constitute the Provincial Executive Council (PEC) with the Governor of course presiding as Chairman. The primary function of the PEC then is to implement the laws

and policies of the Provincial Government or those of the National Government which they are required to apply or implement.<sup>12</sup> As authorized under Section 43 of the OLPGLLG, the administrative functions, roles and responsibilities of Provincial Governments

relating to service delivery are set out under Section 16 of the Provincial Government Administration Act 1997. By this law, Provincial Governments are required to:

- first establish basic minimum needs for the development of the urban and rural area of their respective provinces relating to the maintenance of roads, bridges and infrastructure including urban roads, public facilities and the environment; health facilities, health programmes and hygiene; education facilities; safe housing; safe and accessible water; safe environment and proper rubbish disposal; and family values and community relationship;
- provide support to the activities of extended services of National Government departments and other State Services;
- provide support and assistance to the LLGs and to other bodies in the province to enable them to effectively implement their work projects and programs;
- maintain peace and harmony and goodwill in the province;
- assist churches within the province by promoting spiritual values;

12 See Section 23 of the OLPGLLG.

## 8 REVIEW OF THE OLPGLLG

- provide support to NGOs to carrying out various development programmes in the province<sup>13</sup>;
- monitor and maintain standards of performance of public servants in the province; and
- provide advice to landowners in relation to the development and control of their customary land.

In the case of New Ireland Province, when the former Governor Ling-Stuckey took office in 2002 and for the full term that he was in office, there was never a properly coordinated basic minimum need assessment for the province conducted but he did support NGOs and church groups and others to engage in service delivery activities through out the province.

The role that a Governor plays in political dynamics as well as the administration of a Provincial Government under this current

system is far more domineering than under the previous system because of the absence of a body of elected provincial government with same political weight, authority and accountability. The dominance of Governors under the current system is somewhat entrenched because of their ability to appoint members of their choice and preference to the Provincial Assembly. Particularly in provinces where there are less MPs as members of the Provincial Government owing to various reasons and circumstances, it is usually the case that the appointed members and the LLG presidents who sit on the Provincial Assembly (and out of whom, some may be members of the Provincial Executive Council) would outnumber the MP members and skew the numbers to the Governor's side resulting in the Governor entrenching his dominance. This has certainly been the case for the New Ireland Provincial Government from 2002 to 2007. Given the Governor's dominance in the current system of Provincial Governments, the Governors are bound to play a pivotal role in the determination of the appropriate levels of service delivery in their respective provinces. The offshoot of this is that the LLG presidents and the LLGs do not really matter – but is the Governor of the Province that matters for this is the person that presides over the PEC that takes decisions on prioritization and implementation of service delivery programs and projects in the province. One may therefore be entitled in thinking that this was perhaps not the intention at all of the intention behind the 1995 reforms resulting in the OLPGLLG where clearly

13 As we will see later, this was the clause that the former Governor of New Ireland, Ian Ling-Stuckey cited as justification and the legal basis for him to utilize this supporters and other groups to implement “service delivery” under his own brand and style utilizing his so-called “Limus Structure” well outside of the existing NIPGA officers and extension officers.

the intention was to strengthen and empower LLGs in government service delivery (so that those people with “weary feet” seeking government services need not have to walk long distances) – and that the Provincial Governments were to play a “facilitating” role only. Provincial Administrator

The office of the Provincial Administrator (PA) in each province is a statutory office established by Section 73(1)(a) of the OLPGLLG. PAs are appointed centrally by the National Government from a list of three names submitted by the PEC, and after consultation with the Public Service Commission<sup>14</sup>. This process of appointment was written into this law to provide certain degree of independence and to avoid manipulation and political interference by Governors over the discharge of administrative functions, roles and responsibilities of the PA in the administrative governance of the province. The PA is the CEO of the Provincial Government and administrative head of all the staff in the province<sup>15</sup>. As the CEO, this person is also the chief accountable officer for purposes of the Public Finances (Management) Act and is therefore duty bound to supervise and manage all public funds in the province in accordance with law. As CEO of the province, the PA is of course responsible for the effective and efficient administration and management of all administrative services in the province. In terms of delivery of basic Government services in the province, this is a crucial responsibility that the PA has in ensuring that all administrative services through out the provinces (i.e., in the District headquarters, sub-districts and other government stations and LLGs and wards) are functioning. In here, I am referring to basic matters like ensuring that the government stations and outposts are kept open and functioning – ensuring that:

- the District Offices are adequately staffed, open and functioning;
- the grass in the District centres and outpost is cut and the stations and outposts generally maintained all year round;
- there is diesel or petrol to operate the vehicles or boats or

river

- trucks operating so that the extension officers can do their work;
- there is diesel to run the generators so that the health centres and the District Treasuries can operate;

14 See Section 73(2) OLPGLLG

15 See Section 74(1) (a) and (b) OLPGLLG.

## 10 REVIEW OF THE OLPG&LLG

- there is medicines in the health centres and the aid posts (if there are any left!) so that basic medical services are delivered;
  - there are sufficient number of teachers in all the schools in the province to ensure that children continue to go to school;
  - there are regular school inspections carried out so that minimum education standards are maintained in the province;
  - the District Administrator is actually based in the designated district and that he or she is working from the district concerned and not from the provincial capital;
  - field extension services in the province are operational;
- etc.

Apart from the above, the PA also has the following roles and responsibilities which are imposed upon him/her by the OLPGLLG16:

- with the exception of law enforcement staff in the province, maintain overall supervision and direction over all officers and employees assigned to or employed in the province carrying out any functions of the National, Provincial and the LLGs;
- co-ordinate and monitor the roles and functions of National Government departments and agencies in the province;
- co-ordinate policy formulation, planning and the implementation of plans and work programs of the Joint Provincial Planning and Budgets Priorities Committee (JPPBPC)17 and maintain a provincial planning and data system for purposes of informing provincial and local level planning18 for effective service delivery in the province;
- liaise with the Provincial Government and LLG support services concerning the overall functioning of the Provincial Assembly and the PEC;
- liaise and consult with the Provincial Treasurer on budget and treasury matters;
- may delegate by written instruments, any such powers relating

to the administration or management of projects or such other work activity in a particular District, to the District Administrator (DA) of the district concerned; and

16 See Section 74 (1) (d) – (j) OLPGLLG

17 Section 25 OLPGLLG

18 Section 106 OLPGLLG.

## INTRODUCTION TO THE OLPGLLG 11

- be the Chief Executive Officer of the JPPBPC – thus ensuring that all provincial programs and projects approved by this committee are implemented effectively and efficiently.<sup>19</sup>

From the above restatement of the functions, roles and responsibilities of the PA as imposed by law; and particularly from the point of view of effective and efficient service delivery in the Districts and Province as a whole, it is apparent that the PA is the next most important authority and officer (after the Governor) in ensuring that things do happen. It does not take rocket science to work out how much money is needed to buy the petrol or diesel to keep the lawnmower or generator operating in a District centre. It just requires simple arithmetic to add the sums up with appropriate allowances made for eventualities. It is extremely important to make PAs realize that after all the planning either at the ward levels<sup>20</sup>, District levels<sup>21</sup>, and Provincial levels<sup>22</sup>, it is now their responsibility to ensure that basic government services are delivered through out the province. As we shall see in Chapte 2 in the case study discussions on the NIPG, one can be excused in thinking that the PA at that time may not have quite appreciated his roles and responsibilities in ensuring that the public servants in the province under his supervision and control, did actually discharge their roles and responsibilities in service delivery.

Joint Provincial Planning and Budgets Prioritie Committee (JPPBPC)

Provisions for the establishment of a JPPBPC is made under Section 25 of the OLPGLLG and Section 15(1) of the Provincial Governments

Administration Act 1997 where these provisions say that the PEC can establish such a committee as a PEC committee by its own resolution. Pursuant to these provisions, all Provincial Governments have established

JPPBPC for their respective provinces. Membership of this committee is

statutorily fixed by Section 25(2) of the OLPGLLG where this provision

fixes the membership as:

- not the Governor, but a member of the PEC appointed by the Governor to be the Chairman;

19 See Section 25(4) OLPGLLG.

20 Ward Development Committees : s 27 Local-level Governments

Administration

Act 1997

21 JDPBPC: s33A OLPGLLG

22 JPPBPC: s25 OLPGLLG

## 12 REVIEW OF THE OLPG&LLG

- the Chairmen (or their nominees) of the JDPBPCs of the districts (i.e., open electorates)<sup>23</sup> in the province; and
- three other members appointed on an ad hoc basis by the PEC.

In spite of these clear dictates of the law concerning membership of the

JPPBPC, in some provinces the Governors have assumed chairmanship of

the JPPBPC in their attempt to control matters in their province. As we will

see later in Chapter 2, that was certainly the case in the NIPG during the

term of Ian Ling-Stuckey as Governor from 2002 to 2007.

The functions, roles and responsibilities of the JPPBPC are as follows:<sup>24</sup>

- oversee, co-ordinate and make recommendations concerning the overall planning in the province, including budget priorities, for consideration by the National Government;
- determine and control budget allocation priorities for the province;
- approve Provincial Government Budgets for presentation to the Provincial Assembly;
- draw up a rolling five-year development plan and annual estimates for the province;

<sup>23</sup> This is the effect of Section 72(4) OLPLLG which states: "The boundaries of the

district for which each district headquarters is responsible shall be the same as the

open electorate of the Parliament in which the headquarters are situated." The

problem with this arrangement is that there have now been confusions over pre-

existing administrative district boundaries and those open electorates which are

made up of parts of two existing administrative districts to which District

Administrators are appointed. For example, the open electorate of Ambunti-

Drekikir is made up of one half of the Ambunti District and the other half of

Maprik District where Drekikir is a sub-district of Maprik.

Similarly, the open

electorate of Wosera-Gawi is made up of one half of the remainder of the Ambunti

District and the other part from the Wosera sub-district of the Maprik District.

Because of the effect of s72(4) OLPGLLG the District Administrator for Ambunti

District is now DA for Ambunti and Drekikir despite the fact that administratively,

it should be the DA for Maprik who should be the DA for Drekikir. The case for

Wosera-Gawi is even more confusing since administratively this electorate is

made up of two different parts of two different districts therefore without an

existing administrative district boundary and an existing DA. For purposes of

administration of this new Organic Law, a new DA cutting across two existing

districts, had to be appointed to serve the electorate of Wosera-Gawi and they are

still in the process of trying to build their new district headquarters from scratch.

24 See s25(3) OLPGLLG

## INTRODUCTION TO THE OLPG&LLG 13

- conduct annual reviews and assessment of the rolling five-year

development plan.

Clearly the JPPBPC was intended to be the central planning, coordination,

monitoring and evaluation institution in the province. It was to receive the

various development plans and program designs from the districts through

the JDPBPC and the LLGs and then develop a province wide rolling five -

year development plan and then prepare the provincial budget and submit it to the Provincial Assembly for consideration and further approval and then forwarding to the National Government for budgetary appropriations. As seen earlier, the PA is the executive officer to this key body and it is his or her primary responsibility to plan, prepare, secure the required funding and then oversee the implementation and monitoring of the various service delivery programs in the province. Unfortunately there is evidence that in some provinces, the JPPBPC were not playing their intended roles and achieving their intended goals and objectives<sup>25</sup>. Due largely to their various political differences and infighting in the Provincial Assembly, the Chairmen of JDPBPC who are of course the open electorates MPs of the districts of the province, refuse outright to subject themselves and their JDPBPC decisions to the province wide agenda and priorities driven by the Governor through the JPPBPC. This has resulted in open electorates MPs running their own agenda through their JDPBPCs and of course gaining political millage and credit in their electorates for their "own projects" in their own right. The spirit and intentions behind the OLPGLLG in establishing institutions such as the JPPBPC have been of course lost. In the meanwhile the quest for improved service delivery is still well beyond the horizon. It is little wonder therefore that the PSRAG has recommended in its report for the abolition of both the JPPBPC and the JDPBPC<sup>26</sup>.

<sup>25</sup> See Chapter 2 on the New Ireland Provincial Government case study from 2002

to 2007 under the term of Ian Ling-Stuckey as Governor.

<sup>26</sup> Recommendation 13 see Public Sector Reform Advisory Group (2006) Improved

Decentralization (Second Report) (Port Moersby); Public Sector Reform Advisory

Group).at p.32. Note also that a review of the implementation of the OLPGLLG

conducted by the Department of Provincial and Local Government Affairs in 2007

have also recommended for the abolition of these institutions but for rather

different reasons – that in their view the functions that the JPPBPC is entrusted

with should be given to the PEC and in the case of the JDPBPC, it undermines the

functioning of a LLG: see Department of Provincial and Local Government Affairs (2007) Review of the Organic Law on Provincial Governments and Local-level Governments (Port Moresby: Department of Provincial and Local Government Affairs). This report is usefully annotated and presented in National Research Institute (2008) The Quest for Good Governance: A Survey of Literature on the

#### 14 REVIEW OF THE OLPG&LLG

District Administrator (DA)

The office of the District Administrator (DA) in each district is a statutory

office established by Section 73(1) (b) of the OLPGLLG. In the context of

the OLPGLLG districts are not necessarily the same as those administrative

districts which were in existence prior to the coming into effect of the

OLPGLLG, but are now determined along the lines of the open electorates

boundaries.<sup>27</sup> In those existing administrative districts were the open

electorate boundaries are same as the administrative district boundaries,

there hasn't been confusions over lines of political and administrative

responsibilities of the DA. Likewise there hasn't been much initial

confusion and uncertainty from the people in those districts concerned as to

who their DA is. However in those open electorates which are made up of

parts of two different existing administrative districts, there has been some

confusion as to who the legitimate DA is. In open electorates such as

Wosera-Gawi in the East Sepik Province where the electorate is made up of

parts of two different administrative districts, (therefore) without an existing

DA and a district headquarters, they had to appoint a new DA and are now

in the process of trying to build their new district headquarters from scratch.

Since it is now the case that districts are defined in terms of the open

electorate boundaries, as we will see later, DAs now have administrative

oversight over the open electorates and are therefore required to

have a close working relationship with the open electorate MP concerned. The open electorate MP concerned however has no part in the appointment of a DA. The DA is a public servant and is appointed through the normal public service appointment process supervised by the national Department of Personnel Management.<sup>28</sup> Just as the PA is the CEO of the provincial government, the DA is the CEO of the LLG and the administrative head of all staff in the district under his control and is therefore responsible for the effective and efficient supervision and management of administration of administrative services in the district.<sup>29</sup> In this connection it is important to note that the DA is the most senior government official on the ground at the district level and it is his or her responsibility to ensure that all basic government services are

Reform of Intergovernmental Relations in Papua New Guinea (Port Moresby:

National Research Institute) pp.86 – 91.

27 See s 72(4) OLPGLLG.

28 See s73(3) OLPGLLG that reads: "A District Administrator shall be appointed

in the manner and following the same procedure as is available to the appointment

of officers of the Public Service."

29 See s74(2) (a) – (d) OLPGLLG.

#### INTRODUCTION TO THE OLPGLLG 15

functioning and are being delivered. It is his or her basic responsibility to ensure that the district office is open and not shut. It is his or her job to ensure that there is sufficient supply of stationary or petrol or diesel required to keep whatever services rendered at the district level ticking. It is his job to ensure that the labourers do turn up to work and cut the grass at the district station so that the station is not covered by tall grass. Apart from these, the following are the other functional roles and responsibilities that the DA is required to perform pursuant to the OLPGLLG:<sup>30</sup>

by

- perform and discharge roles and responsibilities as directed

the PA either relating to provincial government functional responsibilities or those of the national government departments and agencies;

- coordinate all support services for the LLG within the district;

district;

- supervise and coordinate formulation of policies and the implementation of these policies and programs within the framework of the JDBPPC<sup>31</sup> and be further responsible for the maintenance of appropriate and basic data for project

planning

- and formulation of policy<sup>32</sup>;
- liaise and consult with the District Treasurer on budget and treasury matters for the district;
- be the chief executive officer of the JDPBPC and therefore

be

responsible for the planning, implementation and supervision

of

all work programs and activities sanctioned by the JDPBPC in the district, the LLG and ward areas.<sup>33</sup>

Furthermore, in the exercise of his or her functional roles and responsibilities, the DA is required under Section 74(3) OLPGLLG to comply with any:

- policy directions from the Provincial Government and the Local-level Government; and
- administrative and functional directives from the PA.

<sup>30</sup> See s74(2) (d) – (h) OLPGLLG.

<sup>31</sup> See s33A OLPGLLG

<sup>32</sup> See s106 OLPGLLG

<sup>33</sup> See s33A(4) OLPGLLG.

## 16 REVIEW OF THE OLPG&LLG

Joint District Planning and Budget Priorities Committee  
(JDPBPC)

Unlike the JPPBPC where it is established by a resolution of the PEC as a committee of the PEC<sup>34</sup>, the JDPBPC is not. The JDPBPC appears to stand rather outside of the PEC legally. Its only linkage to the PEC is through representation by the chairman of the JDPBPC (the open electorate MP).

The JDPBPC is directly established under Section 33A OLPGLLG not even

as a committee of the LLG but a stand alone committee chaired by the MP

of the open electorate<sup>35</sup> concerned with the LLG presidents<sup>36</sup> and an

additional three persons appointed by the MP<sup>37</sup> as members of the JDPBPC.

Therefore through out the country, many people see the JDPBPCs as electorate development committees dominated and controlled by the open

electorate MP to implement his or her programs and priorities dictated by

the MP's political considerations rather than those of the LLG. Initially

Governors were also members of the JDPBPCs but through an amendment

introduced in 1996<sup>38</sup>, the provision entitling their membership was repealed.

Therefore Governors are not members of this important district budgets

planning and priorities committee.

Nevertheless, the above notwithstanding, the following are the functions,

roles and responsibilities legally imposed on the JDPBPCs by the OLPGLLG<sup>39</sup> – where they are required to:

- oversee, co-ordinate and make appropriate recommendations for considerations by the Provincial Government and the National Government concerning all work plans, programs and activities and budgets and priorities for the district;
- determine and control the budget allocation priorities for

the

LLGs in the district;

- approve the LLG budgets for presentation to the LLG and

make

appropriate recommendations concerning these budgets;

- draw up a rolling five-year development plan and annual estimates for the district; and

34 See s25(1) (a) OLPGLLG and s15(1) Provincial Governments Administration Act 1997.

35 See s33A(2) (a) OLPGLLG.

36 See s33A(2) (c) OLPGLLG

37 See s33A(2) (d) OLPGLLG.

38 Organic Law Provincial Governments and Local-level Governments (Amendment No. 2) Law (No. 22 of 1996).

39 See s33A(3) OLPGLLG.

## INTRODUCTION TO THE OLPGLLG 17

• conduct annual reviews of the rolling five-year development. In essence, the JDPBPC is the key committee in the district that considers

all matters relating to district projects planning and budget

allocations, largely drawing on funding in the form of the district support grants which are available through the local open electorate MP who is the chairman of the JDPBPC. Recently this committee has also been made responsible for the planning and disbursement of funds under the National Government's District Services Improvement Program (DSIP) whereby all 89 Districts (or Open Electorates) have been given K4 million in 2007 and K10 million in 2008 under this program for funding of project on:

- district and rural transport infrastructure<sup>40</sup>;
- health facilities<sup>41</sup>;
- education facilities<sup>42</sup>;
- law and justice sector facilities<sup>43</sup>; and
- rural water supply facilities<sup>44</sup>.

Therefore in terms of service delivery in the district and LLG and ward levels, it is the JDPBPC that is crucial – because it controls the planning and funding of projects and work program. As a result, many LLGs have become somewhat irrelevant in the eyes of many people through out the country.

It would seem a fair observation to make that the JDPBPC is a stand alone institution created by the OLPGLLG that is rather disjointed from the governance structures in the sense that it is not a committee of the LLG which is supposed to be the focal institution of sub-national government to coordinate the planning and implementation of basic government services at the LLG level. Since the JDPBPC is not a committee of the LLG or even the PEC, what legitimacy does it has to consider, approve and supervise the work plans and programs of an LLG?

<sup>40</sup> Under programs called District Transport Improvement Program (DTIP) and District Road Improvement Program (DRIP) supervised by the Office of Rural Development.

<sup>41</sup> Under the program known as District Health Improvement Program (DHIP) supervised by the Office of rural Development.

<sup>42</sup> Under the program known as District Education Improvement Program

(DEIP)

supervised by the Office of Rural Development.

43 Under the program called District Law and Justice Program (DLJP) supervised

by the Office of Rural Development.

44 Under the program known as Water Supply Project (WSP) supervised by the

Office of Rural Development.

## 18 REVIEW OF THE OLPG&LLG

The PSRAG has been very critical of the JDPBPC – saying: “The structure of membership enables the MPs who represent the open electorates to largely control the budget allocation, and override heads of LLGs. They are ex-officio members of JDPBPCs. Many chairpersons dominate their JDPBPCs, with meetings held irregularly, and sometimes outside the district. It weakens the LLGs role to have a politically constituted committee that neither belongs to, nor answers to any level of government, that makes decisions on budgeting and planning for LLGs.”<sup>45</sup> They have in their report, accordingly recommended for the abolition of the JDPBPC.<sup>46</sup>

### Provincial and District Treasuries

Provision for the establishment of Provincial and District Treasuries in the provinces and districts for facilitating service delivery in the provinces and districts is made under Section 112 OLPG&LLG. Provincial and District Treasuries established in the provinces and districts are not part of the Provincial or District administration but are an extension of the national Department of Finance. Hence, the Provincial and District Treasurers who operate these treasuries are appointed by the national Department of Finance through the normal Public Service appointment process supervised by the national Department of Personnel Management. This arrangement was instituted in order to protect the provincial and district finances from mismanagement and misapplications of funds arising from

manipulation or other external pressures and influences exerted by either the Governor or the Administrator or even the District Administrator. Under the national Government District Treasury Roll-out Program, "which aims to bring not only Treasury facilities but also banking and postal services to district headquarters"<sup>47</sup> about 38 out of the 89 districts treasuries have been built<sup>48</sup>. Unfortunately not many of these district treasuries are functioning due to an assortment of reasons – from systems failure to shortage of cash to lack of electricity to keep the systems running. From the point of view of service delivery, if the district treasuries are functioning and dispensing the services expected from them, that would make so much difference to many people in the districts. Therefore the District and Provincial Treasuries are important offices in the service delivery process.

45 See n.26 above at p. 31.

46 Recommendation 13 see n.26 at p. 32.

47 May R J (2006) The Public Sector Reform Process in Papua New Guinea Public Policy in Papua New Guinea – Discussion Paper Series 2006 / 4 (Canberra: The National Research Institute & State Society and Governance in Melanesia, Australian National University) p.12.

48 Ibid

## INTRODUCTION TO THE OLPG&LLG 19

Provincial Audit Service Provision is made under Section 113 of the OLPG&LLG for the Auditor General to establish a Provincial Audit Service and then appoint a Provincial Auditor for the later to maintain an effective and efficient audit service within the province concerned. The Provincial Auditor is then obligated by law<sup>49</sup> to audit the accounts of the Provincial and Local-level Governments annually. This officer is also authorized by this same law to inspect the accounts of the Provincial and Local-level Governments at any time. Unfortunately this part of the OLPG&LLG has not been

implemented.

Such a situation is unfortunate because it can only lead to mismanagement of funds resulting in the poor delivery of service in the province, districts and LLGs.

Local Level Governments (LLGs)

Provision for the establishment of LLGs is made under Section 27 OLPGLLG. Majority of the membership of the LLG comprise elected members representing wards in the LLG area through LLG elections. The

law makes some distinction between rural LLGs and urban LLGs mainly for purposes of membership and funding. In the case of membership, the

OLPGLLG allows for two women representatives only, nominated by the Provincial Council of Women to be appointed members of a rural LLG. In

the case of urban LLGs, the law allows for the following three appointed members:

- a trade union representative representing workers;
- a person nominated by the Employers Federation representing employers; and
- a woman nominated by the National Council of Women;

to be members of an urban LLG. The president of the LLG can either be

elected popularly by the people comprising an LLG area or by the LLG from amongst its elected members<sup>50</sup>. Strangely enough, the Minister responsible for LLGs is authorized under the Local-level Government Administration Act 1997 to dismiss either the president<sup>51</sup> or any member<sup>52</sup>

of the LLG from office for negligence of duty – in spite of the fact that

these are elected representatives.

49 See s113(5) OLPGLLG.

50 See s29 OLPGLLG

51 See s 9 Local-level Government Administration Act 1997

52 See s10 Local-level Government Administration Act 1997.

## 20 REVIEW OF THE OLPGLLG

The LLG has legislative<sup>53</sup> as well as administrative functions.

The

administrative functions of the LLG are set out under Section 38 of the

Local-level Governments Administration Act 1997. Under this law, the

LLGs are responsible for:

- preparing corporate plans and estimates;
- preparing a rolling five year development plan taking into account rolling five year development plans for wards as

five  
 all  
 resources  
 that  
 Government

- prepared by the elected ward members;
- preparing an annual plan taking into account the rolling year development plan;
- preparing annual budgets based on the annual plan within funds available to the LLG;
- keeping proper accounts and records;
- facilitating for the development of renewable natural development projects in the LLG area;
- constructing and maintaining infrastructure and facilities that are the responsibility of the LLG;
- initiating and implementing programs for youth and women; and
- providing support and assistance to the Provincial Government to enable it to carry its functions effectively.

Mainly for planning purposes, all LLGs are required to establish and maintain, for each and every ward within the LLG area, a register of all the people in the ward in a register called a Village Book with the following particulars:

- names, clans, ethnic groups and, where necessary and appropriate, the addresses of these persons living in the ward area;
- particulars of village officials; and
- information on assets and facilities in the ward area<sup>54</sup>.

Unlike Provincial Governments, neither the OLPGLLG nor the Local-level Government Administration Act provide for a designated LLGs staff structure to enable them to discharge the functional roles and responsibilities concerning service delivery at their level given to them by law. The nearest attempt made is for unpaid advisers to be appointed, by the Minister on request from the LLG concerned and upon recommendation

53 These are set out under Section 44 of the OLPGLLG.

54 See s57 of Local-level Governments Administration Act 1997.

## INTRODUCTION TO THE OLPGLLG 21

from the DA and the PA55. Prior to the 1995 reforms, Local Government Councils, under their enabling legislation, had staff of their own. Currently

all staff in the province, districts and LLGs are part of the national Public Service under the supervision of the PA and the DA at the district level. The DA as the CEO of the LLGs is the only designated officer for LLGs with responsibilities over the coordination of support services for LLGs<sup>56</sup>. The PSRAG has identified this as one of the causes of decline in government service delivery at the LLG level observing that: "For the past ten years, district administrations have proved generally inadequate in meeting the needs of LLGs. The most appropriate solution is for LLGs to again be enabled to hire and fire staff, appropriate to their needs" and have made recommendations accordingly<sup>57</sup>. In terms of service delivery at the district level, there is little doubt that the LLGs have been ineffective. This is unfortunate because one of the driving factors behind the 1995 reforms was "bringing the government and government services to the people" through their own LLGs, rather than them walking long distances with their "weary feet" seeking government services far and wide. As stated above, LLGs have been in the shadow of the JDPBPC since this body has won the favour of the National Government as the appropriate body in channeling service delivery in the rural PNG through programs such as the DSIP. The PSRAG has also noted that the existence of the JDPBPC undermines and weakens the LLGs and have recommended for the abolition of this body<sup>58</sup>.

Local-level Government Special Purposes Authorities (LLG SPAs)

Provision for the creation of Local-level Government Special Purposes Authorities (LLG SPAs) is not made under the OLPGLLG but rather under Section 42 of the Local-level Governments Administration Act 1997. Although such authorities existed prior to the 1995 reforms as Special Purposes Authority (SPA) created by specific enabling legislation, they did not get much attention in the OLPGLLG. The LLG SPAs do not fit well within the decentralization system established by the OLPGLLG and appear to be more of an appendix to the system. Nevertheless, Section 42 of the

<sup>55</sup> See s54 of Local-level Governments Administration Act 1997.

56 See s74(2) (a) and (e) OLPGLLG.

57 See n.26 above at p.41 and their "Recommendation 21: Local-level governments be enabled to employ staff appropriate to their needs, and for public servants generally to have advisory and support roles."

58 See n.26 above at p.31 and their Recommendation 13.

## 22 REVIEW OF THE OLPG&LLG

Act provides that a LLG SPA may be established by a proclamation by the

Head of State acting on advice from the national Government, in an area of

one or more LLGs. Such proclamation will specify the purposes for which

the authority is established<sup>59</sup>. Upon proclamation, the authority becomes a

body corporate and thereon exist as such with perpetual succession and all

powers of a body corporate including powers and capacity to own property,

borrow money, make investments, and to sue and be used in its corporate

form and style<sup>60</sup>. The powers and functions of a LLG SPA would be as

stated in the proclamation issued by the Head of State but excluding any

powers and functions concerning:<sup>61</sup>

- the power to make local-level laws;
- the power to impose or levy rates, taxes, charges or fees;
- executive powers; and
- the duties and responsibilities of a LLG.

Furthermore, the authority would have no power or function over a ward

committee in the LLG<sup>62</sup>. However, the national Government may direct the

LLG SPA, through the Head of State, for the authority to act as an agent for

the national Government on any matters that it may so directs<sup>63</sup> but with

the exclusion of any of the above stated matters. Apart from the presentation of an annual report to the Minister responsible for local-level

government affairs on the implementation of its work programs and activities<sup>64</sup>, the LLG SPA is also required to present an implementation

authority report to the LLG<sup>65</sup> in which it exists.

The management and operation of the LLG SPA are to be conducted by a

managing body as specified in the proclamation but at arms length from a

LLG<sup>66</sup>. Therefore, a member of a LLG is prohibited from being a

member

of the LLG SPA<sup>67</sup>. The establishment of LLG SPAs<sup>68</sup> appears to be

59 See s 42(2) Local-level Government Administration Act 1997.

60 See s 44 Local-level Government Administration Act 1997.

61 See s 48(1) Local-level Government Administration Act 1997.

62 See s 48(6) Local-level Government Administration Act 1997.

63 See s 48(4) Local-level Government Administration Act 1997.

64 See s 50 Local-level Government Administration Act 1997.

65 See s 51 Local-level Government Administration Act 1997.

66 See s 45(3) Local-level Government Administration Act 1997.

67 See s 45(2) Local-level Government Administration Act 1997.

68 As of 2004, 9 LLG SPAs have been established, being: Porgera-Paiela LLG SPA

(Porgera Development Authority) 1998; Anga LLG SPA (Anga Development

Authority) 2001; Nimamar LLG SPA (Nimamar Development Authority) 2001;

Koiari LLG SPA (Koiari Development Authority) 2002; Western Regional

#### INTRODUCTION TO THE OLP&LLG 23

attractive in communities where there are large natural resources development projects and the project developers, in their quest to maintain

sound community relations, fund these authorities to carry out various

community development programs and projects. In the New Ireland Province, this has been the case for the Nimamar LLG SPA commonly known as Nimamar Development Authority which is given strong funding support by the Lihir Gold Mine. Fuller<sup>69</sup> notes that where LLG SPAs are

financially supported by extractive resources development companies, such

as in the case of Porgera-Paiela LLG SPA (Porgera Development Authority) where it is supported by the Porgera Gold Mine, they tend to

function quite well. However those which do not receive such funding assistance from such companies, have not been successful.

Ward Development Committees (WDCs)

In the context of the OLP&LLG, and one of its enabling legislation, the

Local-level Government Administration Act 1997, "wards" in rural Papua

New Guinea has the same meaning as a village; or parts of a village where

the village is a big village; or a collection of small villages or hamlets. This

is the level at which the Ward Development Committees (WDCs) are designated to operate at and from. Provision for the establishment of WDCs

is made under Section 26 of the Local-level Government

Administration Act

1997. The composition of this committee is:<sup>70</sup>

- the elected local ward member who shall also be the chairman; and

• three male and two female persons, either appointed or elected

by the residents of the ward, in a manner determined by them. These members are referred under the Act as Associate Members.

WDCs are tasked to determine the needs of the ward concerning services, programs and infrastructure and then advise the LLG through their chairman<sup>71</sup>, who, as the elected member for the ward, is required to prepare

Training Authority (2002); Kokoda Track LLG SPA (Kokoda Track Authority); Kikori LLG SPA; Kutubu LLG SPA (Kutubu Development Authority); Hides LLG SPA.

69 Filer C (2004) *Horses for Courses: Special Purpose Authorities and Local-level*

*Governance in Papua New Guinea Discussion Paper* (Canberra: State Society and

*Governance in Melanesia*, Australian National University).

<sup>70</sup> See ss. 27 – 29 *Local-level Government Administration Act 1997*.

<sup>71</sup> See s 34 *Local-level Governments Administration Act 1997*.

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and submit to the LLG a rolling five year plan for the ward<sup>72</sup>. This plan is known as a Ward Development Plan. Whilst the planning arrangements written into law seems such a delight and offer so much promise for the people, the reality on the ground has been extremely disappointing – in the sense that the wish list of the villagers (Ward Development Plan) is ever increasing by the day but there is no deliverance in sight resulting in so much frustration and despair.

National Economic and Fiscal Commission (NEFC) Provisions for the establishment of the National Economic and Fiscal

Commission (NEFC) are made both in the Constitution<sup>73</sup> and the OLPG&LLG<sup>74</sup>. Therefore, the NEFC is an important constitutional committee that is critical for rendering independent advice to the

Government and Parliament on intergovernmental fiscal arrangements.

Hence, functionally, the NEFC is responsible for:<sup>75</sup>  
policies of  
Local-  
Government  
and to  
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level

- assessing and monitoring the economic and fiscal policies of the national Government, Provincial Governments and Local-level Governments and advising the national Government accordingly; and
- making recommendations to the national Government the national Parliament on financial arrangements allocation of grants by the national Government to Provincial Government and Local-level governments between Provincial Governments and Local-level Governments.

Whilst these provisions were made under these laws, the NEFC was not funded and constituted as a functioning body until 1998<sup>76</sup>. Particularly in the last eight years, it has been active in reviewing the intergovernmental funding arrangements pursuant to the OLPGLLG and has made an impact in making the national Government to realize some of the disparities and short falls in funding relative to the functional roles and responsibilities given to the Provincial Governments for service delivery.

72 See s 11(a) Local-level Governments Administration Act 1997.

73 Section 187H Constitution.

74 Section 117 OLPGLLG

75 See S 187H (2) Constitution.

76 See Barter P (2004) "Blunt assessment, hope and direction: lower level government in Papua New Guinea" in Sullivan N. ed. Governance Challenges for Papua New Guinea and the Pacific Islands (Madang: Divine Word University Press) pp. 132 – 154 and May R J above n.47 at p9.

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Provincial and Local-level Service Monitoring Authority (PLLSMA)  
The Provincial and Local-level Service Monitoring Authority (PLLSMA) is established by Section 110(1) of the OLPGLLG but to be administratively

located and operating within the Department of Provincial and Local Government Affairs (DPLGA). Since this is the centrally designated and tasked institution by the Organic Law to monitor and evaluate the effectiveness or otherwise of the service delivery systems and processes and the state and levels of services under this system of governments, membership to this body is drawn from those departments or institutions of national Government who are involved in the delivery of government services in the provinces. Hence, the membership to this body is as follows:<sup>77</sup>

- Secretary, Department of Provincial and Local Governments Affairs who is also the Chairman;
- Secretary, Department of Personnel Management or her representative;
- Secretary, Department of Justice and Attorney General or her representative;
- Police Commissioner or his representative;
- such other Departments as determined by the Government from time to time;
- Chairman, Teaching Services Commission or his representative;
- Director, National Training Council; and
- 3 other persons to be appointed by the Government from outside Public Service.

The NEFC has been appointed by the national Government to be a permanent member of this important body as well<sup>78</sup>. In terms of functional

roles and responsibilities of this body, it is required to:

- coordinate and monitor the implementation of national Government policies at provincial and local-level; and
- establish minimum development standards and monitor the maintenance of those standards in the overall development of the rural and urban communities; and

<sup>77</sup> See s 110(2) OLPGLLG

<sup>78</sup> Generally see May R J above n. 47 at p. 10.

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- provide the necessary support and assistance to the Auditor-General to enable him to audit the books and accounts of Provincial Government and Local-level Governments; and
- develop, co-ordinate and monitor the training and staff development needs of officers from the national Public Service assigned to the provinces and districts; and
- evaluate and assess the effectiveness and efficiency of Provincial Governments and Local-level Governments; and
- make recommendations to the Minister responsible for

provincial government and local-level government matters in the strengthening of decentralization of government; and

- ensure that all appointments to offices in a Provincial Government and a Local-level Government are based on merit.

Clearly, therefore the PLLSMA is the designated central body to coordinate, monitor and supervise the operations of the Provincial and Local-level government. In effect, this was the national Government task force that was designated to coordinate, monitor and supervise the implementation of the various aspects and stages of this new system of decentralization and service delivery through provincial and local-level governments introduced by the OLPLLG. This is indeed a critical body if the new system of decentralization is to be successfully implemented.

Despite this intended crucial role of this body in this system of decentralization, this body has not been effective in the discharge of its functional roles and responsibilities<sup>79</sup>. No doubt, this has contributed to the current poor state of affairs in the entire system of governance of sub-national governments and the resultant break down in the delivery of basic government services at the provincial and local-level government level.

<sup>79</sup> See Barter P above n. 76 and May R J above n. 47 p. 10. There is however now a new commitment and resolve under the current Chairman, Mr Manasupe Zurenouc, Secretary, Department of Provincial and Local Government Affairs and former long time Administrator of Morobe Province, to resource and establish PLLSMA so that it can discharge its intended functional roles and responsibilities.

A Review of the Implementation of the OLPGLLG: The  
New Ireland Provincial Government Experience 2002 –  
2007.

Lawrence Kalinoe

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### Introduction

The New Ireland Province is a comparatively small province with a population of about 118,000 with the majority of them living on the main

island of New Ireland and the rest on outlying islands with the provincial headquarters at Kavieng on the northern tip of the main island. The province has two districts only – being Kavieng and Namatanai. Kavieng

has 4 LLGs being:

- Murat (islands of Musau, Emirau, and Tens) LLG with 6 wards;
- Lovangai LLG (Lovangai Island) with 19 wards;
- Tikana LLG (northern part of the mainland) with 18 wards; and
- Kavieng urban LLG with 6 wards.

Namatanai has 5 LLGs – being;

1 Papua New Guinea Yearbook 2007 (Port Moresby: The National and Cassowary Books).

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- Nimamar LLG SPA (Lihir Island where this LLG is financially supported by the Lihir Gold Mine);
- Tanir (islands of Tanga and Anir) LLG;
- Konoagil LLG;
- Central New Ireland LLG; and
- Namatanai LLG.

In total, there are 9 LLGs and 336 wards in the province which means that

there are 9 LLG council presidents, 336 ward members (councilors) and of

course 336 ward development committees. Since there are two districts or open electorates (Kavieng and Namatanai) there are two JDBPPC headed by the respective open MPs and one JPPBPC for the province to be chaired not by the Governor but by his appointee from the members of the PEC.

The various development planning documents this province alone is required (under the various provision of the law as seen above) to have drawn up and use for service delivery program design and project implementation, are as follows:

- 1 provincial rolling 5 year development plan incorporating all district and ward development plans with the corresponding budget estimates;
- 2 rolling 5 year district development plans and annual budget estimates;
- 9 LLGs corporate plans and estimates;
- 9 LLGs rolling 5 year development plans; and
- 336 ward development plans.

Annual provincial budgets and work programs for New Ireland Province

would then have to be designed and implemented based on these development and service delivery plans. In this period under review, there

was no provincial five year rolling development plan. Neither were there

any 9 LLGs 5 year rolling development plans nor 336 ward development

plans. Only the two JDPBPCs in the province attempted to have their

respective plans developed and used them to implement their service

delivery programs largely because they were operating outside of the NIPG

system due to the respective open MP's disapproval of how the then

Governor was running the affairs of the province. In particular, the Member

for Namatanai, Byron Chan openly challenged the former Governor concerning how the affairs of the NIPG were managed and he stayed away

from attending the Provincial Assembly meetings and was eventually

disqualified and bared from attending any further assembly meetings.

According to several senior NIPGA officers that I interviewed, the NIPG

budgets for all the years five years of his tenure, were not even drawn up in

the province but were drawn outside the NIPGA system through the former Governor's own contacts and business associates<sup>2</sup> and were then taken straight to the JPPBPC which he himself chaired and then onto the Provincial Assembly for endorsement. At the Provincial Assembly meetings, the former Governor did not allow any dissenting views or debate. Any member of the Provincial Assembly who spoke against him was punished by the Governor withholding any funding or other support for his constituent area. Since the Namatanai MP, Byron Chan was always critical of the former Governor, the Namatanai district did not receive any support at all from the NIPG and the condition of the roads in the district alone was so bad that at some parts, the roads were impassable for trucks without four wheel drive capacity. Owing largely to the various funding support the province gets from big resource development companies like Lihir Gold Mine, NIP is seen in Papua New Guinea as a resource rich province. Based on the various intergovernmental funding and resources allocation studies which the NEFC has done, Ron May<sup>3</sup> makes a valid observation that New Ireland has a relatively high revenue per capita in comparison with the other provinces. One former senior administrator<sup>4</sup> and two current senior officers made the observation that in the period from 2002 – 2007, the Public Investment Program (PIP) grants and subsidies alone from the national government to NIPG were in excess of K70 million. "We have nothing to show for now as to how we used that money in the province. We did not build any sustainable capital investment item like roads and bridges or such other public facilities like buildings etc. The former Governor through his 'Limus Structure' spent the money on short term consumable items just simply to maintain his popularity and political support base by using public money"<sup>5</sup>. The Limus Structure

What then is the "Limus Structure"? I asked the then Administrator of NIP

Mr Robinson Sirimbat and he explained that the name Limus is the name of the island that the former Governor, Ian Ling –Stuckey comes from and the

2 The former Governor is a successful businessman in his own right prior to entering politics through his Monian Group of companies largely involved in property development and management.

3 See May R J above n. 52 at p.9.

4 Former Provincial Administrator Mr Makis. The other senior officers are current serving officer so as agreed between them and I, they shall remain nameless.

5 From my verbatim interview notes which are on file at the CLRC and can be made available on request.

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so called 'structure' comprise the campaign co-ordinators which the former

Governor used to run his campaign in the 2002 National Elections. After he

won the 2002 elections and became Governor of the province, he continued

to use the campaign coordinators to conduct service delivery in their

respective LLG areas and paid them allowances etc., for doing the various

service delivery work like transporting and installing water tanks etc., in

their respective wards and LLG areas. Their 'service delivery work program' was coordinated out of the Governor's office and that caused

some concern from provincial public servants who felt that they were left

out in the service delivery process. The PA further explained that the so

called "Limus Structure" was not formally incorporated into the NIPG

system and that there was no such structure on paper but the former

Governor used a provision in the Provincial Governments Administration

Act 1997 which allowed for community based organizations (CBOs) and

non-governmental organizations (NGOs) to be utilized in the service

delivery process and that gave him the legal basis to utilize the "Limus

Structure" in the service delivery process. The PA emphasized that the

"Limus Structure" is nothing but the campaign committees which the former Governor set up to run his 2002 election campaign. It perhaps was

the use of the word 'structure' rather than the word 'committee'

that caused concerns and raised questions in the minds of many as to whether the structure was sanctioned and formalized by the NIPG. Without having to defend the use of the system, the PA opined that the utilization of the "Limus Structure" in service delivery was rather effective in reaching down to the LLG and ward levels and the villages at least cost to the NIPG as compared to the utilization of NIPG public servants for whom logistics would be problematic and incidental costs would be far too high when you factor in accommodation, transportation and travelling allowances related costs.

Out of his 2002 election campaign committees through out the province, the former Governor appointed persons as "Area Co-ordinators", "Ward Coordinators" and "Foot Soldiers" and they comprised the "Limus Structure" and were deployed by the Governor, mainly in those areas where he received political support, to deliver goods and service funded out of the NIPG budget, particularly to those people who supported him and the "Limus Structure". The elected local ward members and LLG presidents had no part in the "Limus Service" delivery structure. Neither were the LLGs and the DAs consulted or utilized.

Soon after the former Governor won the provincial seat in the 2002 national election, he quickly moved around the province and held what

#### THE NEW IRELAND GOVERNMENT EXPERIENCE – 2002–2007 31

were known as "development forums" with members of his "Limus Structure" and the Governor's office organising these forums. A good majority of the people who attended and participated in these public forums were political supporters of the former Governor and were of course, either members or supporters of the "structure" as it was commonly referred to in short. Four of the senior officers of the NIPGA whom I interviewed recalled attending the first couple of these forums and they recounted that, the former Governor would tell the people that previously – prior to 2002, the

budget in the province was done in such a way that the Public Servants were allocated 70 percent funding and the service delivery for the people in the province received only 30 percent. This resulted in the poor or lack of service delivery to the ordinary people of the province. The former Governor then was adamant that he was now going to change that by reversing the percentages on budgetary allocations – that the Public Servants would be given only 30 percent of the NIPG Budget and 70 percent of the Budget would go directly to the people for “service delivery”.

These senior NIPGA officers explained that this commitment that the former Governor made at these forums later became the basis upon which the NIPG Budget was framed in the 5 years that he was in office. This was the basis upon which he relied upon to direct the focus of the NIPG Budget to the purchase of goods and services and the delivery of those goods and services to the people by utilizing members of the “Limus Structure” – intentionally bypassing provincial public servants and members of the relevant ward members, ward development committees, the LLGs and the respective JDPBPCs.

As stated earlier none of the NIPGA officers were involved either in the project planning and design or implementation. In fact there were hardly any documentation of projects in the “Limus Structure” style of service delivery in the province. This style operated in a rather casual and informal way in the sense that if a village or individuals in the village needed assistance, mainly of consumable items, they would approach any member of the “structure” in the village and the “structure” members will then obtain the support of the “area coordinator” and then approach the Governor’s office for funding. Most of the requests for funding were in the form of letters requesting funding for their identified projects without proper costing. As soon as the Governor gave approval, it was the members of the “structure” (“area coordinators”, and “ward coordinators”) who were involved in the preparation of the Government funding requisition process by completing the FF3 and FF4 finance accountable documents and they would then pass those to the Governor. Since the Governor is the not

the  
chief accountable officer in the province, the Governor then made  
sure that

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the PA, as the chief accountable officer signed all the funding  
requisitions.

The cheques were then processed through the Provincial Treasury  
and then

forwarded to the Governor's office for collection by the "ward  
coordinators" and the "foot soldiers" etc., for procurement and  
delivery of

the consumable items to the people in the villages. There were  
some

instances where when the cheques were released, they were never  
received

by the intended recipients and the cheques were simply cashed and  
the

money applied to personal use. Since the NIPGA staff, who are of  
course

public servants were not involved, there was no accountability at  
all in the

use of public money. There were hardly any acquittals also by  
those who

received the payments for accounting and audit purposes.

Most of the "projects" which were funded through this "Limus  
Structure"

style of service delivery were for village life improvement,  
mainly for

individual villagers. Such projects included financing the  
following items:

- out board motors (engines) and dinghies commonly known as  
"Banana Boats";
- corrugated iron sheets for people to build their houses in  
the  
villages;

- water tanks – mainly for individuals and families rather  
than for  
a village community;

- fishing nets – mainly for individuals rather than for a  
community fishing project etc.;

- kerosene stoves and primus for individual families for  
their

private day-to-day use;

- sewing machines for private family use;

- guitars for individual and private use; etc.

As seen above from the then PA's reaction as to the possible  
justifications

and the legal basis upon which the former Governor relied on to  
set up and

utilize his own service delivery mechanism, Section 16(1) (i) of  
the

Provincial Governments Administration Act was the provision he relied on.

This provision allows Provincial Governments to provide “support to non-government agencies” to enable them to carry out development programs in the province. When I brought this to the attention of the current acting PA

Ms Veronica Jigede, who was at the time of the interview, the Deputy PA

Corporate Services, she gave the following sound response:

“The former Governor justified the use of the “structure” by citing

a provision of the Organic law and such other related legislation

which allowed for CBOs, NGOs and youth groups to be utilized in the delivery of goods and services. But the irony of the

#### THE NEW IRELAND GOVERNMENT EXPERIENCE – 2002–2007 33

situation was that the “structure” was neither a CBO, nor an NGO or a youth group because it did not meet any of the requirements of CBO, NGO, or youth group as the “structure” was not properly incorporated under the Associations Incorporation Act and therefore did not possess any certificate of incorporation. If the

justifications cited by the former Governor were to be valid, then

the “structure” should have been appropriately incorporated under the appropriate legislation and for purposes of legitimate utilization by the NIPG, they should have been coordinated through the office of Social Welfare and Community Development of the NIPGA.” 6

This response from the current acting PA exposes the weakness in the reliance on this law for the use by the former Governor of this his own

service delivery medium. As seen above, the “Limus Structure” comprises

members of the former Governor’s 2002 election campaign committee and

is therefore a loose grouping of his political supporters. It cannot therefore

qualify as an NGO or a CBO. Even more so, s.16(1) (i) of the Act as cited

above, merely authorizes Provincial Governments to support NGO agencies

to enable them to implement development programs in the province but not

usurp service delivery functions of the Provincial Governments and

LLGs.

When I interviewed Mr Tony Drett the Deputy PA, Advisory Services and raised this particular issue, he offered the opinion that any provision such as this which allow Governors to utilize NGOs and CBOs for project design, implementation and procurement and delivery of goods and services should be immediately repealed. Otherwise self centered, egoistic and enterprising Governors like the former Governor of New Ireland are still likely to use so called CBOs, NGOs or such lobbyist groups for their personal political gain and survival by misusing public funds. No doubt, the former Governor used the "structure" to reward his supporters by using public monies so that they can continue to support him. The current acting PA, Ms Jigede<sup>7</sup> made the further observations that the use of the "structure" personnel to implement projects resulted in the situation that village people with no relevant and appropriate training and experience in the areas of project design and implementation were being utilized. Obviously these village people of the "structure" had no appreciation of the Public Finances (Management) Act and the Public Services General Orders, and they did not understand and appreciate the need for accountability and acquittals of public (government)

6 See n.5 above.

7 Ibid

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funds given to them for project implementation or service delivery under the "structure".

The Effect of the Limus Structure on Service Delivery  
Obviously, the delivery and maintenance of basic government services such as health, education, transportation infrastructure, fisheries, agriculture, as opposed to consumable items, suffered, in this period under

review. The negative effects were felt, not only by the greater majority of the people in the NIP but also by the public servants in the NIPGA who were totally demoralized. I interviewed the NIPGA advisers for agriculture, fisheries and commerce together and they made the following observations which I restate:

- Service delivery has deteriorated in the last 4 years because of total lack of budgetary provisions to the functional divisions, and instead funding was diverted to the political regime's own service delivery mechanism known as the "Limus Structure";
- When we talk about service delivery we must first appreciate that a person has to be appropriately trained and skilled in the functional area say as a fisheries extension officer or a health extension officer or a business development officer, in order to properly deliver goods and services to the people. Of course our provincial public servants are trained and skilled in their respective areas and have always been available and ready to serve their people. When you use untrained ordinary village people for service delivery such as under the former Governor's "Limus Structure", then it is likely that effort and funding will go to wastage;
- In service delivery you need appropriate and adequate input in terms of appropriately skilled and experienced staff and adequate funding, and only then you can expect a good and satisfactory output. If there is no proper and adequate input then obviously the output is going to be poor. It is simple as that. That's what happened in New Ireland in the last 4 years under the former Governor;
- Appropriate and sufficient budgetary appropriation to the various divisions to enable them to do their extension and service delivery work has been a real problem in the last 4 years;
- Perhaps one of the reasons as to why NIPG is not going too well is that there has been no provincial plan in the last 5 years

or so. Budgets were just framed according to the Governor. The provincial budget has never been driven by a provincial plan resulting in ad hoc budgeting and poor appropriation of provincial funds;

- When the former Governor chose not to utilize the provincial public service and over a period of 4 years, he nearly dismantled the provincial public service. No doubt his use of the “structure” seriously undermined the provincial public service machinery.

I interviewed the education advisor separately on another day. He began by explaining that, in NIP there are 262 Elementary Schools; 130 Primary and Community Schools; 6 Vocational Centres; and 6 Secondary Schools. Due to lack of funding by the NIPG, they were not able to conduct school inspections in the last four years. They were however lucky to receive about K650,000 school fees subsidies per annum from the National Government and it has been such funding that has allowed them to keep the schools going. Otherwise, they would have probably closed down some of these schools. He then went on to make the following additional points which I restate:

- Due to serious neglect in budgetary support under the former Governor’s administration, all services in education came to a halt. I had practically nothing to work with in maintaining school inspection programs etc. All the vehicles which were previously allocated to the education division were taken off from us and given to the members of the “Limus Structure”. Prior to 2002, we had 3 vehicles. When the new Government came in after the 2002 Elections, 2 of our vehicles were taken off from us. One got involved in an accident and was written off;
- In fact not only Education, all the Divisions in the Provincial Administration lost all their vehicles and these vehicles were then re-allocated by the Provincial Administrator, presumably under the Governor’s instructions, to the members of the

the  
conduct  
had

- “Limus Structure”;  
• The lack of budgetary support for the continued delivery of services which we were providing, such as inspections of schools and the maintenance of basic school infrastructure, totally crippled us. In my division, we had no money to conduct the necessary and basic schools inspections. Schools in NIP had been without inspections for the last 4 years. Consequently

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very  
difficult to  
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intention of  
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sector. The  
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of the

schools in NIP had greatly suffered from this resulting in low ranking of the province nationally;

- As if this wasn't enough, even where token funding was mentioned in the provincial budget, it was extremely difficult to actually obtain the budgeted monies. In that 4 years period, the situation was so bad that we had to use our own money out of our own pockets to purchase office stationary;
- In summary, no doubt education in NIP suffered seriously in the last 4 years. For example, in 2005 our Grade 10 Examinations results went down and we were second last in the country. Now we are on the 14th placing nationally;
- Finally I make this point. In my view, the spirit and intention of the reform was to make the Provincial Governments (PGs) to play a facilitating role and to enable the LLGs to be the level at which goods and services delivery was to have occurred. The PGs were never intended to function like the former Provincial Governments under the pre 1995 system. Unfortunately, the Governors under the current system are thinking and functioning like the Premiers of the former system, thus strangulating the capacity of LLGs in service delivery.

This lack of funding by the former Governor of some of the basic Government services in the province also affected the health sector. The Deputy PA, Advisory Services advised that basic health services, particularly in the rural health centres and aid posts run by the Government were seriously affected. Consequently, 20 aid posts through out the province were closed down in this period under consideration. As indicated above, the introduction of the “Limus Structure” by the former Governor also had very serious negative consequences on the staff of the

NIPGA. The current acting PA Ms Jigede elaborates:  
"As a result of the reliance upon and the use of the 'structure' personnel by the former Governor and the lack of funding for the functional divisions of the NIPGA, the Government Public Service machinery was strangulated and its roles and mandate hijacked thus leaving a lot of public servants intellectually paralysed. In fact a lot of Public Servants suffered from stress and some died (e.g., my cousin the then Provincial Treasurer who got fed up to the neck and died 3 days later)."<sup>8</sup>

8 See n. 5 above.

#### THE NEW IRELAND GOVERNMENT EXPERIENCE – 2002–2007 37

New Ireland Provincial Government 2002 – 2007

The NIPG was required by law to first compile a basic minimum need assessment report for the province and then develop a rolling five year development plan (provincial plan) as the basic document to guide its annual budgets. It is clear that in this period under review, there were no such planning done for the province and that the budgets in this period have been driven by rather ad hoc consideration, largely driven by the former Governor's views, considerations and priorities. The creation and use of the "Limus Structure" by the former Governor was the major contributing factor for this lack of compliance with law. Due to the former Governor's political interests in maintaining the "Limus Structure" the provincial government did not function in the expected democratic manner. He did not allow for any dissention or debate in the provincial assembly. In this regard, the acting director for LLGs and also the acting Provincial Legal Officer observed that Provincial Assembly Meetings for the PEC were usually scheduled four times a year or every quarter. Special Assembly Meetings were also held as and when required. Nearly all of these meetings were chaired by the former Governor and he

usually conducted these meetings without any dissent. If any PEC member disagreed with his views, those dissenting views were not entertained at the PEC Meetings. It appears that he usually planted questions and then called upon the member concerned to raise the issues and questions as planned and he would then entertain them. Any speech at the PEC Assembly meeting that opposed or criticized his government or style of administration were simply not allowed despite the fact that most of these leaders were mandated leaders as elected LLG Council Members elected by their people in their respective wards and LLGs. Simply put, the former Governor did not allow dissent in his PEC Assembly meetings. Those democratically elected PEC leaders were not allowed to fearlessly and democratically represent their constituents. As a result, there was no working relationship with the national MPs in the province. Byron Chan MP and Member for Namatanai did not see eye to eye with the former Governor. The two open MPs hardly attended the PEC Meetings and as consequently Hon. Byron Chan was excluded from the PEC.<sup>9</sup>

New Ireland Province PA

By law (as seen above), the PA is the CEO of the province, and as the administrative head, is responsible for the effective and efficient

<sup>9</sup> See n. 5 above.

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administration and management of all administrative services in the province. The PA is also the chief accountable officer for all public monies in the province and is required to ensure that public monies are spent and accounted for through acquittals and audits. It is apparent that the PA in this period under review, some what succumbed to political pressure exerted by the former Governor and was found wanting. In this regard, the acting Provincial Legal Officer expressed the concern that the PA as the CEO and chief accountable officer in the province, just simply turned a blind eye to all these various illegal or unlawful activities perpetuated by the former Governor. The PA's inaction in not advising the former Governor against

these blatant unlawful and illegal activities left the provincial public service machinery in tatters<sup>10</sup>.  
Kavieng District Administration  
I interviewed the DA for Kavieng also and the following is an account of his views and perceptions based on his experience as DA for Kavieng, where up to the time of the interview, he was in office for a little less than two years. Prior to that he was an officer in the NIPGA. He started by saying that in his view, one of the biggest problem with implementation of the OLPGLLG was that there was no proper infrastructure support in terms of proper offices and staff housing facilities in the Districts to enable the proper and smooth implementation of the reforms introduced by the OLPGLLG which intended to shift the focus of administration and service delivery to the Districts and LLGs rather than the Provincial Governments.  
Due to the lack of proper office facilities and reasonable staff housing in the District headquarters, a lot of public servant field extension officers who were supposed to be located at their respective District and Sub-District headquarters and out posts have not been deployed to those Districts and Sub-Districts. Many of them are still hanging around in the Provincial headquarters and just drawing their salaries. This has particularly affected the capacities of rural LLGs where as a result, many rural LLGs are simply not functioning well and thereby defeating the very purpose of the reforms introduced by the OLPGLLG.  
He then cited the Kavieng District as an example where there is no designated Kavieng District Administration Offices from the time the reforms were introduced some 11 years ago. This has resulted in the various functional managers of the District being housed across the town and thereby making district administration and service delivery in a coordinated

10 Ibid.

manner difficult. The Murat LLG does not have any established LLG chambers and there is no sub-district administration offices either. Consequently all public servant field extension and administration officers, with the exception of a couple of health workers, are not in the sub-district headquarters in the Murat LLG but are instead in Kavieng Provincial headquarters and just drawing their respective salaries. As a result, basic service delivery in the Murat LLG is nearly non-existent and therefore the people of Murat have to travel all the way back to Kavieng provincial headquarters. He then stressed that problems such as these must be attended to if we are to properly and effectively implement the spirit and intent of the reforms under OLPGLLG. If not we will continue to have these problems.

The other concern the DA raised was to do with the distribution of the various grants under the OLPGLLG to LLGs in the Districts by the National Government where the grants are usually very late in coming, and not in accordance with the ratio fixed under the Organic Law. This has contributed to the poor state of affairs at the LLG level where they are simply not able to undertake any of their planned service delivery programs.

The small grants which the LLGs receive later on in the year are then used to pay the councillors allowances only.

Kavieng Joint District Budget Planning and Priorities Committee

The Kavieng District Administrator was very well versed with his functional roles and responsibilities imposed upon by law (as reviewed above). He understood his role as the CEO of this important constitutional committee. The following is what he said: "It is this committee that is charged with the responsibility of developing a District Development Plan and then using that plan and then drawing up the District budget and forwarding that to the JPPBPC for consideration and endorsement and then forwarding to the PEC for approval. The Open Member is the Chairman of the JDPBPC. The DA is Executive Officer and Secretary to the JDPBPC. Unfortunately the JDPBPC has not been very effective in the last 4 years or so. On two instances, they met without the knowledge of and involvement

of the DA and that has been worrying. Legally, since I am the EO and Secretary to the Committee and it cannot meet without my involvement".<sup>11</sup>

The DA also made the point that the Open Member as Chairman of the JDPBPC should come through the DA for project planning, design and documentation before going to the JDBPPC. Problems are experienced when the Open Member bypasses the DA and does project planning and

<sup>11</sup> See n. 5 above.

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documentation outside of the system and brings the project submission

straight to the JDPBPC without the DA's knowledge.

Kavieng Urban LLG

When I visited the Kavieng Urban LLG and interviewed the Kavieng Town

Mayor (elected head of the LLG) and the Kavieng Town Manager, there

were hardly any staff in their office. Upon my enquiry, I was told that they

did not have the required staff to enable them to discharge their responsibilities. They only had a receptionist/KBO, a revenue clerk, and a

couple of town market keepers whom they hire as casuals and pay them out

of their grant from the National Government.

The Town Mayor and the Town Manager stated that funding was a very serious problem for them. They have very little internal revenue sources and

depend nearly entirely on the national government grants, and some PG

grants for specific functional areas. In the last 4 years or so they have not

been receiving any PG funding and they have entirely depended on the

national government grants.

They expressed concerns that the Kavieng Town Urban LLG as the Kavieng Town Authority should be given a portion of the GST that the PG

was receiving because they needed that money to do town keeping and

development work so that the urban rate/tax payers can benefit from

improved services in the town. As the Kavieng Town Authority they needed

professional staff like an engineer, town planner, and lawyer to assist them

to effectively run the town. Without staff like these they lack capacity to

effectively run the affairs of Kavieng Town and this is a big

problem for  
them.

#### Conclusion

There is ample evidence from the information presented above to suggest that the various institutions, administrative structures and systems installed by the OLPGLLG and related legislation to move government services to the people down to the district and local level through a planning process that involve wards, LLGs, district level JDPBPC and through the provincial governments were not utilized by the former Governor. Instead the former Governor chose to set up his own service delivery mechanism well outside of the OLPGLLG mandated processes and systems. The PA clearly failed in his functional roles and responsibilities to ensure that the administrative system and processes in the province functioned and functioned well. Consequently, the NIPGA systems and processes became sluggish and the entire public service machinery in the province was nearly grounded. The

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so called goods and services which the former Governor funded under the NIPG budget were clearly unsustainable and some were even inappropriate items. Most of them were simply consumable items. The purchase of kerosene stoves and primus for use in the villages is clearly inappropriate and a waste of public funds. Likewise, the purchase of guitars for personal use was an inappropriate use of public monies. As pointed out by the current acting PA, the utilization of the so called “Limus Structure” by the former Governor to deliver government services or rather consumable goods and services, was in my view unlawful on the basis that the “structure” was not a legally constituted NGO for it did not have any corporate status and identity. The lack of corporate identity made accountability for the use of public monies difficult and impossible. The reliance by the former Governor (with the implicit support by the

former  
PA) on Section 16(1) (f) of the Provincial Governments  
Administration Act  
1997 for the utilization of the "Limus Structure" is based on a  
misconstruction of the meaning and intention of this provision. As  
it was  
widely known and acknowledged, the "Limus Structure" comprised of  
people who were in the campaign committees of the former Governor in  
the  
2002 elections and therefore was a loose grouping of political  
supporters of  
the former Governor and not an NGO.  
Under this current system, the JDPBPC is effectively the focal  
institution  
for projects planning and service delivery in the district and the  
LLG levels.  
In the recent past, this body has been given substantial funding  
through the  
DSG grants and the DSIP grants exceeding K10 million. The role of  
the DA  
in this body and in coordinating all LLG works programs and linking  
them  
to the district development plan and funding allocations through the  
JDPBPC is vital. As the DA for Kavieng stated above, there are bound  
to be  
problems if the Open Members as chairmen of their respective JDPBPC  
do  
not involve the DA in their project planning and documentation  
process  
before going to the JDPBPC. The DA as the CEO of the JDPBPC is  
required by law to be involved in the planning as well as the  
implementation and monitoring and supervision stages of any programs  
and  
projects in the district. As the NIPG experience as shown,  
unfortunately  
there are some chairmen of JDPBPC and even Governors who do not  
quite  
understand and appreciate the functional roles and responsibilities  
of the  
DA in this current system.  
Unfortunately the effect of the prominence given to the JDPBPC under  
the  
current system has been the marginalisation of the system of LLG. As  
the  
experience in New Ireland indicates, LLGs have been ineffective and  
are at  
the serious risk of being considered irrelevant by the people. The  
issues of

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resourcing the LLGs through designated staffing and funding is a  
serious

one. If we are to make LLGs relevant and effective in service delivery, they must be appropriately staffed.

The designation of the administrative boundaries of the districts to be the

same as the open electorates under the current system has also created some

concerns in the sense that DAs are at the risk of being seen to be doing

electoral work for the sitting Open Member and chairmen of their respective JBPBPCs. DAs are at great risk from spending too much time

attending to the chairmen of the JDPBPCs and not attending to their other

administrative roles and responsibilities as managers of the districts. It may

therefore be useful to review Section 72(4) of the OLPGLLG which deems

administrative districts as the same as the open electorates. In urban open

electorates the issue is quite confusing in the sense that there are simply no

semblance of districts – no DAs and no designated district headquarters.

Take for example the open electorates of Moresby North – East or Moresby

North–West – where are their district headquarters and DAs?

No doubt, if the institutions intended under the OLPGLLG to monitor and

supervise the implementation of the current system of decentralization and

service delivery such as the PLLSMA were effectively functioning, the

problems encountered in the New Ireland Province in this period under

review could have been identified and quick remedial action taken. The

PLLSMA is required by law to establish provincial inspectorates to assist it

to effectively discharge its functional roles and responsibilities, and of

course these have been hardly established. A provincial audit service

intended under Section 113 of the OLPGLLG have not be established either. This has to be attended to as well. The NEFC has been constituted

and is currently doing some good work.

Although we are now in the thirteenth year of the implementation of the

OLPGLLG, we have not fully implemented the requirements of that law.

Some of the lapses in implementation have been significant resulting in

serious abuse or mismanagement of the institutions, systems and

administrative processes and the near collapse of basic government service

delivery at the LLG level.

Any attempts to review this system of decentralization and service delivery

introduced by the OLPGLLG must first look at the mistakes and problems

encountered and consider the lessons and then seek out appropriate remedial action. The objective of improved service to the majority of our

people out in rural PNG still remains our goal. The challenge now is to try

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and fine tune the system so that we can, at least make some grounds in achieving this goal which has unfortunately remained stubbornly elusive.

### Chapter Three

A Review of the Implementation of the OLPGLLG: The Morobe Provincial Government Experience.

Lawrence Kalinoe

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#### Introduction

According to the 2000 national census population projections, the Morobe

Province has a total population of 539, 404. Hence in terms of population, it

is the second biggest province in Papua New Guinea – after Southern Highlands which a population of 546,262. Prior to the 2000 national census

and in the previous national censuses of 1980 and 1990 Morobe maintained

the highest population – thus making it the biggest province in the country

then.<sup>1</sup> The physical geography of the province is sharply contrasting: it has some of the most rugged mountain ranges with the Finisterre, Saruwaged, and Rawilnson to the north-east and the rolling-plains of the vast Markham Valley at the centre and to the south-west lies yet again rugged mountain country of Mumeng, Bulolo, Wau, Menyama – Aseki; and Garaina, drained by the Waria, Bulolo and Watut rivers.<sup>2</sup> Jackson Rannells records that “fast

1 See Papua New Guinea Yearbook 2007 (Port Moresby: The National and Cassowary Books) p.169.

2 See Holzknacht H (1997) “Morobe Province, 1978 – 1991” in May R J and A J Regan eds. (1997) Political Decentralization in a New State – The Experience of

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flowing rivers make road building difficult along Morobe’s 400m mainland coastline. Swamps fill the mouths of the slower-flowing Mrakham and Waria. Morobe has 93 lakes. It has 57 islands, including the volcanic Siassi group. Umboi (Siassi) is the largest. The Vitiaz Strait between Umboi and Finschhafen is often stirred up by winds and is considered PNG’s most dangerous waters.”<sup>3</sup> The province shares land and sea boundaries with six different provinces – being maritime boundary with the West New Britian Province to the north – east; Madang to the north; Eastern Highlands Province to the north-west; Gulf Province to the south-west; Central Province to the south; and Northern Province to the south-east.<sup>4</sup>

With a total land mass of 34,500 square km that stretches from the north in the Kabwum and Kaiapit administrative districts bordering with Madang and Eastern Highlands to the south-east in Garaina bordering with the Northern Province and the Central Province and south-west to Menyama–Aseki bordering with the Gulf Province, Morobe Province is one of the biggest provinces and has very challenging options for

infrastructure development and delivery of basic public goods and services. Given the vastness of the provinces, the cost of service delivery can be extremely high. For example, to have the generator running up in Wasu government station or down in Garaina or out in Aseki, it will cost a lot more money to transport a 44 gallons diesel drum than the cost of purchase of the individual drum from Inter Oil or Mobil depot in Lae. Or the cost of delivering basic medicine such as paracetamol or cough medicine and antibiotics and bandages on a unit cost basis will be much higher than the items themselves and this makes difficult for running a reliable rural health centre or an aid post for the provision of primary health care.

A long time observer of Morobe Province and a former provincial planner of the province in the 1980s, Hartmut Holzkecht (1995) makes the following observations:<sup>5</sup>

“Morobe Province is a most varied province in a number of ways – linguistically, culturally, and in terms of religious adherence.

The geographic features range from islands and a long coastline

Provincial Government in Papua New Guinea (Bathurst: Crawford House Publishing) at p. 199.

3 Rannells J (1995) PNG. A Fact Book on Modern Papua New Guinea (Second

Ed.,) (Melbourne: Oxford University Press) at p. 101.

4 See Holzkecht n. 2 at p. 199.

5 Ibid.

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(circa 400 km) to rugged mountain ranges with altitudes of approximately 4,150m.”

The Morobe Province Five Year Development Plan 2008 – 2012 Volume 1,

states inter alia that the topography of the province may be conveniently

divided into three main types:<sup>6</sup>

- coastal and island areas which have been exposed to modernity

for a much longer period through early missionary contact

and

- influence;
- the inland and mountain areas most of which are inaccessible by road transport but actively involved in cash crop production
  - mainly coffee and tea; and
- the river and valley areas mainly in and around the vast Markham valley where their main income generation activities have been in cattle and market gardening.

At p.7 of this document the following pertinent observation is made under

the sub-heading 'development challenge' – thus:

“The topography of the province particularly the land forms, land

area and other physical environment ... obviously pose a challenge for development. Morobe Province has one of the most mountainous landscape with rugged terrains. Development of transport and communication will remain difficult and challenging

for many years to come.”

This same document also states that the province is centrally located in the country and has excellent transport and communication network with the

most busiest sea port in the country that handles most of the country's

exports and imports servicing the highlands, northern and island regions of

the country. Given its central location, the province is linked to most major

towns of the country by air, road and sea transport network.

Whilst this is

so, it is fair to point out that most of these air, sea and road infrastructure is

national infrastructure built and operated by the national government or its

agencies and not provincial. Within the province itself, most parts of the

province such as Kabum, Finchhafen in the north and Garaina, Salamua and

the Papua Waria areas are not linked by road to the provincial capital of

Lae. Siassi is of course an island area and sea transport is the only link from

6 Morobe Provincial Government (2008) Five Year Development Plan – Development Policies Volume 1 (Lae: Morobe Provincial Government) at p. 5.

Lae. In terms of transport and communication infrastructure, Morobe Province has the following:

- 2171 km of roads linking Lae with the Highlands, Madang, Bulolo and Wau and Aseki and Menyama; and a road connecting Finschhafen and Sialum;
- 59 airstrips scattered through out the province;
- 3 post offices and 8 postal agencies.

Provincial Government; Districts and Local-level Governments Under Section 72 (4) of the Organic Law on Provincial Government and Local-level Government (OLPGLLG) that came into effect in 1995, districts

are now deemed to be the same as the Open Electorates. Hence some of the

pre-existing administrative districts have been affected where some districts

have now lost their stand-alone district status for administration purposes.

In the case of Morobe this has resulted in the situation that Mumeng is no

longer a district as it was prior to 1995 but is now a sub-district of Bulolo.

Bulolo was not the district prior to 1995, rather it was Wau as Bulolo was

really a forestry operation company town and Wau was the Government district headquarters and the administrative district was then known as Wau

District. That has now changed and the district is now known as Bulolo

district – taking after the Open Electorate of Bulolo. Garaina is no longer a

district of its own but is now a sub-district of Bulolo. Whilst these changes

may appear to be cosmetic in the first instance, the change of status have

affected operations at the previous district headquarters as the district

administration officers have now been moved and some of the services provided in those districts have now been moved to the newly designated

district headquarters. Services such AS air transport to these outlying

districts have now been affected as well since airstrips have now been left

unattended and some closed. The mail that used to be delivered to the

district headquarters has now stopped and people are now required to travel

to these new district headquarters. The effect of this is the direct opposite of

the intention behind the 1995 reforms which intended to bring services to

the people out in the districts and LLGs and not to make people walk long

distances looking for government services. Nevertheless Morobe has 9 districts and 34 LLGs. The following table presents the districts, the district headquarters and the LLGs in each district:

7 See Rannells n.3 at p. 104.

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District	District Capital	LLG Name
Bulolo District	Bulolo	Mumeng Rural
		Waria Rural
		Watut-Rural
		Wau-Bulolo Urban
		Wau Rural
		Buang Rural
		Hube Rural
		Kotte Rural
		Finschhafen District
Huon Gulf District	Salamaua	Yabim-Mape Rural
		Burum-Kuat Rural
		Morobe Rural
		Salamaua Rural
Kabwun District	Kabwum	Wampar Rural
		Deyamos Rural
		Komba (Seko) Rural
		Yus Rural
		Selepet Rural
Lae District	Lae	Ahi Rural
		Lae Urban
		Onga-Waffa Rural
Markham District	Kaiapit	Umi-Atzero Rural
		Wantoat-Leron Rural
		Kapao Rural
		Nanima Rural
Menyamyia District	Menyamyia	Kome Rural
		Wapi Rural
		Labuta Rural
		Nabak Rural
		Wain-Erap Rural
Nawaeb District	Boana	Sialum Rural
		Siassi Rural
		Wasu Rural
		Tewae-Siassi District

Source:  
[http://en.wikipedia.org/wiki/List\\_of\\_Districts\\_and\\_LLGs\\_of\\_Papua\\_New\\_Guinea](http://en.wikipedia.org/wiki/List_of_Districts_and_LLGs_of_Papua_New_Guinea)

Although Salamaua is the designated district headquarters for the Huon – Gulf District, currently the district administration office is based in Lae where the District Administrator and his program advisers are located and operating from. Likewise, although the designated district headquarters for the Nawaeb District is Boana, the district administration staff for this district are operating out of Lae rather than up in rural Boana. The Morobe Provincial Government is made up of the 34 presidents of the same number of LLGs; 9 Open Electorates (Districts); the nominated members allowed under the OLPGLLG; and of course the Governor (Provincial Electorate) of the province as chairman of the Provincial Assembly (Tutumang). This makes Morobe Provincial Government as the provincial government with the highest number of membership. Provincial Government Administration

As seen above, under Section 43 of the OLPGLLG and as required under Section 16 of the Provincial Government Administration Act 1997, all provincial governments are required to have a provincial development plan based on the various district development plans stating basic minimum needs for the development of the urban and rural areas of their respective provinces relating, inter alia, to the management of roads, bridges and other infrastructure including public facilities for the provision of public goods and services. From our recent inspection and survey of the administration of the province, we report that the administration of the Morobe Provincial Government is very much aware of this responsibility imposed upon them and have attempted at all times to ensure compliance. Generally therefore, the planning process envisaged under the OLPGLLG and the Provincial Government Administration Act has been generally observed in the administration of the Morobe Provincial Government. With support and assistance received from the AusAid funded Provincial Performance Improvement Initiative (PPII) program, the province has in 2008 produced its various development plans. At the district level, all nine districts in the province have completed their district development plans, whilst at the LLG level some LLG were able to submit their LLG development plans but others were not able to do so. From these, the

provincial development plan and the provincial corporate plans were developed.

The key planning documents which the province now have and are implementing are: Five Year Development Plan 2008 – 2012 Development Policies Volume 1; Development Strategies Volume II; and the Morobe Provincial Administration Corporate Plan 2008 – 2012 . These documents

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comprise the Province's development plans and they have been developed based on the district development plans submitted by the districts – in turn most of the district plans were based on their respective LLG plans.

In a recent interview with the acting Provincial Administrator, Mr Patilias

Gamato, he pointed out that planning at ward level is actually difficult and

can also be ineffective because there may be great difficulty in the

preparation of these plans themselves and even much greater difficulty in

any prospect for implementation of such plans. In fact it appears that LLGs

may be spending too much time and resources on the preparation of these

plans and end up having much greater difficulties in the implementation of

these plans as by the time they complete these plans they may not have the

resources left at all for implementation of these plans.

The acting Provincial Administrator (PA) went onto state that development

planning at LLG level may also be ineffective or even futile, particularly for

road infrastructure because roads by their nature usually run through

different LLG areas and therefore it would be preferable that such be

handled at the district level through the JDPBPC. At the ward and LLG

level, they should only be looking at "shopping lists" which should be

considered and justified and submitted to the District Administrator (DA)

for planning documentation and submission to the JDPBPC. This would be

most realistic. At the ward and LLG level, they should be considering small

projects such as those only within the respective wards. The development

planning platform for wards and LLGs should be addressed and handled at the District level.<sup>8</sup> In our view, these observations made by the acting PA for Morobe represent an important assessment and reflection of the implementation of the 1995 reforms and should therefore be given serious consideration in any new review of the OLPGLLG. To assist the acting PA in the administration of the provincial government, he has established a Senior Executive Team comprising the PA as chair; the two Deputy Provincial Administrators<sup>9</sup>; Executive Officer; Finance Officer; and where necessary, the Provincial Legal Officer. This is the committee

<sup>8</sup> The Acting PA made the following comments, which we consider are relevant and pertinent: "It appears to me that there is too much planning at the lower level (LLG and ward) and there is not much time and resources to implement such plans – and when plans are not implemented, the people get discouraged, and it may end up destroying the credibility of the PG itself".

<sup>9</sup> The two deputies are: Deputy Provincial Administrators – Corporate Affairs; and Deputy Provincial Administrator – District and LLG.

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that assists acting PA in managing the Provincial Government and the province. At a much wider provincial level, there is a body known as the Provincial Management Team that comprises all DAs and program advisers. This is the other management forum that the acting PA has established to further assist him administer the province. LLG and District Administration All the 9 districts in Morobe have been fully established and are operational with a DA appointed and stationed in each of the district with the relevant staff support. District Treasuries have also been established and are operational through out all the districts in Morobe. All the districts have some program officers stationed and they are responsible for each LLG area. The acting PA stated in our recent interview with him that generally

they have coordinators in health, education, commerce officer, DPI extension officers, works and a technical officer stationed in all the district headquarters. He further pointed out that the technical officers they have in the district headquarters are Lae Technical College graduates in roads, bridges, building technicians etc. These technical officers are out there to generally report on status of district infrastructure (i.e. conditions) and related problems. Huon Gulf and Nawaeb are semi rural and urban districts as the electorates runs into some parts of urban Lae city areas and therefore most of their District administration staff are based in Lae. In terms of the level of LLG staffing and administration in the province, the acting PA stated that all LLGs have a LLG manager and some basic staff. All LLGs have also been fully established. Sialum LLG has a very impressive double storey building with an air-conditioned council chambers. All LLGs however have council chambers and basic offices only. The acting PA went on further to explain that he has set up a Provincial Management Team (PMT) comprising all program advisors and 9 district administrators, and the two Deputy Provincial Administrators. Himself as the acting PA chairs this committee. He then pointed out that this is the highest decision making and consultation and monitoring and information dissemination forum in Morobe. He explained that: "It is at this forum that I get every manager in the province to account for the state and status of their respective programs and projects in their respective areas of responsibilities. Generally, this team meets every quarter. For example, last year 4 Districts

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did not submit their District Development Plans and I had to use this forum to publicly shame them to make them do the right thing".<sup>10</sup> Joint District Planning and Budget Priorities Committees (JDPBPCs) According to our recent review and field investigations of the province, it appears that all JDPBPCs are functioning and functioning well in the

province. Whilst they are functioning well in the sense of meeting and

taking decisions on project planning and implementation, there is however a

serious issue of capacity in the implementation of major projects that

require complex technical expertise such as in construction or maintenance

of roads and bridges, buildings, maintenance to infrastructure etc. The

acting PA explained that good reputable contractors are difficult to get

when tenders are called because of the large mobilization costs involved. As

a result, they some times resort to small contractors who are within the

vicinity of the District and sometimes experience all sorts of difficulties in

quality and timely completion of projects. In some instances, the problems

they experienced have resulted in cost overruns and consequential incompleteness of projects.

The acting PA then explained that to avoid some of these problems, most of

our JDPBPCs in the province have resorted to buying their own heavy

machinery such as bulldozers and graders, excavators, trucks and related

earth moving equipment. Whilst the investment is good for as long as the

national Government continue to fund the JDPBPCs well, when the funding

is reduced, there will be very serious problem in the continued operation

and maintenance of these machinery. The JDPBPCs will not be able to fund

their maintenance and continue to hire the required personnel and the

investment in machinery may not be sustainable. The acting PA then observed that we need to find a sustainable way of doing things

and pointed

out that sustainability of projects at this level is an important consideration

and needs to be given serious thoughts by all concerned. He then went onto

explain that currently K300,000 is the threshold for Public Supplies and

Tender Board (PSTB) consideration – any projects above this threshold

require PSTB consideration after the JDPBPCs have taken their decision.

PSTB will have to clear such projects before funds are committed. Any

project below this threshold do not require PSTB consideration and

10 From the verbatim interview notes taken by the author. These notes are available on file with the Constitutional and Law Reform Commission.

#### THE MOROBE PROVINCIAL GOVERNMENT EXPERIENCE 53

approval. Therefore as soon as the JDPBPC has taken a decision the funding can be drawn from the district treasury concerned.

Joint Provincial Planning and Budget Priorities Committee (JPPBPC)

As seen elsewhere in this publication, by the dictates of the OLPGLLG, the

District Administrator is the executive office to the JPPBPC. In an interview we had recently with the acting PA, he pointed out that the

JPPBPC in Morobe is functioning well. Contrary to law, the JPPBPC in Morobe is chaired by the Governor<sup>11</sup>. Nevertheless the acting PA as executive officer of this important constitutional committee pointed out that

meetings of this committee are regular.

Provincial Audits

When queried about audits in the province, the acting PA stated that they

have a 9 member provincial audit committee with representatives from the

Auditor General's Office leading the team. He also reported that their

financial accounts and statements are current.

Service Delivery

The cost of service delivery in the province, particularly for outlying sub-

districts and districts like Garaina, Waria in the Morobe Patrol Post area (

Huon Gulf); Tewai – Siassi; Sialum, Wasu, Kabum, Finchhafen; Pindiu;

Boana; Menyama– Aseki; is very high. Some of the staff like school teachers; health extension service workers; and the technical

workers such

as roads and bridges inspectors; who are posted to these rural sub-districts

and districts are reluctant to stay on in these areas largely due to the lack of

amenities such as schools, access to banking facilities, shops etc. and the

high cost of transportation to and from these areas – so this has been

affecting the level of efficient, effective and reliable service delivery in

these areas.

The acting PA explained that to try and get around this problem, they have

been sponsoring local students from these areas to attending Balob Teachers College and Lae Technical College and nursing schools in the province – so

11 Under Section 25(2) of the OLPGLLG, the Chairman of the JPPBPC is to a member (other than the Governor) appointed by the Governor. The rationale for this is clear – since the Governor is the Chair of the Provincial Assembly, he cannot be chair of the JPPBPC which is the second highest decision making body in the province as probity of the decisions and the processes would be seriously compromised.

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that after these locals are trained and upon graduation, they can be posted back to their respective local areas and they can stay there and work and serve their own people. Since these are trained local people, they will be able to settle in back amongst their people and stay on in their local areas and serve their own people. Under this scheme, currently there are 40

students the Morobe Provincial Government is sponsoring now enrolled at Balob Teachers College for teacher training. The acting PA explained that under this scheme, they get those students who have completed Grade 10 in their area high schools like Menyama High School – particularly those who have not been selected on their own merit from their own choices. Provided they meet the minimum grade point average (GPA) entry requirements for Balob and Lae Technical College, the provincial government selects these students and sponsors them.

There is also a Morobe development authority concept that the acting PA is promoting. Under this concept, young graduates are employed as interns to write up PIP project submissions – 18 of them for this year – these young graduates are required to go and consult the DAs and the Open Electorate MP concerned, and then identify priority projects and then write

them up

and have them considered at the respective JDPBPC level and submit to the

PG who then in turn submit for Public Investment Program (PIP) funding

through the national budget. The acting PA remarked that he was hoping to

keep these young graduates as patrol or field officers and hopefully train

them to become District Administrators one day.

Case Study: Lae District and Menyama District

At the time of field survey and inspection recently for this study, Mr Buds

Botokie was the acting DA for the Lae District. He was the former DA for

the Menyama – Aseki District. In fact he is the substantive position holder

for that district but due to a difficult working relationship that he has had

with the Open Electorate MP for Menyama – Aseki, on the insistence of

the Open Member and Chairman of that particular JDPBPC, he was removed from that position, and recalled to the Provincial Government HQ

and was recently given this new position by the Acting PA. In his place, the

local Menyama MP had insisted on and got appointed a relative of his who

was working in the district as a LLG manager at Aseki. Therefore in the

interview I had with him, he kept making reference to his experience as a

DA in Menyama – Aseki hence this case study of the two districts drawing

from his experience as DA in these two districts.

Lae and Menyama Districts Joint District Planning and Budgets Priorities

Committees (JDPBPCs)

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Mr Botokie started off by saying that all districts have their own priorities in

service delivery projects and that he understood his role as DA that he was

the Executive Officer to this important committee and that it was his job to

ensure that this committee had its meetings in accordance with law. He then

went onto make the general point that the Open MPs as Chairmen of their

respective JDPBPCs should not be biased and undemocratic in their decision making for selection and funding of priority projects for

funding

by the committee.

In his time as DA for Menyama – Aseki and now as DA for Lae, he has always, in consultation with the respective Open MPs, organized the committee meetings. As the EO to this committee, he coordinated the agenda and sent out the required notices of the meetings. He explained that

he has the overall responsibility to report to the committee on implementation of decisions and where there are problems, explain those as well.

Particularly in Lae, all projects submissions for consideration by the

committee are prepared through the DA's office i.e., the District Administration office, and then submitted through the DA for consideration

by the committee. The process in the Lae District is very well documented

and generally well managed. The Open Member does not interfere with the

process of this committee. By contrast, the situation in Menyama – Aseki

was not like this at all. The Open MP concerned as Chairman of the committee was not working with him as the DA at all and he wanted to run

the committee by himself without the DA and the district office's involvement. He therefore had real problems with this approach and his

attempts to guide and correct the MP concerned were resisted and he saw

that as insubordination and had referred to the acting PA for disciplinary

action to be taken. Disciplinary action was then taken against him and he

was moved back to the HQ until he was recently reappointed Acting DA for

Lae.

Lae and Menyama Local Level Government Administration

The LLGs in Menyama – Aseki and Lae districts are fully operational with

a LLG manager, driver and typist, at the very least appointed to administer

the LLGs. Lae District have the Aihi LLG and the Lae Urban LLG (City Authority). In Menyama–Aseki there are 4 LLGs – being: Kapao Rural; Nanima Kariba Rural; Kome Rural, and Wapi Rural. Funding levels are very low and therefore it has been difficult to fund the required number of

staff positions to work at the LLG levels. These LLGs do not have the

required number of technical staff. The agricultural extension officers;

education officers and health extension officers are based at the district administration but are respectively assigned to a particular LLG and are responsible for effective service delivery at their respective LLG levels.

Mr Botokie was of the opinion that in his view it is not really necessary for the LLGs to have their own staff for project implementation. This is because the various service delivery projects which the PG plans and implements through the provincial development plan with support sometimes from the various JDPBPCs are nevertheless located in the LLG areas of the province – so it is therefore not really necessary for the LLGs to have project implementation technical staff. All that they may need to have would be a few coordination and monitoring staff only for reporting and monitoring purposes with the PG, and the relevant national government agency.

The Lae Urban Local Level Government is effectively the city authority for the city of Lae. At the political level, it is headed by a Lord Mayor and administratively, the City Manager. As an urban authority, it needs adequate funding to administer the city and attend to various essential services as a municipal authority. It lacks adequate funding and it has not been operating at full capacity and the required staff strength.

**Conclusion**  
Morobe is one of the biggest and challenging province in Papua New Guinea to manage. The geography of the province is such that it has some of the most rugged mountains and swamp areas and a large land mass spread from the north of the country to the south. It also has widely spread coastal areas and most of these areas are not linked by road. This makes effective and reliable service delivery extremely difficult for the provincial government. The cost of service delivery is also very high for most parts of the province. It is therefore clear that if service delivery is to be improved in this province, first and foremost, roads and bridge infrastructure must be built. Kabum, Sialum and Finchhafen up in the north and Garaina

and

Morobe Patrol Post down south must be linked by road to Lae. Only then,

there would be improvement in service delivery.

On current indication, as reflected in their corporate plans and the Five Year

Development Plan 2008 – 2012, the province is moving towards this direction. The initiatives taken by the Provincial Government administration in the administration of the province to improve efficiency in

administration and overall improvement in service delivery are positive and impressive.

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The point made by the acting PA about planning at the LLG and Ward level

– that it may be futile and counterproductive to spend too much time and

energy for production of LLG and ward development plans since implementation at these level is ineffective – is a very useful observation.

Instead, the acting PA suggested that at the LLG and Ward levels, they

should really be submitting a “shopping list” to the District Administrator

concerned to evaluate, cost, and then submit to the JDPBPC or the Provincial Government for funding. In our view, this is a sound suggestion

and one which future review of the current system of decentralization and

sub-national government administration should take on board seriously.

The final point we wish to highlight from this particular review is the point

made by the current acting DA for Lae – that it may not be necessary for the

LLGs to have separate staff for service delivery or project implementation

at their level because all projects and actual service delivery, either by the

Provincial Government or the national Government for that matter, are

located in a ward or an LLG area after all. All project implementation

technical staff should be located at the district level with staff there having

responsibility over certain projects at the LLG or ward level. In our view,

this point is a sound one which we think should also be taken up seriously.

## Chapter Four

### A Review of the Implementation of the OLPGLLG: The East Sepik Provincial Government Experience

Lawrence Kalinoe

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#### Introduction

In terms of landmass, East Sepik Province (ESP) is the second largest province in Papua New Guinea – second only to the Western Province which is the largest province but very sparsely populated. The ESP has a total landmass of 42,800 square km (whilst the Western Province has a total

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landmass of 99,300).<sup>1</sup> Unlike most provinces of the country, most of the landmass in these two provinces is water logged and riddled with swamps and infertile grassland areas (plains) as both of these provinces are characterized by many rivers and lakes as they are in fact the country's drainage outlets with ESP to the north and Western Province (and Gulf Province) to the south. It is therefore fair to say that most of the land in

these two provinces is unproductive land. In terms of population, the 2000 national census projections and estimates records ESP with a total population of 343, 181 and a population growth rate of 2.2 percent. With these figures, ESP is the sixth biggest province in Papua New Guinea – after Southern Highlands, Morobe, Western Highlands, Eastern Highlands, and Madang in this respective descending order<sup>2</sup>. Worsera, Maprik, Yangoru and Kubalia areas of the province are densely populated and these areas easily account for half of the population of the province. The physical geography of the province is dominated by the Sepik, Keram, Yuat, and Karawari rivers and the flood plains and swamp belt about 50 km wide with the Hunstein and Central ranges in the south and the Torricelli and Prince Alexander mountains to the north. Mt Turu (Hurun) of the northern ranges is the highest peak in the province. The province also has a sizeable population on the Wewak coastline (that runs for 190km)<sup>3</sup> from Dagua in the west coast to Turubu and the Muruk Lakes in the east and out on the outlying islands of Mushu, Kairuru, Tarawai, Walis, and the Schouten group of islands which stretch east. The province shares land boundaries with the West Sepik Province to the west; Madang Province to the East; Enga Province to the South; and Southern Highlands Province to the South West. The contrasting physical geography of swamps and floodplains in the interior of the province (south and south-east) and the central rugged mountain ranges of the Torricelli and Prince Alexander makes the construction of road infrastructure extremely difficult. The result

1 Rannells J (1995) PNG: A Fact Book on Modern Papua New Guinea (Melbourne: Oxford University Press) at p.29. Note that Ron May however states the total landmass to be 44, 379 square metres: see May R J (1997) "East Sepik Province, 1976 – 1992" in May R J and AJ Regan eds., (1997) Political Decentralisation in a New State – The Experience of Provincial Government in Papua New Guinea

(Bathurst: Crawford House) at p. 228.

2 Papua New Guinea Yearbook 2007 (Port Moresby: The National and Cassowary Books) p. 169

3 See Rannells J n.1 at p.30.

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is that ESP has poor road infrastructure. The river<sup>4</sup> and sea transport infrastructure in the province is underdeveloped and there is no coastal or river transport shipping service – instead the people operate their own outboard motors using either a banana boat or a dug-out canoe mainly for river transportation. Most government agencies also have their own outboard motor operated banana boats. The cost of road, river or sea transportation in the province is very high and this has severely hampered government service delivery. For example given the extremely high cost of zoom (petrol), it is very expensive for an aid post orderly in Ama or May River government stations of the Tunap LLG area, Upper Sepik river to travel to Maprik or even Wewak to obtain basic medical supplies and keep the aid post operational. In this instance the health worker would need to first of all travel by a motorized canoe or dingy from Ama or May River down to Ambunti in one full day. Then the next day to Paugwi and then travel by road to Maprik or Wewak. The return trip will be the same. Thus for river transport alone, he will burn 88 gallons of zoom and the current price is K24 per gallon. Easily, the cost of transportation alone would be much higher than the cost of the new medical supplies. Due to the high cost of river transportation, the Tunap LLG operations are now based out of the Ambunti LLG chambers rather than up in May River. The vegetation of the province is dominated by wide and extensive belts of grass plains in the northern plains, permanent swamp vegetation such as rice grass, cane grass, ferns and sago palms out on the Sepik river flood

plains and swamps and thickly covered tropical forest in the Hunstein and Central ranges in the south and the Torricelli and Prince Alexander mountains in the north. Mangroves cover the coastal delta areas from the west coast to the east coast but more pronounced in the Murik Lakes and the Watam deltas. Commenting on the province, Jackson Rannells (1995) records that:

“People along the Sepik and the rivers that join it live in small communities on the river banks. There are occasional large villages. Sago and fish are their staple foods. Coastal villages are spread along the beach. Yams or taro are their staples. People in the densely populated northern hills and plains live in small groups of houses (hamlets).... Sago, taro and yams are their staples. Yams have great ceremonial importance here. People

4 That is, the main Sepik River system, Karawari River, Keram, River and the Yuat Rivers.

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along the upper Sepik river and southern hills live in scattered houses. Some move from place to place. Sweet potatoes are their staples.”<sup>5</sup>

In terms of the roads and bridges infrastructure in the province, the Sepik Highway runs from Aitape on the west coast through Dagua and Butt-Boikin and connects Wewak and then onto the east coast to Turubu and ends. From Wewak, the Sepik Highway runs to Angoram on the lower Sepik; then to the central Sepik in Kubalia; Yangoru; Maprik; Dreikir; Nuku and Lumi. From the Hayfield – Maprik junction, the Sepik Highway runs through Worsera and out to Paugwi on the Sepik river. The Paugwi outlet of the Sepik Highway serves the middle and upper Sepik areas. The Timbunke stretch of the Sepik Highway is currently unserviceable – resulting in people from Timbunke traveling to Angoram and then traveling up the river by outboard motor canoes or dingy. Concerning transportation and communications, Rannells (1995)<sup>6</sup> notes that ESP has:

- 1486 km of roads largely comprising the Sepik Highway roads network as stated above;

- A sea port operated by the PNG Ports Authority that handles overseas and coastal shipping;
- 32 airstrips spread across the province – most of which are not serviceable now; but Missionary Aviations Fellowship (MAF) continue to provide extremely valuable air service to very remote parts of the province;
- An airport at Boram, Wewak where Air Niguni and Airlines PNG continue to provide air transport services linking the province to other parts of the country;
- 2 post office – one in Wewak and the other in Maprik; and 3 postal agencies; and
- A radio station operated by the National Broadcasting Commission (NBC).

Recently, there has been extensive mobile telephone coverage of the province with BMobile and Digicel both covering the entire province – now

resulting in the situation that, most if not all villages in the province enjoy mobile telephone coverage and are able to communicate instantly from their respective villages with the rest of the country and even the world at large.

There has also been a new commercial radio station operating out of Maprik

5 See Rannells n. 1 at p 31.

6 See Rannells n. 1 at p. 32.

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town operating as Central Sepik FM. This station is extremely popular and

carries community service announcements as well.

In the recent past, Maprik town as grown into a developed urban centre with

all town roads being sealed; a large modern supper market built by Papindo

that now serves the central Sepik region including the people from

Ambunti; a commercial bank and the rural development bank branches; an

articulated water and sewerage service provided by the Water Board; and

most government offices that provide extension services. The growth of

Maprik and the availability of these services have reduced the traveling

time and cost to Wewak for most people from the Central Sepik region and

Ambunti as they now travel to Maprik and obtain the services they require.

Provincial Government; Districts and Local – level Governments  
Prior to the enactment of the 1995 OLPGLLG which deemed  
districts to be

the same as the open electorates in the province<sup>7</sup>, ESP had four  
districts

only, being:

- Ambunti – comprising the whole of the Upper Sepik region commencing from the boarder area between West Sepik Province down to the middle Sepik village of Kamanibit

and

into the Torembi area of the Sepik flood plains;

- Angoram – commencing from the middle Sepik right down to the lower Sepik and onto the Murik Lakes bordering with

the

Madang Province down on the coast to the interior areas

of

Keram, Biwat, and Maramuni – sharing the border with the Enga Province;

- Maprik – comprising the sub-districts of Drekikir to the

west

and Worsera to the east and Yangoru sub-district to the

north –

east; and

- Wewak – comprising the west coast sub-district of Dagua

to the

east coast sub-district of Turubu and the Wewak islands

of

Mushu, Kairuru, and all the other smaller islands.

Whilst there were four districts only, there were six open  
electorates

comprising:

- Ambunti – Drekikir in the south –west taking in one half

of the

Ambunti District and mixing it with the Drekikir sub-

district of

Maprik;

<sup>7</sup> See Section 72 (4) OLPGLLG

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- Worsera – Gawi – mixing the Worsera sub-district of Maprik and the middle Sepik area of Gawi (Paugwi) of the Ambunti district;
  - Maprik – comprising central Maprik and the Wingei area;
  - Yangoru –Sausia – comprising the Yangoru Sub-District of Maprik and the Kubalia Sub-District of Wewak;
  - Wewak – taking in the full Wewak District apart from Kubalia;
- and
- Angoram – taking in the full Angoram District.

When Section 72(4) of the OLPGLLG deemed the open electorates as

districts without any regard for the existing administrative districts, this increased the districts in the ESP from four to the current six. The original Ambunti District got split up into two with one half to form Ambunti – Drekikir and the other half went to form Worsera – Gawi. Since the new Worsera – Gawi was created out of two halves of existing districts of Ambunti and Maprik, they do not, to date, have any district headquarters and are operating out of Maprik and Pauwgi. Their designated district headquarters is at a new site that is yet to be developed at Yambi between Jama and Burui on the plains. Yangoru – Sausia is also a new district created out of the Yangoru sub-district of Maprik and the Kubalia sub-district of Wewak. Their current district headquarters is at Yangoru station. In the case of the new district of Ambunti – Drekikir, currently the designated district headquarters is at Ambunti. The District Administrator (DA) and majority of the district extension staff are located there in the former Ambunti District administration complex. The District Treasury is also located in Ambunti. Some staff of the district administration and extension staff are based in Drekikir – outside of Maprik. Unfortunately this situation presents specific and particular logistical problems in the effective and efficient administration of this new district because currently there are no road links between Ambunti out on the upper Sepik river and Drekikir in Maprik. For example, if a cheque payment is to be raised for goods and services required in Drekikir, the relevant officer in Drekikir is required to travel by road from Drekikir to Maprik, then onto Pauwgi out on the middle Sepik river, and then travel up the river for almost three hours by a banana boat powered by a outboard motor (commonly known as “river truck”) to Ambunti. Effectively it will take one full day of travel one way. The cheque will have to be endorsed by the DA in Ambunti and printed at the District Treasury in Ambunti. If the procurement of the goods and service is to be

either in Wewak or Maprik, then the officer concerned will have to travel all the way to the required town again – a one full day would be required for

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traveling only again. This example demonstrates some of administrative difficulties and even hindrances to effective service delivery due to the fact that when some of these new districts were created by virtue of Section 72(4) of the OLPG&LLG, not much considerations were given to logistical difficulties on the ground. With respect, it is plausible to suggest that unless there is a direct road link between Ambunti and Dreikikir, it would continue to be difficult to effectively and efficiently administer this district.

Take the case of the newly created district of Worsera – Gawi. It is now 14 years since the district was created courtesy of the deeming effect of

Section 72(4) of the OLPG&LLG and this district has no office complex and is simply scattered between Maprik, Paugwi and Wewak. The District Treasury has been established out in Paugwi whilst the DA and some of his staff are operating out of Maprik, and at times Wewak. The designated district headquarters grounds at Yambi is still covered in kunai grass! In a situation like this, how is this particular district expected to bring effective service delivery to its people?

Nevertheless, with these 6 districts, ESP has 25 rural LLGs and 1 Urban

LLG (Wewak). The following table presents the districts, the district headquarters and the LLGs in each district:

District	District Capital	LLG Name
Ambunti-Dreikikir District	Ambunti	Ambunti Rural
		Tunap-Hunstein Range Rural
		Dreikikir Rural
Angoram District	Angoram	Angoram-Middle Sepik Rural
		Keram Rural

		Karawari Rural
		Marienberg-Lower
		Sepik Rural
		Yuat Rural
		Albiges Mamblep
		Rural
Maprik District	Maprik	Bumbuita Muhiang
		Rural
		Maprik Wora Rural

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		Yamil Tamaui Rural
		Boikin Dagua Rural
		Turubu Rural
Wewak District	Wewak	Wewak Islands Rural
		Wewak Urban
		Burui-Kunai Rural
		Gawi Rural
Wosera-Gawi	Wosera	North Wosera Rural
District		South Wosera Rural
		East Yangoru Rural
		Numbo Rural
Yangoru-Saussia	Yangoru	Sausso Rural
District		West Yangoru Rural

#### Provincial Government Administration

Under the current structure, the East Sepik Provincial Government (ESPG)

has three Deputy Administrators who support the Provincial Administrator

(PA) in the administration of the province. These three deputies are:

- Deputy PA – Corporate Services;
- Deputy PA – Advisory and Technical Services; and
- Deputy PA – Districts and LLGs – but this position has now been shelved and the PA continues to exercise the powers

and

functions relating to and associated with this position.

The recently created position of Director, Provincial and Local-level

Governments has the functional responsibilities for all issues and matters of

governance concerning provincial government administration and LLG governance.

The District Administrator (DA) positions for Maprik and Angoram only

have confirmed appointments. All other DAs in the other districts of the

province are acting. Yangoru – Sausia District have their district office in

Yangoru but have been without a properly appointed DA for a while now

and it seems that the district is being run by the political staff of the MP who is also the Governor. Angoram has a DA and has office complex in Angoram but there appears to be no staff on the ground in Angoram for some extended periods and therefore the District office seems to be closed most times. Nearly half of extension services officers based in the districts are not on location and still in either Wewak or Maprik or such other places. Particularly for the newly created districts of Worsera – Gawi and Yangoru

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– Sausia, this is expected because of the situation that they are faced with –  
lack of proper office facilities.  
The management of the province is left to the PA and his Deputy PA (Corporate Services). They run the province with out a structure such as a functional Provincial Management Team as is the case with the Morobe Province. Some time back, there use to be a Provincial Management Team but that has not been functional for a long while now. As a result there appears to be very little to no coordination of work plans and programs in the province between the Provincial Management and the divisional managers and the DAs. There is very little interaction between senior staff and the PG administration so Advisers sometimes are not aware of what is happening in their respective areas of responsibility.  
In terms of development planning for the province as required under the OLPG&LLG, up to now, the province does not have a Provincial Development Plan and a Corporate Plan to guide it in its development planning. Decisions on budget priorities and projects for the province have therefore been taken on an ad hoc basis. It is clear therefore that the province has not been complying with this important requirement of the OLPG&LLG.  
Whilst there is no such thing as a Development Plan for the province, each districts have developed their respective District Development Plans. But these plans have been developed in isolation of each other without

any

provincial government input – more so for the purpose of compliance with

Office of Rural Development Guidelines for accessing the DSG and DSIP

grants and such other grants through the JDPBPC committee process. These

District Development Plans have also been developed without any involvement of the LLG and Ward development planning cycle and are therefore not related at all to such plans at the LLG and Ward levels.

Nevertheless, all the Districts in the province have district development plans.

District Administration

All the Districts in the province have office facilities and staff based at the

district administration office except for Worsera-Gawi who are still

operating out of Maprik but have their District Treasury located in and

operational at Pawgui. District Treasuries have been built for each districts

and they are now able to run cheques out there.

Those present at the interview I conducted recently at the ESPG headquarters, agreed that Maprik was the best managed district in the

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province. The DA for Maprik confirmed that he enjoys an excellent professional working relationship with the MP for Maprik, where the MP

concerned also respects the law and processes under the OLPGLLG. A quick look at the Districts is as follows:

### A. Maprik District

There are four (4) LLGs in the district. All LLGs in the District are

functional and have offices and chambers. All districts in the province have

the following minimum staff: LLG Manager; Finance and Administration Offices (FAO); Projects officer; and a KBO.

The Maprik District itself has a near full compliment of staff. The following

technical staff are located in the District office: DAL extension officers;

Commerce; health; education, and lands although this particular staff has

been absent from the District for about 2 years now attending to assignments elsewhere in the Province. All support and technical staff are

on the ground in Maprik. In terms of service delivery, Maprik runs

the following institutions: 2 high schools; 1 vocational centre; 26 primary schools; and 5 sub-health centres out of which all except one is owned by the government. The other 4 are owned and operated by churches but with funding and staff support by the Government. All these institutions are functioning and going well. Maprik has all its town roads sealed; enjoys a modern supermarket courtesy of Papindo; a FM radio station run by private interests; and a newly built water supply. Maprik town itself has recently applied for a urban status given these better and higher level of amenities and services in the township.

#### B. Wewak District.

Wewak has 4 LLGs and an urban LLG. Except for the urban LLG, all LLGs are based within the District administration building complex with all staff in the same building and they share the same council chambers in the building. The District Treasury is also located in the same building. All LLGs have 4 LLG staff, being: LLG Manager; Finance and Admin Officer; Project Officer; and Secretary /KB0.

The 5 LLGs and with their wards are as follows:

- Wewak Urban – 24 Wards;
- Boikin – Dagua – 24 Wards;
- Wewak Local – 27 Wards;
- Wewak Islands – 21 Wards; and
- Turubu – 21 Wards.

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All LLGs have established their Ward Development Committees and there

are now 109 Ward Plans submitted to the Wewak District Office.

Wewak

District has established their respective LLG Plans and a broader District

Plan for the District derived from the 109 Ward Development Plans and the

LLG plans.

The DAs office administration comprise the following staff:

- District Administrator;
- District Planner;
- Administration officer;
- District Statistics Officer; and

- Secretary / KBO.

The Wewak District have the following technical staff at the district level

responsible for service delivery:

- Program Manager – Health;
- Program Manager – Education;
- Program Manager – DAL;
- Program Manager – Commerce; and
- Program Manager – Lands and

The position of Program Manager–Works – is vacant as it has been difficult

to secure the services of a professional person like an engineer; surveyor; or

draftsman to occupy this position. In terms of service delivery, Wewak

District has 4 secondary<sup>8</sup> and a new high schools – Dagua High School that

has been recently established; 47 Primary and community schools; and 3

Vocational Centres; 3 health centres and 17 aid posts but only 6 are

functioning whilst the rest are in need of refurbishment and reestablishment.

The Wewak District Treasury looks after all their LLG accounts; DSIP

accounts; DSG Accounts and runs their cheques and keeps their financial

transaction records. According to the acting DA, they have an excellent

working relationship with the District Treasurer and the District Treasury is

working well.

#### C. Angoram District

Although there has been new office complexes built, but the District office

has been closed for a while now. The DA is not usually physically located

in Angoram. Recently there has been some problems with the District

<sup>8</sup> Note however these four secondary schools: Brandi; Mercy College Yarapos;

Saint Xaviers; and Bishop Leo Akfred Day Secondary schools are not run by the

Wewak District but by the national government and the Catholic Church.

## THE EAST SEPIK PROVINCIAL GOVERNMENT EXPERIENCE 69

Treasury where the District Treasurer has been accused of improper conduct and threatened by a President where the President has, by threat

and force, obtained District Treasury print out on all payments and these have been distributed to the general public by the President concerned. The President has then proceeded to make several allegations against the District Treasurer and consequently the District Treasurer has been attacked and he has fled Angoram.

D. Ambunti – Drekikir District.

The district administration is based out on the upper Sepik river government station of Ambunti. The acting DA has some program staff with him. There are other program staff based in the Drekikir government station. The District Treasury is located in Ambunti and it is functional.

E. Worsera – Gawi District.

This district does not have any office facilities of its own and has been operating out of Maprik and Wewak. Its District Treasury is located in

Paugwi. District extension staff are not usually on location and things are not going too well.

Joint District Budgets Planning and Priorities Committee (JDPBPC)

The JDPBPC for Maprik is going well. The DA and the chairman / Open MP have an excellent professional working relationship and the Open MP

allows the DA to run the affairs and business of the JDPBPC within the

bound of law. All project submissions for the JDPBPC are made through

the District Administration office and cleared by the DA before they are

brought to the JDPBPC. The DA in consultation with the Chairman of the

JDPBPC sets the agenda and issues notices of meeting. The DA is generally

responsible for the implementation of all the decisions of the JDPBPC.

The JDPBPC for the Wewak District is also going generally well. In an

interview that I had with the acting DA for Wewak recently, he stated that

meetings are usually called on a quarterly basis by the DA as the Executive

Officer and in consultation with the Chairman and the Open MP for Wewak. There are required to be four meetings in a year or one each quarter. They had all four meetings last year and early this year they were

now preparing for their first meeting. He also stated that they hold all their meetings in Wewak and have never held any of their JDPBPC meetings outside of Wewak. The acting DA explained that he gives notice of meetings and then invite each of the members including the Chairman to

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forward agenda items for inclusion on the agenda and for consideration at the meeting. All project submissions for consideration by the JDPBPC are prepared by officers of the Wewak District office at the District office— usually by the responsible project manager. He went on to state that they have not received any project submissions prepared outside of the district office and brought into the JDPBPC without the DA's knowledge. The acting DA also stated that his professional working relationship with the Chairman and the local MP is very good and that the MP does not interfere with the acting DA's work.<sup>9</sup> Not much information for the JDPBPCs for Angoram; Ambunti – Drekkir; and Worsera-Gawi were available. Therefore we were not really in a position to make any assessment. Those present at an interview I conducted at the ESPG headquarters<sup>10</sup> pointed out that in their view, most members of the JDPBPCs do not really understand and appreciate their roles and responsibilities. So there must be some real attempts made at training the presidents etc about this.

Joint Provincial Planning and Budgets Priorities Committee (JPPBPC)

The JPPBPC meetings are held regularly as required by law. The Prime Minister is the Chairman of this committee now. They had their last meeting in Port Moresby recently to receive and endorse the provincial Budget before it goes to the Provincial Assembly. In 2008, they had two meetings only.

As stated above, unfortunately there is no linkage between this JPPBPC and the six JDPBPCs in the province. The JDPBPCs run their own

affairs

according to their respective district development plans. No resolutions of

9 I separately interviewed all 4 presidents of the Wewak District LLG and their

views were to the contrary, thus: "generally we support this committee and the

work that it is doing. Our only concern is that it is heavily manipulated by the Open

MP and in many instances, as the presidents appear to be just 'spectators' or '

window curtains'. In our view, we do not have a well planned District

Development Plan but we depend on the wishes of the Chairman and MP. Our local

Ward Development Plans have not been properly considered and funded. We are

not funding projects on the basis of any Provincial Government or LLG priorities

but rather on the priorities of the Open MP and Chairman.": see n. 10 below.

10 Verbatim interview notes obtained from this interview, and the names of those

who were present are available on file at the Constitutional & Law Reform

Commission office, Boroko or [www.clrc.gov.pg](http://www.clrc.gov.pg)

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the JDPBPCs ever get to the JPPBPC. It appears that the respective JDPBPCs seem not to have kept resolution books for follow up action on

their decisions.

LLG Administration

There are 26 LLGs and one urban LLG in this province. Except for the following, all LLGs have their own offices and chambers and operate out of

their own facilities:

- Yuat and Marienbag LLGs operate out of the Angoram LLG office complex; and
- Tunap LLG operates out of the Ambunti LLG office complex simply because of the huge river transportation related

costs of

transportation. They however do have their own LLG offices and chambers in May River station. The Tunap LLG get a direct grant of about K95,000 and nearly all of this money

is

spent on administration costs. The river transportation

cost are

extremely high for them and there is very little available

for any

project funding or support at their level.  
All LLGs have the following basic staffing establishment positions fully funded and occupied: Manager, LLG; Finance and Administration Officer; Projects Officer; and a Secretary/KBO. There is allowance for two additional casual staff, say driver and cleaner etc. If there are to be any other casual staff, those will have to be funded by the LLG concerned from within its internal revenue sources.  
The JDPBPCs have generally weakened the functional roles and responsibilities of the LLGs. LLGs are now generally becoming ineffective.  
The senior officers of the ESPG I interviewed recently<sup>11</sup> were unanimous that the JDPBPC concept should be looked at again with a view to retaining LLGs and strengthening LLGs since these are elected governments of the people.  
Village Recorders / Village Books  
Under the OLPGLLG, the Ward Member is required to keep a Village Book. This is not even considered at all in the East Sepik Province. It has never been implemented in the province.

11 See n.10 above.

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LLG Law Making  
Although LLGs have been given law making powers under the OLPGLLG, they just simply do not have the capacity to make laws. There is no technical support available to assist LLGs who want to exercise this power and make LLG laws. The DPLGA capacity to assist LLGs in legislative drafting to assist LLGs to make laws is simply not sufficient.  
Service Delivery  
The cost of basic government service delivery in health, education, agricultural extension, fisheries extension, commerce, and even law and order is extremely high in the province particularly for the Sepik river areas covered by the Ambunti – Drekikir District; Worsera– Gawi District and the Angoram District. This is largely attributed to the high cost of

fuel (zoom)

for outboard motor boat travel on the rivers and lakes. The areas of Ama –

May River in the upper Sepik are not serviced by any reliable transport

service other than the out board motor boat or canoe travel. Like wise, the

Keram, Yuat, Biwat, Karawari, and Wongan in the lower Sepik of the Angoram District are equally remote from Angoram, let alone Wewak.

There is no reliable transport service to enable these people to get to their

district headquarters or to Wewak for that matter. The high costs of fuel

makes basic government service delivery or let alone access to any basic

government services extremely difficult. If we are to be serious in our

endeavours to improve basic government service delivery, we must first

address the issue of reliable transport service for our people and make

accessibility less painful. The ESPG must immediately consider options to

improve river transport in particular for its most disadvantaged people who

live in the most remote parts of its borders.

Case Study: Wewak Urban LLG Administration and Staff.

At the time of field survey and inspection recently for this study, Mr

Michael Kabaruu was the acting Town Manager of the Wewak Urban LLG.

The substantive Town Manager was forcefully removed from the position

recently by the Wewak Town Mayor for alleged mismanagement and at the

time of writing, the matter was before the court. Mr Kabaruu, the acting

Town Manager, explains the situation facing the Wewak Urban LLG, thus:

The current staff comprises:

- Manager – my self, currently acting soon after the incumbent was suspended;
- Finance and Admin Officer;

#### THE EAST SEPIK PROVINCIAL GOVERNMENT EXPERIENCE 73

- Revenue Officer;
- IT Supervisor;
- Town Services (Sanitation and Garbage) Supervisor; and
- Secretary / KBO.

These positions are funded establishment positions. Apart from these

8 establishment positions, we also have the following positions which we

we

fund from our internal revenue:

- Landscaper;
- Health Inspector;
- Rules Inspector;
- 6 labourers as Gabbage Collectors;
- 7 labours on night soil;
- 6 Market keepers and collectors; and
- 2 Street Cleaners.

All the above staff are paid solely from internally generated revenue. We do not have an engineer; draftsman; lands officer; or a welfare officer. We really need to have such skilled personnel to better manage the town authority. The Town Authority does not have any office vehicle for administrative runs. We only have one rubbish truck and a dump truck.

Interaction with DA Wewak.

The District Administration office has not been supportive of us. We have never been logistically supported by the District Administration. National Government Grants. These grants are usually coming in on time; and when they do come, the PG takes away some portion of our grants and retain them since these grant do not come directly to us but through the PG. This makes it difficult because we draw down on our internal revenue and weaken ourselves.

Joint District Planning and Budget Priorities Committee (JDPBPC)  
We do not have much to do with this committee. We have not been making submissions for project funding through this committee either and I am now determined to submit some project proposals for funding by the JDPBPC. I agree that the existence of the JDPBPCs has seriously undermined the LLGs. But I think it is ok to have this committee so that submissions for

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project funding support can now be made to this body and it can then fairly and democratically take important decisions for project funding support.

Conclusion

It is a legal requirement imposed by Section 43 of the OLPGLLG and Section 16 of the Provincial Government Administration Act 1997 that,

inter alia, all provincial governments are first required to establish minimum infrastructure needs for the province and capture those in a provincial development plan. Some provinces such as the Morobe Province have taken a rolling five year development planning cycle and have also developed a corporate plan to guide itself in the allocation of resources and to plan and guide the development of the province. The ESPG neither has any development plan nor any provincial corporate plan to systematically guide its budgets planning and resource allocation and direct its efforts to achieving fixed goals and outcomes. Since this is a legal requirement, the ESPG has been in breach of this requirement. This aside, it is also disappointing to note that the ESPG administration does not have any administrative coordination mechanism or forum to allow for dialogue and accountability in the administration of the various divisions and districts amongst the senior management officials and the DAs. Forums or mechanisms such as these may prove to be valuable and can enable the PA to manage the province better and achieve projected goals and or development outputs. Under Section 74 (1) (a) and (b) of the OLPGLLG, the PA is the CEO of the province and is therefore responsible for the effective and efficient operation of the public service machinery in the province. The PA is therefore responsible in ensuring that all district administrations in the province are functioning effectively and achieving the purpose for which they have been established. We respectfully submit that this means ensuring that the scattered districts like Worsera – Gawi and possibly others are sorted out and that they serve the people in their district. To say the least, the current situation in the ESP concerning the state of district administration in districts such as Worsera –Gawi and even others like Yangoru–Sausia, and even Angoram is glaringly unsatisfactory. It appears that the JDPBPCs in the ESP are generally functioning well but outside of the coordination and purview of the JPPBPC since there

is no  
overarching provincial development plan to which the various  
district  
development plans can relate to and contribute towards its  
implementation  
through the implementation of the respective district developments  
plans  
with the JDPBPC project funding. Unfortunately this has created a

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perception in the ESP that the six open electorates MPs in the  
province have  
been concentrating their time and efforts at their respective  
district  
(electorate!) level and have somewhat turned a blind eye to the  
state of  
affairs at the ESP provincial government level and that the  
districts have  
been running their own agendas far removed from the provincial  
agenda, if  
there is any.  
The focus given by the National Government to the JDPBPCs through  
the  
District Services Grants; District Services Improvement Program; and  
even  
others have seriously overshadowed and even undermined the purpose  
and  
utility of the people's elected governments – the LLGs. In the eyes  
of the  
people, the LLGs do not matter now but the JDPBPCs do!

#### Chapter Five

#### The Gulf Provincial Government Experience of the Implementation of the OLPGLLG

Professor Betty Lovai

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Introduction

This Chapter is based on consultations conducted by the author in March 2009 in Kerema and Kikori with public servants and other stakeholders. It outlines general information on the province, describes the political structure of the Provincial Government and LLGs and highlights anomalies, presents the administrative structure and points out further anomalies at the Provincial and LLG operational levels. Information concerning service delivery in the two districts visited – in particular on health and education services are also presented. Gulf Province is located to the west of Port Moresby and shares land borders with 6 provinces and sea borders with Western and Central Provinces and Australia. Gulf Province has a total land area of approximately 34 757 square kilometers<sup>1</sup> inhabited by a population of

1 This figure is quoted from the Gulf Provincial Education Plan 2007 – 2016, p.2.

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106,898. Table 1 presents land area by population for the districts and each Local Level Government (LLG) area. Many inland waterways bisect the province's 640 km of coastline. A great deal of the coastal area is swampy with more than 1,000 waterways, and 115 lakes. Purari and Kikori are PNG's third and fourth largest rivers respectively and other major rivers in the province include Tauri and Lakekamu and the Vailala. In contrast, the northern half of the province is characterized by deep rugged mountain ranges.

According to the 2000 Census the population of Gulf Province was 106,898 with an annual growth rate of 1.213. Table 1 shows distribution of population and population density for the districts and by Local Level Government area. Seventy four per cent of people live along the coast and 265 per cent live in small – scattered hamlets on rugged, densely forested and lightly folded mountain ranges which rise to over 2,000 metre above

seal level.6

Table 1 Land area, population, population density & languages by Local Level Government

District	Local Level Government	Land area (sq km)	Population	Population Density (%)	Languages spoken
Kerema	East Kerema	1,116	11,479	10.7	3
	Taure Lakekamu	2,157	10,208	9.6	
	Central Kerema	1,143	12,864	12.0	3
	Kerema Urban	12	5,124	4.8	
	Kotidanga	1,874	16,652	15.6	3
	Kaintiba	1,204	9,171	8.6	
Kikori	Ihu	3,080	14,569	13.6	3
	Baimuru	7,898	10,468	9.8	9
	East Kikori	6,267	8,788	8.2	6
	West Kikori	10,006	7,575	7.1	
Total		34,757	106,898	100	27

2 Ibid

3 Ibid

4 This figure is quoted from the Gulf Provincial Government Development Plan: 2008 – 2018, p.11.

5 Ibid

6 Ibid

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Source: Adapted from the Gulf Provincial Education Plan 2007 – 2016, p2.

As reflected in Table 1, in the Gulf Province, 27 languages are spoken and

the table also shows the distribution of languages by LLGs.

However, the

information does not indicate the number of people who speak each of the

languages. Three dialects of Toaripi, Kovio and Sepoe are spoken in East

Kerema and Taure Lakekamu LLGs. In Central Kerema LLG, Kaipi, Tairuma and Opao languages are spoken. As for Kaintiba and Kotidanga

LLGs, people speak Kamea, Angave and Kapau languages. For Ihu LLG,

Orokolo, Keuru and Ariave languages are spoken. For a population of 10,4687 in Baimuru LLG, Eare, Koriki, Pawaia, Evara, Kaimare, Varoi, Maipua, Ipiko, and Vaimuru languages are spoken. In Kikori, Kerowo, Porome, Pepeki, Gobe/Urama and Kairi languages are spoken<sup>8</sup>.

Communication for the purposes of administration is mostly through VHF radio through out the province. Telephone services are limited to urban areas but are not functional most of the time. The main modes of transportation in the province are by sea and air. However, people travel by sea most of the time and many lives have been lost in the sea.

Gulf Governor during the socio-economic impact study of the Work Bank funded Road Maintenance and Rehabilitation Project meeting commented

that '... many lives were lost in the sea between Kerema and Seapeharo...'<sup>9</sup> and if roads were available these deaths could have been avoided. 'Gulf

Governor said the decision to construct a road should not be based on economic considerations but should be done to give proper service'<sup>10</sup>.

#### Provincial and Local Level Governments

Historically, for administrative convenience and ethnic identity district

boundaries were formed on the same basis as provincial boundaries<sup>11</sup>. 'The

OLPGLLG [s.72 (4)] however now requires that: The boundaries of the

district for which each district administrative headquarters is responsible

shall be the same as the Open Electorate of the Parliament in which the

headquarters are situated'<sup>12</sup>.The OLPGLLG introduced major changes to

political decision making, administrative arrangements, legal powers,

<sup>7</sup> See Table 1 on p.77

<sup>8</sup> The information on the languages of the province is taken from the Gulf

Provincial Education Plan 2007 – 2017, p.2

<sup>9</sup> Post Courier, Wednesday, April 22, 2009 p.13

<sup>10</sup> Ibid

11Public Sector Reform Advisory Group (2006) Improved Decentralisation (Second Report) (Port Moresby: Government of Papua New Guinea) p.32  
 12 Ibid p.23

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funding, and staffing and the reforms brought greater powers and responsibilities to the districts and LLGs<sup>13</sup>. Provincial Governments and LLGs were established to achieve the goals outlined in paragraph (a) of the OLPGLLG preamble. These are: '(i) maintaining our identify as a sovereign united nation; and (ii) promoting equal opportunity and popular participation in government at all level; and (iii) providing especially the basic human needs for water, health, education, transportation, communication, accommodation and social order through economic self-reliance; and (iv) promoting responsible citizenship through self-management, control and accountability for one's actions; and promoting responsible citizenship through self-management, control and accountability for one's actions;....'<sup>14</sup>

The OLPGLLG defines the political structure at the provincial, district and LLG levels. At the provincial level there is the Provincial Assembly, the Provincial Executive Council, the Provincial Committees and the Joint Provincial Planning and Budget Priorities Committee. At the District level is the Joint District Planning and Budget Priorities Committee. At the LLG level each LLG is made up of elected Ward Councilors and appointed members and Ward Councilors elect one Councillor to be the head or President of that LLG area. At the Ward level ward councilors are elected by eligible voters in the ward.

Gulf Province has two districts, ten Local Level Governments and 159 Wards. Table 2 presents number of Local Level Governments and Wards and population in each district.

Table 2 Distribution of LLGs & Wards by Districts

Districts	Local Level Governments	Wards	Population
KEREMA	Central Kerema Rural	18	12,864
	East Kerema Rural	8	11,479
	Kaintiba Rural	17	9,171
	Kerema Urban	8	5,124
	Kotidanga Rural	20	16,652
	Tauri Lakekama Rural	9	10,208
	Sub total	80	65,498

KIKORI      Baimuru Rural                      23              10,468

13 See Reference Handbook for Local-Level Government Administration  
Papua

New Guinea Vol.1 p.3,7.

14 See ibid p.8.

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East Kikori Rural	17	8,788
Ihu Rural	21	14,569
West Kikori Rural	18	7,575
Sub total	79	41,400
Total Wards	159	106,898

Source: Adapted from the Gulf Provincial Government Development  
Plan:

2008 – 2019, p.15

In accordance with the OLPGLLG, the Provincial Government  
Assembly

membership includes the Governor and two open members  
representing

electorates in the province, 3 members nominated by the Governor,  
and 2

chiefs. Mr. Isaiah Meakao the deputy governor represents Ihu sub  
district

and he is responsible for health and education. Mr. Raphael  
Panakato

represents the people in Kaintiba and Kotidanga LLG areas. He is  
the

chairman for Local Level Government and Community Affairs. Mr.  
John

Hasu is the chairman for Transport and he represents East Kerema.  
Both the

nominated member representing Kikori, Mr.Ivan Haula and the  
Women's

representative have no responsibilities.

The Women's Officer at Kerema indicated that the process of the  
appointment of women's representative to the Provincial Assembly  
is not

clear when the Provincial Council of Women is defunct. In  
accordance with

Section 10 (3)(e) of the OLPGLLG, the Provincial Council of Women  
or

where there is no Provincial Council of Women, the Joint  
Provincial

Planning and Budget Priorities Committee for the province is  
required to

nominate three women candidates for consideration by the  
Provincial

Executive Council for the appointment of a woman representative  
to the

Provincial Assembly. However, the Joint Provincial Planning and

Budget

Priorities Committee is ineffective and this has not been done.

15

Some members of Kerema Urban LLG consulted stated that the membership of the LLG has not included representatives from a women's

organization, a workers' organization and an employers' organisation as

specified under Section 29 of the OLPGLLG.

A very senior public servant in the province reported another anomaly that

the Provincial Executive Council performs the functions of the Joint

Provincial Planning and Budget Priorities Committee. Section 25 subsection 1(a) of the OLPGLLG states that a Provincial Executive Council

15 See Gulf Province Corporate Plan 2006-2007, p.7.

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in accordance with an Act of the Parliament shall establish a Joint Provincial Planning and Budget Priorities Committee and the membership

and functions of the Committee are also defined in Section 25 subsection

(a),(b), & (c) and subsection 3 (a), (b),(c),(d) & (e)16.. These have been

stated and discussed in detail earlier in Chapter 1 of this monograph.

Provincial Government Administration

The main administrative mechanisms for the Provincial Government Administration are the provincial administration and the provincial treasury.

The responsibilities of the Provincial Administration as mandated by law

are to provide general oversight, coordination and supervision in the

delivery of services to the entire province. Such functions include coordination and monitoring of the implementation of the Provincial Plan;

maintenance of financial records and accountability of all funds; provide

reports on the implementation of activities and use of funds;

maintain a

system for collecting, storing and analyzing social, economic, environmental and other relevant data on the province; strengthen the

capacity of LLGs in the province; maintain peace and harmony in the province; support non government agencies, including churches, to implement the province's plan and maintain standards of performance of

public servants17. The aim of these responsibilities is to achieve

the goals outlined in paragraph (a) of the OLPGLLG preamble as stated earlier in this Chapter.

Having stated that, to the contrary, a long term resident and businessman in the Gulf Province described the administration of Gulf Province as dysfunctional. Others consulted remarked that reforms are not working in the Gulf Province. Lack of infrastructure at the district level to implement the reforms is considered as one of the biggest problem in the province.

Absence of infrastructure when synthesized with provincial politics has seen a real lack of the provision of basic government services in the province.

At the time of the study, the Provincial Administrator was under suspension since the 23rd September 2008. The Governor suspended the Provincial Administrator and the Administrator challenged the suspension in court.

The effect of the dispute between the Governor and the Administrator was described in the following terms by a staff I interviewed: 'when two

16 See Reference Handbook for Local-Level Government Administration Papua

New Guinea Vol.1, p.24

17 Ibid at pp 22-23

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elephants fight the grasses suffer'. There is a strong sense of dissatisfaction

and disappointment among ordinary citizens of the province in the manner

the province is administered.

People are concerned about long periods of physical absence of the Governor and the acting Provincial Administrator away from the province.

They are spending most of their time in Port Moresby. One public servant

commented that the Acting Provincial Administrator is never in the province. He was accused of following the Governor to Port Moresby. The

Governor's residence in Kerema is referred to as "ghost house" and even

Kerema itself is labeled as a "ghost town".

One of the reasons for the reforms is to reduce mismanagement and or

misuse of public funds<sup>18</sup>. The fraud squad was in Kerema continuing with

the investigation on over spending of the provincial budget in 2007 and

other incomplete provincial government projects at the time of the study.

The Governor in his 2008 budget speech highlighted that 'the 2007 fiscal

performance focused on priorities outside of the budget than real provincial

development. This huge expenditure commitment was expended during the

first six (6) months of 2007 which crippled the entire operations of the

Provincial Administration and the incoming Government'.<sup>19</sup>

Lack of access to banking facilities in Kerema for indefinite period made

matters worse. The public servants consulted stated that the closure of the

BSP Bank was not the fault of the people of Gulf province and yet people

had to suffer because of the actions of criminals from Port Moresby.

One of the Primary responsibility (under the OLPGLLG) of the Provincial

government is to prepare Provincial Development Plan which focuses on

development goals and services for the people and comprises of provincial

and district development plans. However, the Gulf Provincial Government

Development Plan 2008–2018 has no proof of integrating district development plans. Only an electronic copy of the plan has been sighted. It

was reported in the Gulf Provincial Corporate Plan 2006 – 2007 that there

were no development plans at provincial, district and LLG levels. The Gulf

Provincial Corporate Plan 2006 – 2007 also highlighted ineffectiveness of

PEC, JPPBPC and JDPBPC. It stated that PEC, JPPBPC and JDPBPC had irregular meetings, JDPBPC does not operate, and there is non compliance

<sup>18</sup> See n.11 at p.28

<sup>19</sup> Gulf Provincial & Local Level Government 2008 Budget Speech delivered by

Honourable Havila Kavov, MP Governor and Chairman for Finance & Investment

on Friday 11th January 2008, p.2–3.

in membership of JDPBPC and lack of participation by district administrators in JDPBPC, and poor implementation of JDPBPC decisions.

Furthermore, there is an absence of a provincial data base and information

system which is critical for planning.<sup>20</sup>

The provincial budget for 2008 was K44, 488, 700<sup>21</sup> and the distribution of

the 2008 Appropriation Bill is as follows:

Budget items	Amount	%
Public Servants & Teachers Salaries	17, 801, 500	40
Governance & Administration	5, 821, 700	13
Infrastructure Sector	4, 821, 700	11
Health Sector	1, 156, 000	2
Education Sector	3, 272, 900	7
Economic Sector	3, 105, 100	7
District & LLG Development	2, 544, 200	6
Provincial Planning	350, 000	1
Housing & Office Improvement	2, 176, 000	5
Debt Services	1, 347, 000	3
Others	2, 092, 600	5
Total Budget	K44, 488, 700	100

Source: Gulf Provincial & Local Level Government 2008 Budget Speech delivered by Honourable Havila Kavov, MP Governor, Friday 11th January 2008, p.6.

The National Government Grant accounted for 60% while internal revenue

made up 40% of the provincial budget. Of the 60% of the National Government Grant, 76% was for Administration Grants, 3% for Development Grant, 19% for Public Investment Program (PIP) and 2% for

Derivation Grants. Despite a marginal increase of K1, 693, 500 in the

National Government Grants, there was reduction in Local Level Government Infrastructure Grant by K115, 200. The reduction was largely

due to poor management of funds, and poor financial and performance

<sup>20</sup> See Gulf Provincial Government Development Plan 2008 – 2018 p.9.

<sup>21</sup> Ibid, p.4.

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reporting by respective Local Level Governments<sup>22</sup>. The internal revenue

component of the budget was reduced by 60% from K42, 374, 300 to K17, 062, 600 due to lack of over – projection and lack of receipts.

23 The total provincial money plan for 2009 is K47, 479, 739 which is an increase of K2, 991, 039 from 2008 budget. There is also an increase by 25% of the National Government Grant to the province but reduction in the internal revenue component of the budget due to lack of receipts.

The budget officer reported that the district grants are not included in the

Provincial Budget and there is no system to monitor how district funds are used in the province.

The distribution of the 2009 Appropriation Bill of K47, 479, 739 is as

follows:

Budget items	Amount	%
Administration	3, 292, 179	6.9
Salaries	18, 785, 700	39.5
Leave Fares	966, 700	2
Health	1, 228, 400	2.5
Education	2, 533, 200	5.3
Transport/ Infrastructure	5, 948, 700	12.5
Agriculture & Fisheries	1, 302, 700	2.7
LLG & Village Courts	1, 937, 700	4
Housing & Office Improvement	8, 300, 000	17.4
Provincial & district Support	1, 750, 000	3.6
Grants		
Executive & Legislative Services	542, 460	1.1
Debt Services	1, 892, 000	3.9
Total Budget	K47, 479, 739	101.1

Source: Gulf Provincial & Local Level Government 2009 Budget Speech

delivered by Honourable Havila Kavvo, MP Governor, Tuesday 6th January 2009, p.8–9.

22 Gulf Provincial & Local Level Government 2008 Budget Speech delivered by

Honourable Havila Kavvo, MP Governor and Chairman for Finance & Investment

on Friday 11th January 2008, p.5–6.

23 Ibid, p.6.

The acting Deputy Administrator described the budget process which begins with the Provincial Budget Committee chaired by the Provincial Administrator or his nominee or it can also be chaired by the deputy Provincial Administrator. The membership of the committee includes the divisions of the sections and two District Administrators. Through this process annual activity plans, National Government priorities (MTDS) and Governor's priorities provide the basis for the budget. The end result of this process is the draft budget. JPPBPC which is chaired by the Governor contrary to law, screens the draft budget and approves it. The approved budget is tabled in Provincial Assembly as an appropriation bill and once approved becomes an Appropriation Bill. The Appropriation Bill is submitted to the division of the Department of Finance to be checked before forwarding it to the Minister for approval. Once the Minister approves the budget the warrant of authority is issued and released.

**Local Level Government Administration**

The reforms brought greater powers and responsibilities to LLGs<sup>24</sup>. The 1995 OLPGLLG considerably strengthens LLGs and it recognizes that through the LLGs, rural and urban population can get more involved in the development of their own areas<sup>25</sup>. The general functions of LLGs include preparing a LLG 5- Year Plan based on community needs and ward plans; develop annual budgets to implement the LLG Plan; submit the plan for approval and endorsement to the JDPBPC and submit the budget for approval and endorsement to the JDPBPC then to Department of Finance<sup>26</sup>. LLGs are also responsible for delivery of services for people within the LLG boundaries<sup>27</sup>.

At the provincial level the Local Level Government Secretariat is responsible for administration of LLGs in the province. At the district level, the district administration and the district treasury provide the foundation for the administrative structure at the district and LLG levels. There are 32 designated positions for Local Level Governments. For each Local Level Government, there are positions for a Manager, Council Secretary and Key Board Operator. Table 3 contains the details of staff strength for each of the

Local Level Governments. The manager for Kerema Urban LLG is on suspension on allegations for misappropriation of funds and the personnel

24 See Reference Handbook for Local-Level Government Administration Papua

New Guinea Vol.1, p.3, 7.

25 Ibid p.3.

26 Ibid p.26.

27 Ibid see p.26 for details of the types of services provided by the LLGs.

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administrative officer has been put off the payroll. The manager for West

Kikori LLG left two years ago and at present the Council Secretary is acting

in the position. Ihu Rural LLG is closed and all the positions are vacant.

Table 3 LLGs and Staff Strength

Districts	Local Level Governments	Staff Strength
KEREMA	Central Kerema Rural	3
	East Kerema Rural	3
	Kaintiba Rural	2
	Kerema Urban	4
	Kotidanga Rural	3
	Tauri Lakekama Rural	3
KIKORI	Baimuru Rural	3
	East Kikori Rural	4
	Ihu Rural	4
	West Kikori Rural	3

Gulf Province has two District Administrators, one stationed at Malalaua

and the other at Kikori. As indicated in Table 2 above at page 27 the

District Administrator responsible for Kerema District has responsibilities

over 6 LLGs. Likewise 4 LLGs are under the administrative care of the

District Administrator at Kikori.

According to the administrative structure under the OLPG&LLG, a District

Administrator follows the policy direction issued by the Provincial

Administrator and LLGs and reports to the Provincial Administrator<sup>28</sup>. 'The

most important roles of the District Administrator are to: i) be the

administrative head of the staff in the district including the support staff of

the LLG; ii) oversee the development and implementation of the

District

plan and budget; iii) support the Local-Level Government in the district'<sup>29</sup>.

The suspension of the Provincial Administrator and the physical location of

the acting Provincial Administrator have made it impossible for District

Administrators to perform their responsibilities effectively.

Although

budget is available for LLG functions, LLGs are not supported adequately

by the District Administration and the District Administrators for whatever

reasons are not able to fulfill the administrative responsibilities required of

<sup>28</sup> See Reference Handbook for Local-Level Government Administration Papua

New Guinea Vol.1, p.10.

<sup>29</sup> Ibid p.10.

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them under the OLPGLLG. The District Administrator is the main link between the Provincial Administration and the LLG political structure and

is the chief advisor and executive officer to the LLGs<sup>30</sup>. Those consulted

indicated that linkage between the District Administrators and LLGs is

weak or do not exist. Moreover, closeness of politicians and public servants

has confused demarcation between administrative and political responsibilities. An observation was reported that one of the

District

Administrators moves around with the Open Member and the District Treasurer. This observation is also noted at the LLG level where,

the

President of LLG is seen in the company of the LLG Manager and the LLG

Secretary.

The acting Director for LLG Secretariat reported that only 2 out of the 10

LLGs have chambers for council meetings. These are East Kerema Rural LLG in Kerema District and Baimuru Rural in Kikori District.

However,

the council chamber for East Kerema Rural has not been used due to land

dispute. The rest do not have buildings or chambers specifically designated

for council meetings. They use any available rooms for council meetings.

Kaintiba Rural LLG use Administration office space. Kerema Urban LLG

uses any available office space in town. It was reported that materials were purchased to build the chamber but nothing happened and it is alleged that the building materials have been stolen. It was also reported that the chamber for Kotidanga Rural LLG got burnt down last year. So as a result, the council meetings are held in whatever available office space. Tauri Lakekama LLG uses an old building for meetings. East Kikori Rural and West Kikori Rural share the chamber at Kikori, built during the colonial administration. Based on information provided and related observations, in terms of office facilities for LLGs, one could describe the level and degree of administration of LLGs as inadequate and in no way reflect the importance placed on LLGs in the OLPGLLG. It is the closest and the lowest level of government to the people and yet the support and the resources provided to it are lacking. To underscore the point stated above, the condition of Kerema Urban LLG office tells a story of neglect and absence of recognition by the provincial government and administration. The Local Level Government system has the potential to achieve sustainable rural

30 See Reference Handbook for Local-Level Government Administration Papua New Guinea Vol.1, p12

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development if they are adequately strengthened and resourced to perform their functions<sup>31</sup>.

The information collected during the consultation point out that LLG

budget is usually prepared by the LLG Manager, LLG Secretary and the

President. The acting Director for LLG Administration reported that LLG

presidents were inexperienced and lack skills and knowledge of preparing

budgets. He reported preparing budgets for Kaintiba, Ihu, Kerema

Urban

and Baimuru LLGs. However according to Section 35 of the OLPGLLG, the Joint District Planning and Budget Priorities Committee is the designated body tasked to: 'oversee, co-ordinate and make recommendations regarding overall district planning, including budget

priorities, before being sent to the Provincial and National Governments to

determine and control budget allocations for development priorities for the

LLGs in the district; approve the LLG budgets for presentation to the Local

Level Government; develop five year rolling district development plans and

the annual estimates; and review the plan annually; determine the allocation

of funds from the District Support Grant; District Service Improvement

Program and other development grants'32. A point was raised that the

divisional heads at the Districts are not included in the budget process. One

of the displaced public servants expressed the view that the Government

Divisions at the District levels come under LLGs in terms of service

delivery but there are no funds from the LLG budget to support their work

programs. This view is one that is perhaps not supported by practice

elsewhere and under the OLPGLLG.

Rural Local Level Government Administration

Ihu is one of the four LLGs in the Kikori District and has a population of

14,56933. Ihu LLG office has been closed since 2000 election. At present

there is total absence of government presence and break down of political

and administrative structures in Ihu sub district. Public servants have been

moved to Kerema and they administer the affairs of the sub district from

Kerema. There is no police presence and as a result there is serious law and

order problem; the airstrip is closed, the grass has grown; no health services

because the health centre is closed and the nearest health centre is 4-5

kilometres away; some schools are operating but Ihu High School has been

closed 3 years ago and remains closed.

31 Kwa, E., "Strengthening Local-level Governments for Sustainable Rural

Development (2001–2002) 28 Melanesian Law Journal 34.

32 Ibid, p11.

33 This figure quoted from the Gulf Provincial Education Plan 2007–2016, p.2

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The office building was burnt down due to political differences.

Some

supporters of certain candidates were not pleased with the outcome of the

election results and committed act of arson as a way to express their

frustrations. It is claimed that public servants in Ihu were actively involved

in politics or associated with politicians. A strong statement was made that

those public servants who support politicians were rewarded by way of

political appointments. The total break down of the political and administrative structures in Ihu is a classic example of the consequences of

public servants playing politics.

Urban Local Level Government Administration

Kerema Urban LLG has a population of 5,12434 and is located in Kerema

district. There are 9 wards in Kerema Urban LLG. Those present at the

meeting reported that councilors for wards 6 & 7 reside in Port Moresby.

The Councillor for ward 7 is the town Mayor but he has been living in Port

Moresby since July 2008. The Office for Kerema Urban LLG is located outside the Provincial Government and Administration Office Complex in

Kerema. The office is supposed to be administered by a Manager, a Personnel Administrative Officer, a Council Secretary and a KBO. At the

time of the study, none of these officers were functional. The meeting I had

with the Councilors and the three administrative officers was in a bare

office with no evidence of activities in the office.

The acting Director for LLG Secretariat reported and the Ward Councillors

present confirmed that the Manager for Kerema Urban LLG was suspended

two years ago due to allegations of mismanagement of funds. The Personnel

Administrative Officer lives in Port Moresby and has been taken off the pay

roll. The KBO and the Council Secretary are on the payroll but are not at

work. There was no evidence of them working in the office. The Councillors of Kerema Urban LLG have no knowledge of the powers and functions of Local level Governments as defined in OLPGLLG under Section 4435. Only one councilor produced his Four Year Ward Development Plan & Expenditure Budget Estimates for 2009 – 2012. The LLG has not had meeting since their swearing in July 2008. There has been no induction or orientation for the LLG councilors. This LLG is under the administrative jurisdiction of the District Administrator in Malalaua on the other side of the bay. At the moment the

34 This figure quoted from the Gulf Provincial Education Plan 2007 –2016, p.2.

35 See Reference Handbook for Local-Level Government Administration Papua New Guinea Vol.1, p14

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main means to get to Malalaua is by dinghy at a rate of K60 one way. The

District Treasury is in Malalaua. The president of Kerema Urban LLG

resides in Port Moresby and commutes between Port Moresby and Malalaua. He has been accused of having access to and misusing LLG funds. Having seen the situation on the ground, one could conclude that

Councillors are paid for doing very little and the District Administrators

have turned a blind eye to the situation and no one seems to take any

interest in what is happening on the ground in these LLG. The councilors

are concerned about their situation but no-one seems to know how to

improve the situation. This evidence points to a clear case of break down in

the process of coordination and supervision of the administration of LLGs

in the Gulf Province.

Service Delivery Work Programs in the Province

Infrastructure network enables economic activity and the provision of

services to the people. However, lack of major rural infrastructure

development in the province affects the operations of all institutions. Cost

of service estimates between 2005 and 2007 indicate that Gulf Province had

below 50 percent spending capacity on delivery services<sup>36</sup>. Schools are not

able to access needy basic materials due to lack of major roads

and

unreliable transport network. Those consulted reported that nothing has changed or improved since the reform was introduced. Others were not sure what the reforms are all about.

#### Health Services

According to the review of all expenditure in 2007 by provincial governments, the National Economic and Fiscal Commission found that

commitment to our people's health is very poor in the country<sup>37</sup>. Cost of

service estimates for health between 2005 and 2007 indicate that Gulf

Province had below 25 percent spending capacity to deliver health services<sup>38</sup>.

The Provincial administration has the legislative responsibility to build and

maintain health centres and rural hospitals. The provincial hospital is

located in Kerema. Two district health centres at Kanabeia and Kikori are

run by churches. According to the Health Department guidelines, a health

<sup>36</sup> See National Economic and Fiscal Commission (2007) Closing the Gap –

Review of all Expenditure in 2007 by Provincial Governments (Port Moresby:

NEFC) p.73.

<sup>37</sup> Ibid p viii.

<sup>38</sup> Ibid p 63.

## THE GULF PROVINCIAL GOVERNMENT EXPERIENCE

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centre is required to have a doctor. The Catholic Church runs the health

centre at Kanabeia and there is no doctor. The Kikori Gulf Mission Services

is responsible for the Kikori health centre and it is serviced by volunteer

doctors.

Distribution of health services by districts indicate that there are 14 health

facilities in Kerema District servicing a population of approximately 76403

(by 2006). An estimated population of 48293 in Kikori district is serviced

by 6 health facilities. These 20 health facilities are supported by 57

operational Aid Posts out of 79 established in the province.

According to

Gulf Province Update on Aid Posts in 2008, twenty two aid posts remain closed. Churches in the province continue to play an important role in delivering services to communities that government officers are not able to reach due to lack of logistics support. However, churches are able to reach the remote communities with limited resources through their respective church networks.

Table 4 Status of Aid Posts

Agency	Open	Closed	Total
Government	25	16	41
Catholic health services	15	0	15
United Church Health Services	15	4	19
Salvation Army	2	0	2
SDA	0	2	2
Gulf Christian Services (GCS)	0	0	0
Total	57	22	79

As shown in Table 4 above, in 2008 only 57 aid posts were operational and were 22 closed. Closure of 3 out of the 16 aid posts operated by the government is due to non availability of health workers. Thirteen designated aid posts are closed because there are no aid post buildings. In 2008 all Catholic run aid posts were operational. Three of the 4 United Church run aid posts are closed due to deteriorating facility and no health workers, while one has no health faculty and health worker. SDA church is responsible for two aid posts that are closed due to no staff and lack of facilities to deliver health services.

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An experience shared by the United Church Regional Education Secretary for Papuan Region highlights the challenges of high cost of traveling for business in the province, lack of easier access to health services but churches are able to reach the rural population with limited budget and resources. In 2008 the Secretary witnessed 3 deaths in a village which could have been avoided if the victims got proper medical attention. He visited a school run by the United Church in Oiapu village at the border of

Gulf and

Central provinces. He traveled from Kerema to Malalaua in a dinghy at the

cost of K50. He paid K10 for a PMV ride to Iokea village junction and

waited for three hours and got on a truck to Lese village, paid K15 and went

in a dinghy to Iokea village. Next day he traveled to Oiapu village where he

stayed for three days and witnessed deaths of a young man and a pregnant

woman from snake bites. The woman died with her fetus as she was carried

to Iokea health centre.

The Director of Health Services in the province reported that reforms have

not been implemented in the health sector. He stressed that infrastructure is

crucial for implementation of the reforms. Having said that, he stated that

lack of infrastructure at the district level is the biggest problem in the

province and has partly made implementation of reforms impossible.

In line

with the objective of the reforms, the Director is strategically locating

health workers in the province to bring aid posts to people and make drugs

available to the population. The Health Director's administrative decision to

promote the new approach to delivery of health services has been challenged and disputed. For instance, certain public servants challenged

the notice of transfer issued by the Director of Health Services. The

concerned public servants raised the matter with the acting Provincial

Administrator, who directed the Director to withdraw the transfer circular.

He informed the Acting Provincial Administrator to fire him because he

refused to back off and give into politics of the provincial administration.

Education

The National Economic and Fiscal Commission reported that education is

the best supported service sector in the country, but there is much room for

improvement.<sup>39</sup> The Provincial Administration, in accordance with the

OLPGLLG is responsible for building and maintaining primary, secondary,

technical and vocational school facilities; and distributing

teaching materials.

39 See National Economic and Fiscal Commission Closing the Gap Review of all Expenditure in 2007 by Provincial Governments p.viii.

#### THE GULF PROVINCIAL GOVERNMENT EXPERIENCE 93

In response to the primary recommendation of the Education Sector Review in 1990 and 1991 which called for the reform of the education system, Gulf Province achieved the following results between 1994 and 2006. One hundred and twenty one (121) elementary schools were established employing 290 teachers; 2 high schools were converted to secondary schools and one of them is technical secondary school; and 68 community schools were converted to top up status as primary schools.

Table 5 Number of Schools and Staffing Capacity

Sector	Number of Schools	Staff Male	Staff female	Total Staff
Elementary	130	172	88	260
Community	45			
Primary	67	181	87	268
High School	4	25	15	40
Secondary	2	22	6	28
Vocational	4	10	6	16
CODE	-	-	-	-
Total	252	410	202	612

Source: Gulf Provincial Administration Education Branch, Provincial Education Division Status Report 2008, 10th March 2008 p.2.

The churches have always played a large role in education in Gulf Province.

The Catholic, Lutheran and United Church are the partner agencies in the education system in the province.

Table 6 Education institutions by agency in 2006

Type	Govern-ment	United Church	Catholic	Lutheran	Total
Elementary	65	16	40		121
Community/primary	67	18	19	2	107
High School	3		1		4
Secondary	1		1		2
Vocational	4				4
CODE	1		2		3
Total	141	34	63	2	241

Source: Adapted from the Gulf Provincial Education Plan 2007 – 2016 Striving for a better future, p.9

Primary education begins at grade 3 and finishes at grade 8. Whilst the restructuring of primary education has resulted in increase of student enrolment, there are community schools also suspended due to severe shortage of teachers. This situation has forced the functioning schools to be overcrowded with students from suspended schools. The education personnel consulted indicated that positive progress of education in Gulf Province is affected by constraints that are common in all levels of schooling. In schools there is lack of proper schooling facilities such as desks, chalk boards and classrooms. There is shortage of teachers and furthermore, teachers are not well trained and therefore unqualified. Politicians are expected to do more for schools but their support is limited. The community or the public do not support schools and this leads to lack of cooperation with the school management. The schools operate with insufficient financial resources and these limited finances are sometime mismanaged. There is total break down of communication between schools and education officials in Kerema and at district levels. Most schools operate in isolation due to lack of communication facilities. Thus, most schools are observed to be functioning at the mercy of teachers.

**Conclusion**

Provincial Governments and LLGs were established to achieve the goals outlined in paragraph (a) of the OLPGLLG preamble. The reforms were introduced to achieve the state of development described by the Public Sector Reform Advisory Group, which is 'to have better controls in the community, and a more affordable, cost effective, and efficient system of service delivery, as well as a system of government that works, is understood, and involves people'<sup>40</sup>. Furthermore, Kwa observes that political and administrative structures established by the OLPGLLG should promote development in the rural areas<sup>41</sup>. Regrettably the goals of reforms are far from being achieved and

the rural communities continue to be denied the basic human right to essential services in the Gulf Province. The politicians and the public servants in Gulf Province need to have a complete transformation of attitude, behaviour and mind set towards empowering people by conforming to the political and administrative structures established by the OLPGLLG.

40 See n.11 at p.viii

41 Kwa, E., n.31 at p.36.

## Chapter Six

### The Southern Highlands Provincial Government Experience of the Implementation of the OLPGLLG (1997-2009)

Joseph Ketan

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#### Introduction

The Southern Highlands is one of the richest provinces in Papua New Guinea. The province has vast quantities of oil and gas deposits which are recovered and exported from the oil fields in Kutubu, Iagifu and Moro. But the wealth obscures internal disparities between regions and districts. All the oil and gas development projects are located within the Hela region which is being granted a separate province. The Mendi region is comparatively poor, with neither mineral, nor petroleum, nor gas resources.

The soils here are generally poor compared with the rich alluvial plains and valleys of the Hela region. Apart from timber, which offers some hope for a sustainable income generating economic activity, the Mendi region offers its citizens minimal opportunities in rural settings. These problems of

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limited resources are compounded by a dangerous culture of big-man politicians handing out millions of kina in government grants outside of financial management procedures. Several governors have set a precedent in handing out bags of cash to people along roads and in villages. A further problem lies with the fact that a large chunk of the development budget is spent in just one region of the province, to the exclusion of the others. Hela receives a lion's share of the funds, while Mendi, Ialibu, Imbonggu, Nipa and other eastern districts are forced to fight for scraps. The Southern Highlands, with a 2000 Census population of 546,262 persons, is demographically the largest province in Papua New Guinea. The authors of the authoritative Papua New Guinea Rural Development Handbook pointed out that:

Southern Highlands occupies 25,700 km in the central west of PNG. It is one of the larger provinces in the country and covers a diverse range of environments. The northwest is dominated by the Central Range, Lagaip Valley and the extensive volcanic hills, plains and swamps of the Tagari Valley. The central north covers the Wage, Nembi, Lai, Erave and Mendi valleys and the extinct volcano, Mt Giluwe. The northeast covers the plains and swamps of the Iaro and Poru valleys, Mt Ialibu and the Tua Valley. The south of the province covers vast limestone plateaux, the Hegigio, Mubi and Digimu valleys and Lake Kutubu. Mt Bosavi, a dormant volcano, dominates the southwest. Altitude varies from

100 metres in the lower Hegigio Valley, to over 4,300 metres on Mount Giluwe. Most people live within an altitude range of 1200–2400 metres. The upper altitudinal limit of agriculture is around 2500 metres. Average annual rainfall varies from 2200 millimetres in the central northern valleys, to over 4500 millimetres in the south.<sup>1</sup>

Provincial and Local Level Governments  
The recent political history of the Southern Highlands is one of turbulence and disorder. The failed elections in 2002 and the subsequent crisis of governance indicate that all is not well in this resource-rich province. The struggle for political power control over the wealth of the province contributes to political instability and social instability. The roots of conflict in the Southern Highlands are complex and multifaceted, but a plausible

<sup>1</sup> Hanson, Allen, Bourke and McCathy (2001) Papua New Guinea Rural Development Handbook (Canberra: Australian National University)

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explanation lies in the recent history of warfare between eastern and western groups of the province. As pointed out by Nicole Haley and Ron May:<sup>2</sup>

“Conflict between the west, the centre, and east of the province has raged for many years, resulting in fighting and road closures in and around Nipa and Magarima. Much of the fighting in recent years has revolved around allegations concerning the death of former governor, Dick Mune. It was alleged that Mune (from Nipa), who died in a car accident, had in fact been killed by Anderson Agiru, the Huli man who succeeded him as governor in 1997. Specifically, it was rumoured that Anderson Agiru had employed sorcery techniques obtained in the east to bring about Mune’s death. Following Mune’s death the Nipa people blocked the highway, thereby denying Hulis access to Mendi, the provincial headquarters, and interrupting service provision to the western end of the province.”

They went on to say that:

Such rumour, innuendo and conflict are not entirely new. In July

1980 when the then provincial premier Andrew Andaija died in a plane crash, less than a month after being re-elected, the Huli refused to accept that his death was an unfortunate accident. Instead they blamed the people of Ialibu, Pangia, Kagua and Erave, alleging that some form of sorcery or poison had been used to bring the plane down. Andrew Andaija's death, like Dick Mune's, fuelled east-west animosity and resulted in ongoing conflict. In the months following Andaija's death, Hulis attempted to kill the then member for Imbonggu, Glaimi Warena, and were also allegedly responsible for an incident in which Wiwa Korowi was stoned in Port Moresby. At the time, the Post-Courier reported that 'east-west animosity between the people of the Southern Highlands is emerging as a serious threat to harmony in the province'<sup>3</sup>

2 Haley N. and R. May (2007) (eds.) Conflict and Resource Development in the Southern Highlands of Papua New Guinea (Canberra: Australia National University E Press) at p.10

3 Ibid at pp.10-11

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Widespread ethnic conflict, coupled with arsenals of powerful automatic weapons and general lawlessness, has rendered state institutions ineffective. This sorry condition of state impotence was highlighted during the 2002 elections when police officers were outnumbered – and outgunned and were instructed not to engage in combat with thugs locally known as “warlords”. In this instance, the official judgement was that the ballot was not worth defending, thus never secured, and left open for fraudsters to ply their trade. The end result was a failed election. The provincial administration has lost control of the situation. It remains incapable of delivering basic services evenly across the province. The political leadership of the province has adopted an irrational mode of governance that can be described as ‘politics of the belly’, epitomized by the African expression, ‘the goat grazes wherever it is tied to’, which refers

to the combination of political tenure with wealth accumulation, commonly known as corruption in many parts of the world.<sup>4</sup> Corruption of this kind, involving huge amounts of public funds, has taken new dimensions in the Southern Highlands. One form involves the siphoning off of public funds and other state resources to feed the 'primordial community' (primary kin group, friends and wantoks). Successive administrations (under Governors late Dick Mune, Anderson Agiru, Hami Yawari and again Agiru) have all succumbed to political pressure from their respective strongholds to reward their supporters. Hence, all appointments to top and middle management positions within the province have all been made along partisan lines, ignoring public service regulations. The implications of non-meritorious appointments and awarding of contracts without following public tender procedures are beyond the scope of this Chapter. However, it suffices to say that governance and administration suffers as a consequence of such practices, regularly resulting in misappropriation of public funds and lack of accountability. In neighbouring Western Highlands, for example, corruption has been identified as one of the greatest obstacles to service delivery in that provinces.<sup>5</sup> On the basis of evidence presented in this study and in other similar studies, the same would be true for the Southern Highlands.<sup>6</sup>

4 See Ketan J (2007) The Use and Abuse of Electoral Development Funds and their Impact on Electoral Politics and Governance in Papua New Guinea (Canberra:

CDI Policy Papers on Political Governance 2007/2, Centre for Democratic Institutions ANU) at p.37

5 Ketan and Olga (2008) How to Improve Policy Implementation and Service

Delivery in Western Highlands Province (Mt. Hagen: Western Highlands

Provincial Government Policy Paper No.1/08)

6 Haley and May n.2 above.

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There are of course other impediments to service delivery. Former Institute of Medical Research (IMR) researcher, John Vail, who lived in the Southern Highlands from 1980 to 2000, had this to say on the withdrawal of

the state services in the Southern Highlands:

“The effects of public service shrinkage became obvious in the 1990s. Many different reasons have been advanced for this recession – under funding, mismanagement, corruption, politicisation, nepotism, lack of accountability, and lack of enforcement. Wherever the truth may lie, during the 1990s services began to be withdrawn from Tari town, and public servants retreated to provincial headquarters or simply failed

to

turn up at their offices. Morale among previously effective officers declined as their budgets were cut, despite a growing provincial budget. Equipment broke down, and was not repaired. Services declined further in remote areas. Aid posts were not staffed, teachers could not be found for classes. Roads and bridges

were no longer maintained, and vehicles were misused or broke down. The public service largely ceased serving the rural population, and became instead a paid, town-based, elite serving mainly itself”<sup>7</sup>

John Vail further noted that:

“Not all of this was due to internal problems in the public service.

Crime and fighting damaged public infrastructure and made travel unsafe for public servants. Communications facilities on remote mountain tops were subject to compensation demands and pillaged or destroyed. However the decline in the effectiveness

of

the administration, police and village courts contributed to the general demise by allowing these lawless activities to continue unchecked”<sup>8</sup>

Based on her ‘conflict vulnerability assessment’ of the Southern Highlands

Province, Neryl Lewis, currently AusAID’s Emergencies Manager, concluded that:

<sup>7</sup> Vail J. (2007) “Community-Based Development in Tari – Presents and Prospects” in Haley and May eds., Conflict and Resource Deveopment in the Southern Highlands of Papua New Guinea (Canberra: Australian National

University E Press) at p.100

<sup>8</sup> Ibid at p.110.

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Analysis of CIPF findings suggests that governance failure is essentially at the root of SHP's current problems, leading to (and allowing to flourish) both greed and grievance-driven conflict. The lack of provincial government accountability (political and administrative), social-conflict inhibitors, and an effective law and justice sector has created a permissive environment which encourages the spread of corruption, violent conflict and crime ('greed-driven conflict'), while service delivery failure, economic inequality and the perception that the state is ineffective and unresponsive has fuelled resentment and inter-group tensions."9

Good governance in the Southern Highlands is also impeded by entrenched corruption at all levels of government, and the presence of high-powered weapons throughout the province.10

At the provincial level, jockeying for control of the province between the Huli speakers in the west, the Mendi speakers in the central area and the Kewa-speaking peoples of the east has led to the formation of competing administrations; this has proved an impediment to effective administration and good governance. All too often administrative appointments in the Southern Highlands have been made on the basis of ethnicity and this has resulted in tit-for-tat sackings and reappointments over many years. At present, there are not only new administrative appointees but also people appointed by the two previous governors (Dick Mune and Anderson Agiru) and the various interim administrations of SHP, all of whom claim to hold the same positions. Indeed, at one point not long ago, four different men were being paid as administrator of the SHP. Many people politically aligned with and employed under Dick Mune's administration remain on the government payroll, as do those loyal to and appointed by Anderson

Agiru. Under Anderson Agiru's administration many public servants from the western end of the province were transferred into the Ialibu-Pangia area, thereby aggravating tensions between the eastern and central areas. And during the period of the interim administration, people from the eastern end of the province were appointed to positions in the west.<sup>11</sup>

The province is politically and administratively divided into three regions: (1) the Koroba-Tari-Magarima area in the west; (2) the Nipa-Mendi area in the centre; and (3) the Ialibu-Kagua area in the east. Each region is

9 Ibid at p.164

10 Haley and May.n.2 at p.12.

11 Ibid.

#### THE SOUTHERN HIGHLANDS PROVINCIAL GOVERNMENT EXPERIENCE 101

administered from the provincial capital, Mendi, by a Deputy Administrator. The eight districts of Southern Highlands are indicated below.

District	District Capital	Region	LLGs
Ialibu-Pangia	Ialibu	Eastern	East Pangia Rural Ialibu Urban Kewabi Rural South Wiru Rural
Imbonggu	Imbonggu	Eastern	Ialibu Basin Rural Imbonggu Rural Lower Mendi Rural
Kagua-Erave	Kagua	Eastern	Erave Rural Kagua Rural Kuaire Rural
Komo-Magarima	Magarima	Western	Aiya Rural Hulia Rural Komo Rural Upper Wage Rural Lower Wage Rural
Koroba-Kopiago	Kopiago	Western	Awi-Pori Rural Lake Kopiago Rural North Koroba

			Rural
			South Koroba
			Rural
Tari-Pori	Tari	Western	Hayapuga Rural

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			Tagali Rural
			Tari Urban
			Tebi Rural
Mendi-MunihuMendi		Central	Karints Rural
			Lai Valley Rural
			Mendi Urban
			Upper Mendi
			Rural
Nipa-Kutubu Nipa		Central	Lake Kutubu
			Rural
			Mount Bosavi
			Rural
			Nembi Plateau
			Rural
			Nipa Rural
			Poroma Rural

The affairs of each district are managed by District Administrators, who are operationally required to take up residence in the districts, though not all adhere to this rule. Most, if not all, District Administrators are handpicked by the Open MPs. The governance implications of such practices (non-residence), including the criteria for the appointment of District Administrators vis-à-vis actual appointment practices, are taken up in the other parts of this Chapter.

Provincial Government Administration

Most districts have five year development plans, which have been integrated with the provincial corporate plan. The corporate plan is based on a mission statement provided by the provincial government. But the problem seems to be not one of planning, but that of implementation. Implementation is impeded by lack of budget support and by lack of commitment from public servants. These problems are compounded by lack of administrative capacity for planning, budgeting and for policy implementation at all levels (provincial, district and LLG).

The province has some good officers, especially at the Provincial Management Team (PMT) level, but there are not enough competent officers at the district and LLG levels. We were told that most MPs have appointed their own 'hand-picked men' to key positions in the districts, without any consideration for qualification or experience. This has resulted in layers of public servants with two or three officers claiming the same position and getting paid at the same level. At one state, there were three different people claiming the office of the Provincial Administrator and getting paid at that level. Nicole Haley and Ron May<sup>12</sup> reported that the Governors the late Dick Mune and Anderson Agiru appointed their own men for the top bureaucratic post without DPM approval, thus causing problems for the administration of the province. This directly contributed to the breakdown of governance in the province. The State thus lost control of the province and consequently what are locally known as "warlords" took over the streets of Mendi and terrorized ordinary people in many parts of the province. We were told that this problem has been brought to the attention of the Department of Personnel Management, but so far no action has been taken to rectify this situation. As a result, this situation is costing the State hundreds of thousands of kina each year. We learnt also that budgets are prepared by a handful of people, usually those closer to politicians, rather than by public servants from all divisions within the province. The 2009 budget for the Southern Highlands Province, for example, was prepared in Port Moresby by staff from the Governor's office, then brought back to the province for approval.<sup>13</sup> Haley and May<sup>14</sup> made similar observations, so this obviously was not the first time that important provincial government decisions were made outside of the province. This irrational style of governance has serious management and governance implications. First, there is clearly a divorce between public service management regulations and practice. Second, politicians have marginalized public servants the very people who are responsible for

implementation of government policies (in this case, the provincial budget).

Thirdly, budgets are not operationally linked to government policies, which regularly results in misappropriation of public funds, which means that basic services cannot be delivered, and people remain isolated and disillusioned.

12 Supra n.2 above.

13 This process took place on the last day of fieldwork in SHP, and so we were unable to get an impression of the kind of response it got from the provincial assembly members as well as the implementers (the public servants).

14 Supra n.2 above.

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##### Local Level Government Administration

This is the most poorly funded level of government in the province. Local

Level Governments do not function because they receive so little from the

provincial government (in national government grants) that they cannot

achieve their objectives of service delivery and maintenance of minor

physical infrastructure (especially small rural roads). The total Local Level

Government Development Grants in 2008 was K4,251,600 and in 2009 it

was increased to K4,461,600. With no internal revenue, LLGs depend entirely on national government grants to function. The rural LLGs receive

between K77,000 and K301,000 while the three urban LLGs receive between K131,000 and K410,000. According to LLG and DA

Coordinator,

Mr Timon Ombiolu, Local Level Government Staffing Grants K2, 363, 200 in 2006 were inexplicably withdrawn in 1997. Mr Ombiolu

pointed

out to us that "as a result of the withdrawal of the K2,363,200

Staffing

Grants, the LLG Development Grants are now used for administration costs

like councilors monthly allowances, casual employee's wages, vehicle hire,

travel and so forth", thereby leaving little or nothing for projects. The LLGs

are barely surviving and would welcome the reinstatement of the staffing

grants. As noted by Mr Ombiolu, "the reinstatement of Staffing

Grants will

assist the LLGs to apply the Development Grants purely on projects and the

administrative costs to be taken care of with the Staffing Grants.”<sup>15</sup>

There are 32 Local Level Governments in the Southern Highlands Province.

According to the Organic Law on Provincial and Local Level Governments,

the legislative arm of the local level government is made up of the

following members:

- the head of local level government who shall be elected in accordance with the Organic Law or an Act of Parliament;
- elected representatives of local wards;
- in the case of local level government in an urban area,

three

members whom: (a) one shall be a representatives of workers organization; (b) one shall be a representatives of

employers

organization; and (c) one shall be a representative of

women’s

organizations;

- in the case of local level government in a rural area, two members shall be representatives of women’s organization.

<sup>15</sup> Personal communication during field visit to Mendi, SHP, early this year for this project.

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The appointed members have full voting powers and their vote is counted

towards the quorum during the meeting of the local level government assembly. The head of the local level government presides at all meetings at

which he is present. The number of meetings of a local level government

shall not be less than four in each calendar year and procedures shall be

consistent with the procedures of a provincial assembly.

According to the Coordinator for Local Level Government and District Administration, Mr Timon Ombiolu,<sup>16</sup> the local level governments in the

Southern Highlands do try to meet four times each year, depending on availability of funds. He told us that a few LLGs do not have council

chambers to conduct their meetings. In the past, all LLGs had their own

local government council chambers physically located in the

districts, but over the years they have lost many through warfare, election-related violence, and through wear and tear. There are 32 senior local government officers (paid at grade 9) operating in the Southern Highlands. But there seems to be very little coordination between these officers and the District Administrators. The District Administrators commit more time and effort towards the electoral development projects of Open MPs and often do very little by way of managing the affairs of local level governments. There is very little planning at the local government level. Given the lack of capacity for planning and budgeting at that level, it would be unrealistic of national government agencies to expect ward plans. The Department of National Planning has the difficult job of integrating ward plans with district plans, which in turn, have to be integrated with provincial and national plans. In the case of the Southern Highlands, as will be seen below, the link between local level government and district administration in terms of planning and budgeting has yet to be integrated in the Joint District Planning and Budget Priorities Committee.

#### KOROBA/KOPIAGO

Lake Kopiago 21 wards

North Koroba 26 wards

South Koroba 24 wards

Awi /Pori 28 wards

TARI/PORI

16 Ibid.

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Tari Urban 9 wards

Hayapuga 21 wards

Tebi 20 wards

Tagali 17 wards

#### KOMO/MAGARIMA

Komo 24 wards

Hulia 29 wards

Upper Wage 20 wards

Lower Wage 20 wards

#### NIPA/KUTUBU

Nipa 39 wards

Nembi Plateau 22 wards

Poroma 23 wards

Lake Kutubu 17 wards  
 Mt. Bosavi 13 wards  
 MENDI/MUNHUI  
 Lai Valley 26 wards  
 Karints 24 wards  
 Upper Mendi 30 wards  
 Mendi Urban 14 wards  
 IMBONGU  
 Lower Mendi` 24 wards  
 Ialibu Basin 21 wards  
 Imbongu 19 wards  
 IALIBU/PANGIA  
 Kewabi 28 wards  
 Ialibu Urban 12 wards  
 East Pangia 30 wards  
 South Wiru 34 wards  
 KAGUA/ERAWE  
 Kagua 30 wards  
 Kuare 17 wards  
 Erave 28 wards  
 Aiya 21 wards

There are 731 Wards in 32 LLGs.

#### THE SOUTHERN HIGHLANDS PROVINCIAL GOVERNMENT EXPERIENCE 107

There are 731 Councillors.

There are 58 Nominated Women Councillors.

There are 9 nominated appointees in 3 urban LLGs.

Total number of Councillors is 798.

DISTRICT	SUB DISTRICTS
Mendi/Munhim	1 Munhiu
Imbongu	-
Ialibu/Pangia	2 Pangia
Kagua/Erave	3 Erave
Nipa/Lake Kutubu	4 Proma
	5. Pimaga (Kutubu)
	6. Mt. Bosavi (Muluma)
Komo/Magarima	7. Komo
Tari/Pori	-
Koroba/Lake Kopiago	8. Lake Kopiago
	- Hewa Base Camp

#### Service Delivery Work Programs in the Province

Government service delivery in the Southern Highlands Province had ceased many years ago owing to political and administrative crises. With

the notable exception of petroleum and gas project development enclaves, the rest of the province does not have access to basic services.

#### Accessibility

The Highlands Highway is impassable in several areas between the

## Western

Highlands border at Kagul River and the township of Mendi. The Mendi airport is currently being serviced by only one small airline which conducts irregular flights in and out of the provincial capital. The PNG national airline, Air Niugini, has a direct regular service to Moro (courtesy of the project enclave and Tari). The rest of the province is not connected by reliable roads, thereby making it very difficult for people to have access to services and markets.

## Health

In terms of health infrastructure, the Southern Highlands has one provincial hospital in Mendi, two district hospitals at Tari and Ialibu, eight health

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centres, 66 health sub-centres, and 227 aid posts. No one knows for sure how many of these facilities are actually functioning. Philip Moya, former deputy provincial administrator, estimated that there are only "120 operating aid posts, of which 97 are closed for various reasons."<sup>17</sup> But we do know that many health facilities were forced to close down partly because of lack of funding and also because of increasing lawlessness in the province. The district hospital in Tari used to have a compliment of four doctors many years ago, lost its only doctor to Mount Hagen hospital, and is struggling to attract doctors because of the rundown condition of the hospital.<sup>18</sup> Walters further noted that "most aid posts are also in a rundown condition, and reasonable health services do not exist."<sup>19</sup>

The province has 547 public servants engaged in the health sector, with an additional 231 church health workers.

## Education

A former Southern Highlands deputy provincial administrator, Philip Moya, says that education is the largest division in the Southern Highlands, with "over 300 elementary schools, 150 community schools, 75 primary schools, 12 provincial high schools, three secondary schools, six vocational training centres, and one agriculture and technical secondary school. The total enrolment of students at all institutions is 83,884 and the average student-teacher ratio is 466:1."<sup>20</sup>

### Primary Industry

Successive provincial governments have poured millions into the Southern Highlands Engineering Division, using it as a conduit to divert money to promote narrower interests of a handful of people close to the governors. Much of this money was spent outside of the province, in places like Mount Hagen, Port Moresby and Cairns, just as royalties from petroleum and gas projects are being spent in such places. This leaves no money for the local economy. And so the province remains extremely rich in resources, yet so poor in social and economic development.

17 Moya P. (2007) "An Insider's Post Mortem on Southern Highlands: A Perspective from Tari" in Haley and May eds; Conflict and Resource Development in the Southern Highlands of Papua New Guinea (Canberra: Australian National University E Press) at p.179  
18 Walters 2007:126; Moya 2007:179.  
19 Ibid.

20 Moya n.17 at p.178

## THE SOUTHERN HIGHLANDS PROVINCIAL GOVERNMENT EXPERIENCE 109

### District Administration

Districts in the Southern Highlands Province are among the country's most

poorly managed. District Administrators are rarely at their work stations. A common reason given for absenteeism is that District Administrators are chasing the District Support Grants and District Services Improvement Program Grants money controlled by Open MPs through the respective JDPBPCs.

The District Administrator for Imbonggu lives and operates out of Mendi, near Kiburu Lodge, at a property owned by the MP for Imbonggu.<sup>21</sup> This is a shame because Imbonggu is one of the few Highlands districts to boast of modern office complex equipped with computers, telephones and other accessories. A high covenant house is almost being completed. The District Administrator is expected to move into this property sometime this year.

We can understand why the District Administrator has chosen the property near Kiburu Lodge as his residence because it is much more convenient than the Imbonggu headquarters for both himself and Mr Awesa to communicate and deal with district matters on a day to day basis. Mr Awesa also lives and operates out of his Kiburu property.

Owing largely to lack of funding, extension services have been shut down in the district. The health, agriculture, and commerce extension officers can do nothing but to draw salaries from the State each pay day. This situation has been allowed to exist for many years, without any intervention from both national and provincial governments.

A requirement of the OLPLLG is that each district establishes a JDPBPC.

The JDPBPC is to consist of:

- a) the Member of Parliament representing the open electorate who is the Chairman of the Committee;
- b) the heads of local level governments in the district or their nominees; and
- c) any other members not exceeding three in number appointed by the Member representing the electorate in consultation with the heads of the local level governments in the district.

The functions of the JDPBPC are:

<sup>21</sup> Hon Francis Awesa.

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to oversee, coordinate and make recommendations as to the overall district planning, including budget priorities, for consideration by

the provincial government and national government; to determine and control budget allocation priorities for the local

level governments in the district; to approve the local level government budgets for presentation to the

local level governments and make recommendations concerning them;

d) to draw up a rolling five year development plan and annual estimates for the district; and

e) to conduct annual reviews of the rolling five-year development plan.

In accordance with the OLP&LLG, the District Administrator is the Chief

Executive Officer of the JDPBPC. The District Administrator's primary

role is to coordinate service delivery in the district, which involves

planning, budgeting, policy implementation, evaluation, and reporting on all

programs and projects within the district. The District Administrator is also

responsible for the disbursement and acquittals of district support grants

(DSG) from the national government (administered by the Office of Rural

Development in Port Moresby).

Lack of transparency and accountability in the disbursement of district

support grants has raised some apprehension among administrators within

and outside the province. The Manager for Mendi Urban LLG, Mr Leo Vali, for example, complained of lack of input from his

administration in

the JDPBPC. Similar concerns were expressed by others within the provincial planning office. It seems that the district plans are not linked to

budget appropriations. The DSIP funds from the Office of Rural Development are also controlled by the Open MPs (through the JDPBPC)

and district administrators, without input from other officers. Urban Local Level Government Administration

In here we examine the administrative arrangements of one urban local

level government in the Southern Highlands. The Mendi Town Authority is

an urban local level government that was established by the Southern

Highlands Provincial Government under the Mendi Town Authority Act

1994. According to the Mayor of Mendi, Hon. George Tandoa, the Town

Authority's primary function is to provide municipal and other services for residents of the township of Mendi.

#### THE SOUTHERN HIGHLANDS PROVINCIAL GOVERNMENT EXPERIENCE 111

##### Staff

The Mendi Town Authority currently employs 16 officers. The CEO of the

Authority is the Town Manager, a public servant (grade 12), who reports to

the District Administrator and the Coordinator for Local Level Government

and District Administration within the provincial administrative structure.

This position is currently held by Mr Leo Vali, an experienced public

servant, who has lived in Mendi for many years. His deputy is the Town

Clerk (grade 10), who reports to the Mayor and the Town Manager.

Below

these positions are the OIC Administration (grade 9), the

Accountant/Financial Controller (grade 9), and the Health Inspector (grade

9). The other important positions are the Rules Inspector (grade 7) and the

OIC Town Services (grade 7).

##### Budget

The Mendi Town Authority has a very small budget to fulfill its statutory

obligations. The draft budget estimates for 2009 indicate that the Mendi

Town Authority has a total projected budget of K988,500. They expect to

raise K246,500 from internal revenue sources and K740,000 from anticipated national and provincial government grants and subsidies.

The

development plans and associated budget programs of the Urban Local Level Government are financed in accordance with the relevant law in

the

##### OLPGLLG:

Administrative Support Grants in accordance with section 92;

f) Development Grants in accordance with Section 93; and

g) Town and Urban Services Grants in accordance with Section 94.

The summary of the budget estimates for 2009 are indicated below:

Revenue	Amount (Kina)	Expenditure	Amount (Kina)
Balance brought forward	Nil	Administration	477,915
Internal Revenue	246,500	Health	10,000

LLG Grants	95,500	Economic Services	Nil
Staffing Grants	Nil	Education Services	35,000
Urban Development Grants	314,500	Law and Order	7,000

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SHP Grants	30,000	Infrastructure	165,085
MP RAP Grants	Nil	Community Services	191,000
Mendi Town Cleaning	300,000	Events and Nil Celebration	
		Ward Development	K100,500
Total:	986,500		988,500

Apart from the minor budget deficit, the other obvious conclusion that we

can draw from the budget estimates is that nearly 50 percent of the budget is

consumed by administration: personal emoluments (K77,640); salaries and

allowances (K186,000); wages (K53,600); overtime (K3,375); leave fares

(K6,000); travel and subsistence (K20,000); transport and fuel (K20,000);

administrative consultancy fees (K17,000). As a result, not enough is spent

on health, education, law and order, and other MTDS core sectors.

This is a

microcosim of the national situation and confirms the findings of a recent

study by the National Economic and Fiscal Commission on provincial

government expenditure in Papua New Guinea.<sup>22</sup>

The points worth noting on the revenue side are: (1) that there were no

funds brought forward from the previous year, apparently because of under-

funding; (2) that there were no staffing grants; and (3) that there were no

grants from the MPs "slush funds", variously known as EDF (electoral

development funds), RAP (Rural Action Program), and currently known as

DSIP (District Services Improvement Program) funds.

The budget, also, confirms the statement from the Coordinator of the LLGs

and District Services, Mr Timon Ombiolu, that (1) funds which could have

been used for development activities are used to pay staff salaries because

of the withdrawal of Staff Grants by the national government; and (2) that

not much can be accomplished with such a small budget; and (3) that officers cannot visit districts to implement ward development programs because of lack of vehicles, fuel, and other resources.

#### Work Program

In the absence of a plan, the Mendi Town Authority plans to spend K10,000 on Mendi Town Clinic this year, K35,000 on four schools (Wakwak Top-

22 See NEFC (2007) Cost! Capacity! Performance! – Review of All Expenditure in 2005 by Provincial Governments (Port Moresby: NEFC) available online at [www.nefc.pg](http://www.nefc.pg)

#### THE SOUTHERN HIGHLANDS PROVINCIAL GOVERNMENT EXPERIENCE 113

Up, Kumin Top-Up, Tente Primary School and an elementary school), and K95,000 on unspecified ward development projects.

		Local Level Government Staffing Grants				
No	Name of LLG	2005 Actual	2006 Approp.	2007 Approp.	2008 Approp.	2009 Approp.
1	Mendi Urban	37,500	74,600	-	-	-
2	Lai Valley	37,500	73,800	-	-	-
3	Karints	37,500	73,800	-	-	-
4	Upper Mendi	37,500	73,800	-	-	-
5	Lake Kutubu	37,500	73,800	-	-	-
6	Poroma	37,500	73,800	-	-	-
7	Nipa	37,500	73,800	-	-	-
8	Mt. Bosavi	37,500	73,800	-	-	-
9	Nembi Plateau	37,500	73,800	-	-	-
10	Lower Mendi	37,500	73,800	-	-	-
11	Imbongu	37,500	73,800	-	-	-
12	lalibu Basin	37,500	73,800	-	-	-
13	Kewabi	37,500	73,800	-	-	-
14	lalibu Urban	37,500	74,200	-	-	-
15	East Pangia	37,500	73,800	-	-	-
16	South Wiru	37,500	73,800	-	-	-
17	Erave	37,500	73,800	-	-	-
18	Kagua	37,500	73,800	-	-	-
19	Kuare	37,500	73,800	-	-	-
20	Aiya	37,500	73,800	-	-	-
21	Hulia	37,500	73,800	-	-	-
22	Komo	37,500	73,800	-	-	-
23	Upper Wage	37,500	73,800	-	-	-

24	Lower Wage	37,500	73,800	-	-	-
25	Tari Urban	37,500	74,200	-	-	-
26	Hayapuga	37,500	73,800	-	-	-
27	Tagali	37,500	73,800	-	-	-
28	Tebi	37,500	73,800	-	-	-
29	Lake Kopiago	37,500	73,800	-	-	-
30	South Koroba	37,500	73,800	-	-	-

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-	31	North Koroba	37,500	73,800	-	-
-	32	Awi/ Pori	37,500	73,800	-	-

Total 1,200,000 2,363,200  
Local Level Government Development Grants

No:	Name of LLG	2008	2009	Incread By
		Approp.	Approp.	
1	Mendi Urban	376,500	410,400	33,900
2	Lai Valley	221,800	221,800	-
3	Karints	139,500	139,500	-
4	Upper Mendi	187,100	187,100	-
5	Lake Kutubu	75,300	76,900	1,600
6	Poroma	152,100	155,300	3,200
7	Nipa	294,900	301,200	6,300
8	Mt. Bosavi	46,000	47,000	1,000
9	Nembi Plateau	113,000	115,400	2,400
10	Lower Mendi	131,000	131,300	-
11	Imbongu	177,400	177,400	-
12	lalibu Basin	106,800	106,800	0
13	Kewabi	92,300	95,400	3,100
14	lalibu Urban	120,500	131,300	10,800
15	East Pangia	94,600	97,800	3,200
16	South Wiru	126,500	130,800	4,300
17	Erave	80,100	94,600	14,500
18	Kagua	130,400	154,00	23,600
19	Kuare	51,500	60,800	9,300
20	Aiya	115,000	135,800	20,800
21	Hulia	104,600	111,900	7,300
22	Komo	109,400	117,000	7,600
23	Upper Wage	116,300	124,400	8,100
24	Lower Wage	113,500	121,400	7,900
25	Tari Urban	194,000	211,500	17,500
26	Hayapuga	119,100	119,100	-
27	Tagali	89,700	89,700	-
28	Tebi	91,300	91,300	-
29	Lake Kopiago	100,500	105,500	5,000
30	South Koroba	143,300	150,400	7,100
31	North Koroba	113,700	119,300	5,600

32 Awi/ Pori	123,600	129,700	6,100
Total	4,251,600	4,461,600	

#### Conclusion

The following comments by AusAID's Emergency Manager, Neryl Lewis, best captures and summarizes the situation in the SHP that:

"The Southern Highlands Province (SHP) is undoubtedly Papua New Guinea's worst performing province. It is abundant in natural resources and

its provincial budget is one of Papua New Guinea's highest, yet services

barely operate and human development indicators are amongst the lowest in

Papua New Guinea. Whilst conflict has always been a part of life in SHP,

since the late 1990s the incidence of violent conflict and crime has increased markedly. Correlating with this rise in violence has been a serious

decline in governance standards and an associated deterioration in basic

service delivery."<sup>23</sup>

The Southern Highlands Province represents a classic case of missed opportunities and wealth squandered through mismanagement and social instability. Prosperity remains elusive despite enormous wealth in oil and

gas resources, which has led some commentators to remark that the "resource curse" may be at work in this province. The province receives

more money in national government grants than any other province. It has a

2009 budget of K300 million, which is the biggest in PNG for a province.

The province receives additional revenue in hundreds of millions of kina in

royalties from the Kutubu oil and Hides gas projects. These windfall funds,

however, have been frittered away by politicians and landowners in the

national capital, Port Moresby, and the northern Queensland city of Cairns,

Australia, thereby leaving little or nothing for the development of the

province. The province remains backward, with poorly developed infrastructure and declining social indicators.

The "politics of the belly" mode of governance practiced by politicians and

senior bureaucrats in the Southern Highlands has rendered government institutions ineffective, with the provincial bureaucracy incapable of

delivering services, and the people becoming increasingly resentful over the

inequitable distribution of the province's considerable resource wealth.

23 Lewis N, (2007) "Conflict Vulnerability Assessment of the Southern Highlands Province" in Haley and May eds., Conflict and Resource Development in the Southern Highlands of Papua New Guinea (Canberra: Australian National University E Press) pp.149–164 at p.149

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Political office is commonly viewed as the shortest path to prestige, power and wealth. Hundreds of thousands of kina and other resources (including livestock) are 'invested' – or regularly gambled away – in elections because of the perception that political office opens the door to State resources. This perception has been reinforced in the Southern Highlands by successive governors handing out large sums of money to supporters at public ceremonies. Furthermore, the almost totally discretionary nature of the electoral development funds (EDF), prior to more stringent financial management guidelines prepared by the Office of Rural Development under Paul Saii, has perpetuated this misguided perception that MPs have access to an endless supply of State resources. Unfortunately, such notions remain unabated, owing chiefly to the K10 million per Open MP during the 2008–2009 appropriations. These funds, though intended for improving districts, have yet to have an impact in the Southern Highlands. It is important to note here that the Joint District Planning and Budget Priorities Committees do not function effectively because of the composition of the committees. Contrary to the Organic Law on Provincial and Local Level Government, many heads of local level governments are not members of the JDPBPC. The Organic Law allows for three appointed members, in addition to the District Administrator, who is often handpicked by the MP, even though the District Administrator's position is a Constitutional Office, thereby subjecting the office holder to the Leadership Code. In short,

Open MPs,  
 who chair the JDPBPC, wield great power and regularly exert considerable influence over other members of the committees.  
 Southern Highlands politicians have also taken advantage of their privileged positions by amassing enormous wealth, thereby exemplifying this notion of “politics of the belly”, a Cameroonian expression which refers to mainly extractive forms of corruption – the combination of political tenure with wealth accumulation.<sup>24</sup> Corruption, however, is only partly responsible for the general decline of the State in the Southern Highlands. A former member of the Institute of Medical Research, John Vail, who lived in the Southern Highlands from 1980 to 2000, observed that a number of reasons have been given for “service delivery failure” and “public service shrinkage” in the province. He noted that amongst these were: “under funding, mismanagement, corruption, politicization, nepotism, lack of accountability, and lack of enforcement.”<sup>25</sup>

24 See Ketan (2007) n.4 at p.37.

25 Vail J (2007) See n.7 at p.109.

## Chapter Seven

### The Eastern Highlands Provincial Government Experience of the Implementation of the OLPGLLG

Joseph Ketan

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## Introduction

The Eastern Highlands is one of fewer than five provinces in the country that can boast of having a good road network, including the Okuk Highway, which connects Goroka to the coastal ports of Lae and Madang in the east and Mount Hagen, Wabag and Mendi in the west. Most feeder roads, though built on high ridges, are now navigable mainly by 4WD vehicles, owing to lack of maintenance. Although most districts are connected by road to the provincial capital in Goroka, access to schools, medicine, markets, banks, and other services is still difficult for people in such difficult places as the headwaters of the Asaro River and the Unggai Mountains. The mild, spring-like, climate of Goroka, surrounded by fertile valleys and great peaks, coupled with the friendly nature of the people, has attracted many people from other parts of PNG – and some from abroad – to live and work there. If the current trend of relative social stability continues in

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Eastern Highlands, with a corresponding trend of escalating belligerency in other Highlands provinces, Goroka may well be on its way to claim the title of premier city of the Highlands region. With the notable exception of the notorious Kombri Valley, the Eastern Highlands is widely regarded as one of the most peaceful provinces in the country. The free website-based encyclopaedia, Wikipedia, notes that: Eastern Highlanders are regarded as the friendliest people in the Highlands and have less tribal fights compared to other provinces. The villagers are hard working people attending to their food gardens and livestock while the educated individuals find work in cities or towns to earn a living. Intermarriages by Eastern Highlanders to people of other provinces and cultures is a common trend today. There a lot of people from all over the country and expatriates who have made this province their home either because of work or marriage (Wikipedia, 7 July 2009:3).

The provincial capital, Goroka, houses a number of international development aid agencies, specialized research and academic institutions,

and other important national organizations. It is becoming an important

regional centre for commerce, culture, science, education, tourism, sports,

and for government business.

Currently, there are several international agencies operating out of Goroka.

These include Oxfam International, Save the Children Fund, UNICEF, AusAID and Coffey International (Sub-National Strategy Program), and

Christian Radio Missionary Fellowship. In addition, a number of national

and international institutions operate within and outside the provincial capital.

The Institute of Medical Research, with 300 employees operating in three

provinces (with offices in Goroka, Madang and Maprik in ESP), is easily

the largest research organization in the country. IMR conducts important

scientific research under several programs, including medical anthropology,

bacteriology, virology, immunology, epidemiology, entomology, HIV/AIDS, public health and behavioural studies, molecular microbiology,

and women's health. IMR has won public acclaim for its ground breaking

research on malaria. The other important research organization based in

Goroka is the Melanesian Institute for Pastoral and Socio-Economic Services, Inc., which has researched and published ground-breaking stuff on

land, sorcery, elections, and other important issues. Apart from the IMR and

the MI in Goroka, we also have the Summer Institute of Linguists (SIL) at

## THE EASTERN HIGHLANDS PROVINCIAL GOVERNMENT EXPERIENCE 119

Ukarumpa and the neighbouring Highlands Agricultural Research Centre at

Aiyura near Kainantu. SIL is a USA-funded international missionary organization that specializes in language research and bible translations. It

has been operating in EHP since 1956, has worked with 337 PNG language

communities, and is currently working with 186 language communities. SIL

has published nearly all the books of the Bible (both Old and New

Testaments) in over 300 different languages of PNG. Meanwhile, the Highlands Agriculture Research Station at Aiyura plays a crucial role in experimenting with seedlings to produce crops that are resistant to diseases and drought, as well as increasing yields per acreage. Other notable institutions include: (a) the University of Goroka, which previously specialized in training high school teachers, but now offers degree courses in a number of social science disciplines; (b) the National Film Institute which produces documentaries as well as feature films on PNG contemporary issues; (c) the J.K. McCarty Museum, named after a legendary patrol officer, exhibits a wide range of artifacts, war memorabilia and a collection of photographs (taken mainly by Mick Leahy in the 1930s) which portray early contact between Europeans and Highlanders; (d) the National Sports Institute which provides training facilities and conducts coaching clinics for elite sportsmen and sportswomen; and (e) the Raun Theatre Company has toured nationally and internationally. The foundation of province's economy lies in the production and export of organically grown Arabica coffee. The leading coffee exporters based in Goroka include PNG Coffee Exports Ltd, Coffee Connections Ltd, New Guinea Highlands Coffee Exports Ltd, PNG Ground Coffee Manufacturers, Yondu Coffee Producers Ltd, Goroka Coffee Roasters Ltd, Kongo Coffee Ltd, and Arabicas Ltd. The PNG Coffee Festival and Trade Fair, which started in 2001, and held every May and the Goroka Show, held every September, are two major events in the provincial calendar. These expositions provide the province with a major draw card for tourists from all over the world as well as attracting visitors from other parts of the country. Apart from the Highlands Highway, hydroelectricity and radio communication also form important parts of the socioeconomic infrastructure of the province. The Yonki Hydro Power Station in the Arona Valley is powered by the Ramu, one of the major river systems in Papua New Guinea. The Yonki station supplies electricity to Lae, Madang and the Highlands region.

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Christian Radio Missionary Fellowship (CRMF) is a Christian not-for-profit organization that has been working in Papua New Guinea since 1955. The CRMF two-way radio network supports over 850 High Frequency (HF) radios and 800 Very High Frequency (VHF) radios belonging to over 50 different mission and church organizations throughout Papua New Guinea. The staff at the CRMF's Communication Centre in Goroka handles all radio traffic. The server for the HF and VHF email system is located there. Radio calls are patched through the telephone network to local and international destinations. One frequency is monitored 24 hours a day for emergency traffic" (CRMF website at <http://www.maf.org.au>; cited on 16 July 2009). CRMF works in partnership with MAF (Mission Aviation Fellowship) to arrange transport in emergency situations. CRMF installs and maintains radio equipment, including repeaters on top of the highest mountains in the country, to transmit local Christian radio programs. CRMF became a division of MAF on 1 March 2005 (ibid).

Table 1: Important institutions in Eastern Highlands Province

International Cultural Organizations	Research & Academic Institutions	State Agencies
Coffey National Film Institute	Institute of Medical Research	Coffee Industry Corporation
Save the Children International	Melanesian Institute	Goroka Hospital
National Sports Fund	University of Goroka	Yonki Hydro Power Station
UNICEF		
McCarty		
Museum		
Oxfam	Goroka Business College	Raun
Raun Theatre		

Country Women's Goroka Association YWCA	Summer Institute of Linguistics Highlands Agricultural Research Institute Goroka School of Nursing Aiyura National High School	The Show
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## THE EASTERN HIGHLANDS PROVINCIAL GOVERNMENT EXPERIENCE 121

### Background

The Eastern Highlands Province has a landmass of 11,347 square kilometers. The province shares common administrative borders with Madang, Chimbu, Morobe and Gulf provinces. The province is administratively divided into eight districts: Daulo, Goroka, Henganofi, Kainantu, Lufa, Obura-Wonenara, Okapa, and Unggai-Bena (in that order, roughly from west to east).

The Eastern Highlands is made up of high peaks, rolling plains and broad valleys. Nestled between the rugged Unggai Mountains in the south, the scenic Daulo Pass in the West and the Kassam Pass in the East, and the Krakte Mountains in the north, are the large valleys and plains of the Eastern Highlands.

The largest of these valleys, Asaro, is drained by the river of the same name, which starts in the Krakte Mountains near the Madang-Chimbu borders and empties into the Gulf of Papua, via the Purari River.

The Arona valley in the east, near Kainantu, is drained by the Ramu River, which starts in the south (near the Unggai Mountains) and empties into the north, near Madang.

The province had a 2000 Census population of 432,972. The provincial capital, Goroka, has a population of approximately 25,000 people.

Linked by the Highlands Highway with the neighbouring coastal towns of Lae and Madang, the township of Goroka provides the door way into the central

highlands towns of Kundiawa, Mount Hagen, Mendi and Wabag. The Highlands Highway, which runs through the centre of Goroka, is the main supply route for the region. The Highway is used by haulage companies to

carry supplies and equipment from ports in Lae to the oil and gas fields in the Southern Highlands and the giant Porgera Gold Mine in Enga provinces. Highlands entrepreneurs also depend on this route to take coffee, tea and other agricultural products out of the region for export. In view of the limited haulage capacity of aircrafts and especially the exorbitant fees charged by airlines, the Highway remains the only economically viable supply route for the region. The maintenance of this route is particularly crucial for the national economy, as the Highlands region contributes more than 50 percent of national GDP.

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### Provincial and Local Level Governments

#### Provincial Government Administration

The Provincial Administrator is the CEO of the province. He is also the chief financial delegate of the Secretary for Finance. As head of the public service in the province, his principal task is to ensure that government policies are fully implemented and services are effectively delivered evenly across the province. His duties include planning, budgeting, disbursement and acquittal of public funds received from the national government (in the form of development grants and public service entitlements) as well as funds raised through internal revenue sources. The Provincial Administrator is assisted by the Provincial Management Team (PMT), comprising Heads of Divisions (commonly known as Advisors), in administration of the province. The province is said to have an active PMT, which is made up of Provincial Administrator, the two deputy Provincial Administrators, Directors, District Administrators, Provincial Treasurers, Sector Managers and Development Partners (Sub-national Strategy Program). The Budget and Fiscal Office links Treasury with Provincial Affairs departments.

The Deputy Administrator, Mr Tato, revealed that the provincial work plans for the province includes reconstruction of infrastructure at a cost of approximately K20 million per district. He says that roads that require immediate attention include Lufa (after Gouna), Dauilo (Lunumbe, after Namta), and Kamano No.2. Bridges have to be completely rebuilt. Drainages are required to carry excess rain water off the surface of the roads before it starts sinking into the soil. Other projects include a reliable water supply for the districts and rural electrification. The Provincial Administrator works closely with the Governor of the province. In most cases, but by no means all, the Administrator is often handpicked by the Governor. This is clearly where a conflict of interest can arise. A similar situation exists in the districts, where the District Administrators are often handpicked by Open MPs and actively work for the Open Member through the JDPBPC rather than performing their duties as public servants. A further complication lies with the appointment of Provincial Executive Council (PEC) members. A few provinces have council presidents on their PECs, but most have opted for nominated members. This is certainly the case in Eastern Highlands Province, where PEC members, who chair sectoral programs, are nominated members. Eastern Highlands Governor, Hon Malcolm Kela Smith, is the Chairman of the Joint Provincial Planning and Budget Priorities Committee (JPPBPC).

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The JPPBPC is made up of PEC members (nominated members). Although this practice is clearly not in line with the Organic Law on Provincial and Local Level Government, it is now so common that any remedial or even punitive action would run the risk of antagonizing many Governors who chair their JPPBPC which is contrary to the OLPGLLG. According to the province's chief planner, Mr Nick Kopave, all project proposals pass through the Project Screening Committee (PSC). The PSC is

chaired by the planner and is made up of advisors for the divisions of health, education, agriculture, and works. The PSC looks at scoping and costing, among other things, before deciding whether or not to recommend a project. The recommendations of the PSC are presented to the Provincial Budget Committee for funding. The Budget Committee is appointed by the Provincial Administrator and it is made up of the Planner, Fiscal and Budget Officer, the two Deputy Administrators, and a representative from the Governor's office. Once the Budget Committee approves funding, it then goes to the PEC via the JPPBPC.

Mr Kopave pointed out to us that this system does not operate smoothly. It does not flow logically from one committee to another other. The JPPBPC may, of course, have different priorities, which means that what goes through this cumbersome process may not necessarily get funded. Mr Kopave suggested that the law should state clearly who should be on the JPPBPC. This is a valid point, in view of the fact that, under the current system, Provincial Governors exercise too much power over development grants. Some governors, for instance, are alleged to have concentrated on development projects from which they personally stand to benefit, thereby emphasizing the point on conflict between personal and public interest. A further point raised by the Deputy Administrator, Mr Tato, is that there also needs to be a clear demarcation of responsibility between the offices of the Governor and the Provincial Administrator.

#### District and Local Level Government Administration

The following discussion is based on information provided by Mr Bill Kavanamur, the District Administrator for Goroka. Supplementary information was derived from interviews with the Manager for Planning, Mr Nick Kopave, and the two Deputy Provincial Administrators of the province. We were unable to meet with other district administrators hence this reliance on Goroka District to make some general assessment about district administration in the Eastern Highlands.

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Generally, the District Administrator is mainly responsible for the management of the district, but he is constantly under pressure from the Open MP to spread resources evenly across the electorate in order to appease as many people as possible. We were informed that Goroka District has produced a Five Year Development Plan as well as a Corporate Plan, both of which are integrated into the Provincial Corporate Plan. The Local Level Government plans, however, have yet to be completed and incorporated into the district plans. The other districts – Okapa, Kainantu and Obura–Wonenara – also have completed their five year development plans. The plans for other districts (Unggai Bena, Henganofi, Lufa, and Daulo are still being developed. The Provincial Planner, Mr Kopave, says that the DSIP funds are reflected in these plans. In an attempt to rectify some of the problems associated with centralized planning, the Eastern Highlands Provincial Government initiated a “bottom-up” approach to planning, based on specific needs of each community. We learnt that all councillors were brought together to attend a weeklong workshop, during which each one was given the opportunity to tell others about the specific problems faced by their people. They were then given the opportunity to identify priority projects for their respective communities. Hence, the Dunatina identified law and order has their priority; the Kafetina identified water, rural electrification and roads as their priority projects; and the Faiantina identified road infrastructure as their priority project. Mr Kopave explained that public servants used to decide for the people in previous years, but this time the PMT decided to let the people decide for themselves. He says that priorities are different because needs are different; national plans are usually wrong for the people because national planners do not necessarily understand the problems of ordinary people in

rural

areas. The implementation of the Eastern Highlands model, and its impact

on the community, needs observation in coming years. Certainly, a one-

size-shoe-fits-all approach to development planning has been rejected by

the Eastern Highlands Provincial Government. After all, they do know what

is best for them. You will note, for instance, that they have decided, for

themselves, roads for communities in rural areas, water and electricity for

those near highways, a moratorium on land sales for those near Goroka

town. Rather than selling land to outsiders, landowners will now be

encouraged to develop their land (manly for real estate).

Local level governments rely heavily on the provincial government to do

the right thing by not only passing on all of the national government grants,

but also to fund some of their priority projects under the five year plans, so

that they can finally solve some of their persistent problems.

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The Goroka District administrative structure is made up of the District

Administrator, an administrative officer, seven principal officers for the

various sectors, two local level government managers, and two deputy local

level government managers. All positions are fully funded and there are

currently no vacancies. The district headquarters is located near the

University of Goroka main entrance. The office building is old but in

relatively good condition. The office is equipped with three desktop

computers, with attached printers, plus seven laptops for each of the seven

principal sectoral officers.

Goroka District has a budget of K10 million earmarked for 2009

expenditure. A total of K4 million of this money was released earlier this

year, with the remainder to follow later in the year. The K10 million was allocated by the national government, under the District Services Improvement Program (DSIP), which includes grants of approximately K1 million for each core MTDS sectors.

The expenditure reports for the district were not readily available, but we were informed by the District Administrator that the major projects for the 2008 financial year included K200,000 allocation for health: K150,000 for a mobile clinic (MOU signed in Port Moresby with ORION); and K50,000 for a women's clinic. Other expenditure in 2008 included an unspecified amount spent on the purchase of (a) an ambulance for the district, and (b) a district administrator's support vehicle.

We shall now look at how the JDPBPC works in this district. In compliance with law, the MP for Goroka, Hon Thompson Harokaqveh chairs the JDPBPC. The committee is made up of the Goroka Town Mayor (KoniSari), President of Gahaku LLG (Jeffery Sasano), President of Mimamalo

(new), a women's representative, a youth representative, and a church representative. The DA is the ex-officio representative and executive officer of the JDPBPC by law. As with JPPBPC, here too the Open MP has a lot of influence over the composition of the JDPBPC. Again, this raises questions of conflict of interest. Also of interest is a question raised by the District Administrator, Mr Kavanamur, whether committee members actually understand that they have to pass resolutions, in accordance with Office of Rural Development (ORD) regulations. Approved budgets are sent to ORD for vetting and approval. The rules stipulate that acquittals have to be submitted to the ORD by the District Administrator and the District Treasurer by the first month of the new financial year. The principal

rule is quite simple: no acquittals for the previous year, no funding for current year. Accordingly, all components of the DSIP funds must be acquitted. A committee has been established at the ORD headquarters to

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accept or reject acquittals before a letter of clearance is sent from the ORD to the Ombudsman Commission and the Finance Department. Mr Kavanamur pointed out that it is quite easy to spend money but much harder to acquit for such funds, especially if proper records are not kept by district staff and MP's electoral staff. In the absence of integrated planning, it is easy to spend money either recklessly or on pet projects that may be of little value to the majority of the people in a district. But in fairness to the Goroka MP, Hon Thompson Harokaqveh, the District Administrator did say that he tends to spread money too thinly across a number of small projects, rather than investing it in a few big impact projects. We got the impression that if administrators had it their way, they would rather see that the budget supports major impact projects rather than funding little things here and there (to fulfil electoral obligations). Again, this statement exemplifies the personal versus public interest dilemma that MPs confront on a regular basis. The Local level government budgets, as indicated earlier, are far too small to make any impact in terms of either development or service delivery. Even though the national government grants for village services are not touched by MPs, the figures of K50,000 to K200,000 are quite insignificant in the overall scheme of things. Much of these funds are consumed by councillors in travelling and allowances. There has got to be a more meaningful way of appropriating funds. Here, the financing model developed by the National Economic and Fiscal Commission (NEFC), based on the cost of delivery of services may be the answer to the LLG under-funding problem. Alternative sources of funding should also

be

investigated. Local governments can make laws to raise internal revenue

from head tax, licenses to trade stores, and so forth, but the revenue base of

the average council ward, even the entire district, would be quite small, in

many cases, so small that it would cost more to collect taxes.

In governance terms, the LLGs seem to be disorganised in this province.

There is no Office of District and LLG Affairs. All LLG officers report

directly to the Deputy Administrator (Districts, LLGs and Village Courts).

None of the 24 LLGs (3 per district) have chambers. There are 25 secretariat staff minding LLGs (2 urban and 22 rural). There are no work

programmes. No meetings have been held at the time of fieldwork early this

year, but the LLGs are expected to meet once or twice for the budget. Their

last meeting was in July 2008. The legal requirement is that they must meet

four times each year. The District Administrators do not manage the LLGs

effectively. Some have workplans, based on priority projects identified at

## THE EASTERN HIGHLANDS PROVINCIAL GOVERNMENT EXPERIENCE 127

the workshops, but we do not know how realistic they may be. This is a sad

footnote to what is otherwise a properly managed province.

Service Delivery Work Programs in the Province

### Education

The Eastern Highlands has approximately 250 primary schools, 11 high schools and one national high school. These schools are operated by either

government or churches. The oldest high schools, Asoroka and Kabiufa, for

example, are run by the Lutheran and SDA churches, respectively, while the

Aiyura National High School is owned and managed by the State, via the

Education Department.

The tertiary educational institutions include Goroka Business College,

Goroka School of Nursing, and the University of Goroka. They are all operated by the State, supported through annual budget appropriations.

### Agriculture

Small-holder coffee production is the major source of income for most people in the province. Both small-holder family plots and a number of plantations make up the industry, which accounts for 40-50 percent of coffee production in the country. But this vital industry cannot survive without support from the government in the crucial areas of research, extension services, credit facilities, processing, storage, transport, and marketing. Quality control at all stages of production – from picking to pulping cherries to drying and green bean processing – is absolutely necessary to maintain the country's position on the international coffee market. Poor price, coupled with bad roads, has led to neglect of family plots and plantations. Plantations in the Asaro Valley, along the road the derelict Rothman Pall Mall factory, have been shut down as a result of tribal fighting in the area. Pioneer businessman John Leahy's plantation, now in the hands of a local landowner, is also in a rundown state. Judging from farm produce sold at roadside markets along the Highlands Highway and at Goroka Market in the centre of the town, it is possible to grow almost anything in the province. Reliable market for sustained surplus production is a major impediment to the future of the agriculture sector in the province. The small market in town is usually overwhelmed with the supply of vegetables, tubers, fruits and nuts. Clearly, there is a need for government subsidised purchasing, storage, packaging and transportation of fresh farm produce out of the Highlands region to other parts of the country. The long-term option would be to negotiate with

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Australia and neighbouring Pacific countries to supply their growing populations with our crops. Again, quality control is important to maintain markets, once secured, as well as making credit available to rural farmers to go into extensive farming. Downstream processing would also ease market

constraints.

#### Fisheries

The Eastern Highlands is among a few Highlands provinces that have made

attempts to develop an inland fisheries industry. In the case of the Eastern

Highlands, it is the highly valued rainbow trout that offers the greatest

potential for farming and marketing. Both experimental and fully fledged

commercial farming, at controlled pools beside clear mountain creeks, have

yielded good stocks for local consumption. The fingerlings, however, are

imported from New Zealand, which can cause unnecessary complications

for farmers. There is obviously a need to develop local breeding stock, with

which to propagate so that the supply chain is kept unbroken. Also required

is technical expertise to maintain a sustainable level of production. This fine

fish species offers Papua New Guineans a really healthy import substitute

for Australian and NZ lamp flaps, which has and will increasingly claim

lives.

#### Extension Services

Government extension services were withdrawn over ten years ago, owing

to lack of funding. The Health Department conducts intermittent patrols

into villages, but their programs are seriously hampered by funding and

management problems. The Eastern Highlands Provincial Government has

DPI and Commerce officers on its payroll, but they have been deployed

elsewhere, performing administrative duties in the district offices.

The only functioning extension services are being run by the Coffee

Industry Corporation (CIC). The CIC provides useful training and information services for coffee growers in the province. The research

information derived from its Coffee Research Station at Aiyura is used to

assist farmers to manage their small-holder plots and plantations. The CIC

officers conduct training workshops, make field visits, and provide

information on all stages of coffee production, from nurseries to pruning to

harvesting and processing. The primary objective here is to maintain quality control in the production and exporting of Arabica coffee. The expansion of commerce and industry requires qualified extension officers to provide technical advice to farmers, businessmen, parents, youth, and others in need of specialist knowledge. DPI and Commerce officers that

#### THE EASTERN HIGHLANDS PROVINCIAL GOVERNMENT EXPERIENCE 129

are currently performing administrative duties at district headquarters in Goroka, Daulo and elsewhere in the province need to return to the field where their services are needed most.

#### Conclusion

The purpose of this study was to assess the performance of provincial and local governments, with special reference to the Organic Law on Provincial and Local Level Government, and furthermore, to determine why some inadequately resourced provinces do well while their well-endowed counterparts perform so poorly. We began by conducting several case studies on provinces – as well as case studies within case studies – on districts and local level governments. By following a structured format designed to elicit specific information (vital statistics), we collected information on key areas of public administration and political governance at provincial, district and ward levels. A comparative analysis of the vital statistics of the provinces leads us to several significant conclusions.

The Eastern Highlands is one of PNG's better performing provinces in terms of administration, policy implementation and service delivery.

In spite of financial and geographical constraints, the province continues to function in a cohesive manner, while others endowed with massive resources and much bigger budgets have fallen by the way side in core

MTDS areas of education, health, agriculture, physical infrastructure and utilities, and law and order. A major area of concern, however, would be in the apparent lack of public investment in new physical and socioeconomic infrastructure. Government offices, health and educational facilities, roads

and markets, though thoroughly utilized, are old and in great danger of falling apart. Here, the significant role played by the three development partners of the state – Christian Churches, the private sector, and international donor agencies – becomes clearer. The service delivery efforts of the Eastern Highlands Provincial Government are matched, if not bettered, by the mainline churches (especially in health, education, and communication). In a similar way, the private sector lends the State a hand in the development of agriculture, fisheries, and ecotourism. The Coffee Industry Corporation, for example, leads the way in the provision of extension services. International development aid agencies also play a prominent role in Eastern Highlands. The Australian International aid agency, AusAID, through the Sub-National Strategy program, is assisting the provincial government in planning and budgeting, with a view to improving governance practices at provincial and district levels. The next step in this great partnership would be to pool knowledge and resources

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together to build infrastructure up to at least the levels enjoyed by people during the pre-independence era. Some people would argue that there has been enough time and money spent on assessment studies; it is now time to rebuild infrastructure, invest in agriculture, secure markets here and abroad for local crops, and find long-term solutions to crime, conflict, and corruption.

## Chapter Eight

### Comments on Problems with the OLPG&LLG

Kathy Whimp

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The purpose of this Chapter is to outline some personal observations about how the system of decentralization in PNG is working, with particular reference to specific provisions in the Organic Law on Provincial Governments and Local-level Governments. The chapter is not intended to be comprehensive, but merely provides a commentary on some of the gaps in the law and inadequacies or even misapplications of some key aspects of the OLPGLLG which I hope will be attended to if and when the current Organic Law is reviewed.

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Role of sub-national government  
 What is the role of provincial and local level government in PNG, and does the constitutional framework fit this? PNG is a unitary state, so it is up to the national government to determine the role of provincial and local-level governments (and Parliament cannot permanently devolve power to lower levels of government). However, a different constitutional and political architecture would be required depending on whether PNG's sub-national governments are either:

- fully decentralized, autonomous and capable of making their own policies and priorities, and allocating resources to them accordingly, on the one hand (as seems consistent with the relatively untied funding arrangements, and statements concerning the "full fiscal autonomy" of provinces); or

• the implementing, operational arm of national government  
 (as seems to be suggested in various statements of principle,  
 in Section 51, OLPGLLG and in the notion of “extended services  
 of national departments”) on the other.  
 National and provincial politicians have very different answers  
 to this question, suggesting that this is a major issue to be resolved.  
 What makes this issue so important is that in most of the seven  
 areas identified as key priorities by the national Government’s Medium  
 Term Development Strategy (MTDS) (primary health; basic education;  
 transport infrastructure; income earning opportunities—primarily  
 agriculture extension; law and justice, vocational and informal adult  
 education and HIV), provincial governments are responsible for front-line  
 service delivery. Provincial governments control the staff and are  
 expected to budget for goods and services so these services can be delivered.  
 Only in law and order is the national government responsible for funding  
 and controlling most of the operational service delivery staff (for  
 example, police and courts)<sup>1</sup>. Even in the law and order sector though,  
 provincial governments still play a key role as they are responsible for  
 village courts, which are the first layer of the justice system.

<sup>1</sup> The story is somewhat more complex when a detailed picture of  
 service delivery responsibilities is considered. National Government does maintain  
 control of hospitals, which are statutory bodies funded through the National Department  
 of Health, and funding for church health, and funding for church services (which operate  
 around 50% of rural health facilities) is controlled through the national budget. Two-thirds  
 of school funding is provided through the National Department of Education, and the National  
 Government is still responsible for maintenance of national roads in provinces  
 (estimated to be around 35% of the national’s road network).

This means that if there is ambiguity about whether provincial governments should follow national priorities, this has a profound impact on the ability of the national government to set and implement its national development priorities.<sup>2</sup>

The current constitutional arrangements incorporate top-down determination of priorities and standards, but it is not clear how this is intended to fit with a bottom-up planning framework. Planning necessarily involves the selection of priorities and (if systems operate as they should) budgeting will follow planning by allocating resources to those programs and projects that are considered to be most important. If lower levels of government are free to plan and allocate resources without limitation (as is currently legally the case), then they may choose different priorities to those the national government has identified. On the other hand, if the role of provinces is to implement national policies, then the bottom-up planning powers of local and provincial governments need to be constrained in some way, and some funding needs to be linked to national priorities. Provincial governments are not democratically accountable to electors. Since provincial governments currently enjoy a relatively unfettered ability to allocate resources to their own priorities, the question of how they are held accountable for those choices becomes important. In a conventional decentralized system, this would be through political accountability to the voters who elected them.

Originally it was intended that provincial assemblies would be made up of national MPs and local-government presidents, who were to have been elected separately from the remaining local-government members. Under these arrangements, all the voters in an LLG electorate would have a chance to vote for the person who represented them in the provincial assembly (even though their primary role would be to head the LLG). In practice this has only been implemented in Manus. In all other electorates, LLG

<sup>2</sup> There are provisions in the Public Service General Orders which

attempt to get around these problems—for example by requiring District Administrators to “seek policy advice” from the Secretary for DPLGA and other national Department heads or their delegates in “seeking to ensure that the provincial administration complies with the development priorities of the national government, and other general policy directives” (GO 1, para 9.5). However, provisions like these are unlikely to have much impact if the provincial government has failed to allocate sufficient budgetary resources for the programs the national departments wish to see implemented.

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presidents are elected through a Westminster arrangement—that is, they are

voted into office by the remaining LLG members.

Since LLG members outnumber the national MPs by 3–1 in the provincial

assembly,<sup>3</sup> the consequence is that the majority of members are not directly

electorally accountable for what decisions they make in the provincial

assembly. This provides little incentive for them to serve the whole of the

province, or even the whole of their constituency, in the decisions they

make.

It must also be said that there are many much deeper impediments to

achieving democratic accountability in provinces, not least of all the

potential for MPs to be elected from a large field by only a small fraction of

the constituency, and the tendency for voters not to give past performance

in service delivery much weight in selecting their leaders.

Benefits of the ‘constituent assembly’ model

The electoral model for provincial governments is that they are predominantly comprised of representatives elected to the other two levels

of government—local and national. While this may impede their accountability to the electorate, as discussed above, there are benefits which

have flowed from this structure.

There is a widely held view among long-tenn observers and commentators

that the imperative for reforming the provincial government system

in the early 1990's was predominantly a political one. National parliamentarians saw provincial politicians as commanding control over a much larger resource base than the national MPs, and wanted to dissipate that control. (There was also an element of politicians seeking to wrest control of resources away from the bureaucracy. Under the old Organic Law, the bulk of provincial resources were controlled through the national budget [see discussion of funding of functions below] which meant that provincial and national government bureaucrats largely controlled the allocation of resources, and thus the determination of defacto priorities). The period between 1977 and 1995 was marked by ongoing contests between provincial and national politicians. Many provincial governments

3 There are on average three local governments (and thus LLG members of the provincial assembly) for each district, which has a single national MP. In addition there are usually three appointed members and a Governor. In smaller provinces this may mean that national MPs hold the balance of power in the provincial assembly, but only through the predominance of non-elected members.

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were suspended, sometimes more than once. While there were often good reasons—many provincial governments suffered from very poor administration and financial management—there were also a number of cases in which the suspensions appeared to be politically motivated. Westminster electoral systems in each province also created many opportunities for political instability, and votes of no confidence within provincial assemblies were common. Under the post-1995 arrangements this political instability has lessened considerably. Since the regional MP is automatically the Governor, there is less opportunity for the leadership of the provincial assembly to change. However, there is also comment from observers within provinces that the locus of political instability has shifted

to the local-government level. One important reason for this is that national politicians who, being in the minority in the provincial assembly, seek to manipulate the outcome of local government council processes to ensure that their own supporters are appointed as the president, and so support the national MPs in the provincial assembly.

Role of local-level government in the system

From 1995 local-level governments became a constitutionally mandated level of government reporting to national government instead of to provincial governments. It is appropriate now to ask whether this arrangement has worked better than the previous system, under which local

governments were subordinate to provincial governments.

A critical question is whether the National Government can support and

supervise local governments. Is it realistic for the national government

(through a DPLGA branch of less than 10 staff) to be responsible for supporting and supervising 305 LLGs across the country? This would be an

important question for any community consultations about the Organic Law

to focus on—should local government become the responsibility of the provincial government once again (or should there be scope for flexibility, as

there was under the pre-1995 arrangements, with some provinces taking

responsibility for local government and others leaving it to national

legislation and agencies).

There is much deeply impassioned debate about the role of local governments in PNG's future. Much of it fails to come to grips with the

substantive issues concerning the actual capacity of local governments,

what kind of roles they could realistically play in service delivery, and what

sort of funding would be reasonable to support those roles.

The vision of the "reforms" often articulated by bureaucrats and politicians

in PNG is of service delivery being devolved to local governments, with

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District and Provincial Administrations being responsible only for

"coordination" and, to some extent, policy.

There can be no question that local-government, as the first line of the State

in PNG's remote areas, plays a vital role in cementing the concepts of state and rule of law, and providing a conduit to higher and more unreachable levels of government. However, the big debate is about whether all service delivery functions (and funding) should be devolved to local government.

In determining what role each level of government should play, it is important to understand the high degree of vertical integration in service delivery in PNG. No sector<sup>4</sup> is wholly the responsibility of a single level of government. Even within individual programs such as immunization, different aspects of service delivery are handled by different levels of government.<sup>5</sup> Only some of these activities are realistically within the capacity of LLGs: they have few staff, their staff are in the main generalists who lack capacity<sup>6</sup> in areas such as procurement (which is involved in many aspects of service delivery provision today), they operate in remote areas where there are little or no facilities for normal bureaucratic operations (telephones, computers etc.), and they are so far from the national agencies which supervise service delivery and that effective support and training at this level are very difficult.

Given the high level of vertical integration in most services, fracturing of lines of technical reporting (for example, by having health workers in health centres report to the district administrator instead of to the head of the provincial health office) is believed by many in line agencies to have seriously affected the quality of service delivery. The model of devolving service delivery responsibility even further to local governments using provincial administration staff (for example, by appointing local-level government managers to whom aid post staff report) is likely to exacerbate this problem.

<sup>4</sup> "Sector" is usually used in PNG to describe a broad program area such as health, education, infrastructure, primary industry or commerce; usually

corresponding to a single national department.

5 Delivery of immunization programs requires contributions from national government

(which procures and distributes vaccines to provincial headquarters and provides the overall immunization program parameters), provincial government (which distributes vaccines to health centres), district administrations (which supervise and fund immunization patrols) and local governments (which should maintain aid posts or other buildings where immunization clinics are conducted).

6 "Capacity" is used in its broadest sense—incorporating the skills as well as financial resources, and the bureaucratic infrastructure necessary to undertake a task.

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Finally, much of the input cost of service delivery is more efficiently met at higher levels of government—for example, it may not make much sense to allocate the budget for transporting drugs to health facilities to a local government which is accessible only by air, and not contactable by telephone. Arguably, those resources are more likely to be efficiently used if they are allocated to the provincial health office, or possibly even to the national Department of Health—where administrative skills and resources needed to tender and manage distribution contracts are more likely to be located.

Urban/rural distinction

There is a further LLG issue worth mentioning: the OLP&LLG really makes very little distinction between urban and rural local level governments.<sup>7</sup> This offends against one of the "10 golden rules for fiscal decentralization", which is that one intergovernmental financing system does not fit the urban and the rural sector.<sup>8</sup> The functions of urban and rural LLGs are very different. Urban LLGs are much more concerned with service delivery provision, and they often have responsibility for quite complex services such as water and sewerage, urban waste disposal and maintenance of sealed roads. They often service a much broader population base than their voters or ratepayers because urban centres

(especially in rural PNG) provide services to people from all over the province. The arrangements for urban council management, including funding, should reflect that increased level of responsibility. Under the old system of provincial government, urban councils were generally appointed by provincial governments (as the NCD is now) under provincial government legislation. Councillors were typically selected for their business or other skills. Since 1995 the councils have been elected bodies. There is some evidence of recent deterioration in the management of urban services. This may be partly because their funding is much lower than it previously was, and they no longer enjoy the support of provincial governments (since they, like other LLGs, report direct to the national government).

7 Urban and Rural LLGs are funded from different grants (Town Services Grant and LLG and Village Services Grants respectively), but the formula for calculation is the same kina per head.

8 See Roy Bahl, Implementation Rules for Fiscal Decentralization, International Studies Program, School of Policy Studies, Georgia State University, Atlanta GA

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### Affordability

NEFC's work has focused on the affordability of the system of grants that are determined in absolute kina (and calculated on an expanding population base), but there are other affordability issues.

Much of the criticism of the old system of provincial government (which contributed to its review and replacement in 1995) centred around the perceived cost of the system. Having provincial assemblies drawn from national and local levels of government under the new Organic Law was presumably intended to reduce these costs. In reality, the reverse

has been

the case. Because all politicians' benefits are determined by the Salaries and

Remuneration Commission (a National Parliament body), these benefits are

seen as mandatory and a first call on the provincial budget. Not including

the costs of national MPs salaries which are paid by national Parliament, the

total cost to provincial governments of meeting the SRC determination is

almost 140 million, nearly 40% of the total amount the national government

gives to sub-national governments in grants.

There are also more subtle dimensions to the affordability question. The

overall thrust of the 1995 Organic Law reforms was to decentralize all

service delivery and responsibility for infrastructure to provincial and local-

level governments, with districts and local governments being the locus of

service delivery rather than provincial headquarters-consistent with the

theme of taking services closer to people. Unfortunately, what this meant

precisely in terms of transferred funding and operational responsibilities

was never articulated and remains confused (see discussion below).

Different national agencies responsible for implementation interpreted this

thrust of the reforms in varied ways. In the case of DPM, which was

responsible for designing the template structure of the new provincial and

district administrations, it was interpreted as requiring the service delivery

supervisory functions of division heads at the provincial level (health,

education, commerce, agriculture, lands etc.) to be repeated at the district

level. In effect, program management which had been concentrated in 19

provincial administrations was to be replicated in 89 district administrations.

Where were these additional program supervision staff to come from? This

new structural arrangement for provincial administrations began to be

implemented in 1996 and 1997, at a time PNG was experiencing a fiscal

squeeze, and was implementing a government wide program of downsizing.

Provincial governments were required to fit their new

administrative

structures within existing staff budgetary ceilings. Perhaps not surprisingly

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the result of these two policy directions at work was that the numbers of staff in administrative and supervisory positions increased, at the expense of staff in operational, front-line service delivery positions. There is little evidence that the new district orientation of service delivery has achieved the desired objective of improving the reach of services to people in remote areas. As discussed below, there are many factors contributing to the apparent deterioration in services, including degradation of rural road networks, reduction in funding available for service delivery, lack of political understanding about what needs to be in place for services to be delivered successfully, and further interruption in the 'vertical integration' of service delivery management. (It is worth mentioning that public servants in provinces and districts commonly remark that these factors which have contributed to service delivery deterioration were themselves in many cases a direct result of the 1995 Organic Law reforms).

What does seem clear is that the replication of administrative and supervisory functions at district level is not necessarily correlated with improved service delivery. Some provinces which resisted the DPM model, and retained largely provincially-controlled service delivery supervision arrangements, enjoy better outcomes than other provinces which adopted the new model enthusiastically, and those better outcomes are achieved at substantially less overhead cost.

Accountability relationships

What is intended to be the accountability relationship between national and provincial governments, and is it workable? Leaving aside the unconstitutionality of Section 51 OLPG&LLG (which allows the national government to withdraw powers and functions from provincial governments), is it workable to have a set of national minimum service delivery standards, give provinces untied funding, and then withdraw

their powers when they fail to meet those standards?<sup>9</sup> Existing Organic Law provisions (unlike the former Organic Law on Provincial Government) are silent as to exactly how the withdrawal of

<sup>9</sup> Section 51 of the Organic Law on Provincial Governments and Local-level Governments provides that where a Provincial Government or Local-level Government has “failed to carry out functions in accordance with the development policies and standards of the National Government” and fails to comply with an NEC direction intended to address this shortcoming, NEC may withdraw any or all powers and functions, and the finances of the Provincial or Local-Level Government.

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powers and functions from a provincial government would work. Are legislative powers withdrawn as well as administrative ones? If so, what

body exercises those legislative powers in place of the provincial

assembly?<sup>10</sup> If not, how does it work to have the provincial assembly still

able to pass legislation, but with no “administrative powers” to carry that

legislation into effect? If only some administrative powers are withdrawn

(as seems to be contemplated by Section 51), how should the corresponding

amount of funding to be withdrawn be calculated (since the formal grants

are not fixed with reference to specific functions)?’ Who is to exercise the

withdrawn administrative powers—the respective line agencies? The Department of Provincial and Local Government Affairs? The task of

rectifying administrative problems in a dysfunctional province is likely to

involve making some difficult and unpopular decisions (such as the removal

or disciplining of staff). It is important that whoever makes these decisions

has a sound legal basis for doing so.

Furthermore, unless the minimum standards are set at a level which all

provinces can afford, is it workable to have minimum (which implies

uniform) national service delivery standards at all? Since the

funding for provinces is not based on the actual cost of delivering services (which varies greatly from province to province), and the national government cannot meet its funding obligations under the Organic Law, it seems unfair to hold provinces accountable for not meeting national standards. Until the funding arrangements are such that all provinces have an equal fiscal capacity to deliver services to the National Government's minimum standards, it seems unlikely that failure to achieve those standards will provide a solid basis for withdrawal of powers and functions. Note that withdrawal of powers is not the only supervisory control which the national government can exercise—it can also suspend a provincial or local-level government. However, the grounds for suspension under the new Organic Law are so limited as to be virtually useless. The sole ground for suspension is if the provincial or local-level government “undermines or attempts to undermine the authority of the National Parliament or the national unity.” This is possibly why the framers of the Organic Law sought to include the additional withdrawal of powers provision in Section 51—to provide a realistic response to the much more likely possibility that provincial governments would mismanage their resources. However, the

10 The Organic Law does make provision for the exercise of the legislative powers of a suspended provincial government, but this is a different mechanism. Suspension can be used only in cases where the provincial government “undermines or attempts to undermine the authority of the National Parliament or the national unity” (Section 187E, Constitution).

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absence of any authorizing provision in the Constitution for Section 51 led to it being ruled unconstitutional in 2001,<sup>11</sup> so it too is currently ineffective.

Financial accountability

At a practical, operational level, the main means by which national

government can exercise its legal capacity to hold provincial governments accountable is through the financial management system—by approval and monitoring of budgets and expenditure by the National Treasurer, and through provincial finance staff being accountable to the National Department of Finance. However, even those supervisory systems which require not much more than political will to be effective, do not seem to be operating as they were designed to. In practice, provincial budgets are always approved by the Treasurer, even when there is ample reason not to approve them).<sup>12</sup> Governors are members of the same Parliament (and sometimes the same party) as the Treasurer. Is it politically realistic to require the National Government to exercise these kinds of controls? Are they working in PNG's particular circumstances? If supervisory systems for which there is no political appetite are enshrined in a constitutional law, they are unlikely to be implemented. This lack of implementation potentially undermines governance as a concept, in that constitutional provisions are seen as things which can be disregarded without consequence. This can be as harmful to the rule of law in the long run as not attempting top-down supervision of lower level governments at all. (An alternative model of accountability would be a more traditional one, in which each level of government is accountable primarily horizontally—to the citizens who elect that government and pay taxes to it). At an administrative level, the model of having finance staff reporting to the national government would seem to be a good way of ensuring accountability. Because the Provincial Treasurer is not vulnerable to job-related pressure from the Provincial Administrator or his staff, he should be free to report to the National Government without fear. But in practice, this model has not worked—at least, so far. There is at least as much corruption

11 Supreme Court Reference 4 of 2000, SC 681, October 8, 2001. In the matter of an application by Anderson Agiru.

12 For example, a provincial budget which grossly inflates provincial revenue by more than 100% (based on the assumption that the national government will pay the provincial

government more than 160 million in underpaid prior year grants) has recently been approved. The inflation of provincial revenue to such an extent is highly likely to undermine any semblance of proper public expenditure management in the province.

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and mismanagement in provincial governments now as there was 10 years ago when these arrangements were put in place.

The supervisory role of the national government in relation to provinces and

local governments that is enshrined in the Organic Law was intended to

address the non-functionality of a conventional system of accountability,

but has arguably failed to do so. However, it has a further and perhaps

unforeseen impact, in that these arrangements actually work against the

development of more conventional systems of financial accountability. For

example, the Provincial Administrator has a statutory function as the Chief

Accountable Officer for the provincial administration (under the Public

Finances Management Act), but has no power to direct the staff responsible

for keeping the accounts—how can he be held fully accountable in such

circumstances?

Is top-down accountability feasible?

The supervisory systems through which provincial and local governments

are held accountable are necessarily top-down in nature, particularly since

there is no proper political accountability (at least of provincial

governments). There is little evidence of these systems being at all effective

(indeed, they can hardly be said to be in existence), and much discussion of

what would be required to make them effective (capacity building for

provincial governments, regular audits, regular visits by DPLGA and Dept

of Finance staff etc.).

Yet there has been no estimate of what it would cost to implement this top-

down accountability model effectively. The following example provides a

basis for comparing the costs of supervision by the National Government with the budget currently allocated to supervising departments. In 2003, four two person teams from NFFC and Treasury's Budgets Division visited all provinces to prepare for the introduction of Function Grants. The visits took nearly six weeks to complete, with each team visiting only 4-5 provinces, and staying on average three days. It was possible only to barely scratch the surface of the issues of budget allocation, execution and accountability in this amount of time. It was barely enough time to explain how the grant arrangements would change. It certainly did not permit any discussions to be held with program managers, district administrators and so on. This exercise cost in the vicinity of K50,000 in travel, accommodation and TA costs. Many more (and longer) such visits by national agencies would be required if supervisory and support systems were to be effectively implemented.

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How does this compare with the actual resources currently allocated? In 2003 the Standards and Investigations program of DPLGA was allocated K18,000 for travel and subsistence expenses.<sup>13</sup> In 2004 it was allocated K22,000. In 2005 there is no budget for travel and subsistence, which may be because provision is made elsewhere. However, the total travel budget for the Department is K17,000. On the basis of the NEFC visits this would be enough for each province to receive one visit by two DPLGA officers for three days each a year. Clearly this falls far short of what the functions of DPLGA and PLLSMA require if they are to supervise and support 19 provincial governments and 305 local-level governments adequately. Is it realistic to think they will get their budgets significantly increased in the future so that they can effectively carry out their roles? After all, all functions of government are similarly starved of operating funds. Is this a higher priority than finding increased funding for police to do

their work?

In addition to being potentially unaffordable, the current accountability model may be effectively unworkable. It is arguable that, in PNG, accountability systems that are based on the assumption that individuals in positions of power will hold other individuals in positions of power accountable, are ambitious at best, foolhardy at worst. Failure to hold others to account is one of the chief weaknesses in the PNG public sector. This reluctance is unlikely to be remedied with the application of a thin layer of capacity-building, and more likely will require fundamental evolution of the political system. This is all the more so in the case of accountability systems—like the PLLSMA—which effectively require public servants to hold politicians accountable.

A more workable approach given PNG's resource and other constraints may be to focus more on the incentive structures which operate. At present it is clear that there are many incentives not to be accountable—not the least of which is the serious absence of transparency about public resources and what happens to them. If there were more emphasis on publication of information about budgets and expenditure, into the public domain, more may be gained from significantly less effort.

Responsibility for service delivery

One of the top-down accountability mechanisms apparently intended to come about with the new Organic Law was the return of ultimate responsibility for service delivery to the national line agencies responsible

13 This would have been reduced by around 30% when the budget was revised late in the year.

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for policy in those sectors (presumably health, education, commerce, lands, community development and agriculture).

The Organic Law provisions on staffing are confused (and become further

confused when considered in the light of other 'implementing' provisions in

the Public Services (Management) Act and the Public Service

General

Orders). Nevertheless, it is possible to guess at the intention behind these

provisions and it seems likely that recentralization, rather than decentralization, of service delivery was intended).<sup>14</sup>

Under the old Organic Law arrangements, most provincial governments

were staffed entirely by national public servants engaged and ultimately

controlled under the national Public Services (Management) Act. They were

organized in a provincial Departmental structure<sup>15</sup> headed by a Provincial

Secretary (now the position of Provincial Administrator). A few provincial

governments engaged and paid additional professional or operational staff,

but this was rare. Under the current Organic Law, provincial staff are to be

mainly comprised of "extended services of the national departments in the

provinces", who are national public servants "assigned to the province".<sup>16</sup>

What the phrase "extended services of national departments" actually

means is unclear. In the CDC they apparently thought it meant that key

service delivery staff would return to the national agencies to which they

functionally belonged (eg, health workers would be on the NDoH payroll,

agriculture extension staff on DAL's and so on). However, this would have

been a massive undertaking involving the dismantling of 19 provincial

administrative structures in which some 10,000 staff were employed, and

reassignment of those staff to a range of national departments which had not

been operationally responsible for actual service delivery or staff in the

field for almost 20 years.

Furthermore, this (recentralization) model appears to be contradicted by two

paragraphs in the sections dealing with the functions of Provincial

Administrators and District Administrators. These paragraphs require the

Provincial Administrator to "maintain overall supervision and direction" of

all staff "assigned to carry out the functions of the National Government"<sup>17</sup>

14 This guess has been confirmed by personal communications with the former head of the

Constitutional Development Commission, the body which was responsible for developing the Organic Law.

15 For example, the Department of East New Britain, Department of Central, and so on.

16 See Section 72(2)(a) and Section 75 of the Organic Law on Provincial Governments and Local-level Governments

17 Section 74(1)(d)

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and require the District Administrator to be "the administrative head of the staff in a district".<sup>18</sup>

Perhaps not surprisingly, DPM interpreted these provisions as requiring quite the reverse. Instead of transferring the staff in the provincial divisions of health, education, commerce, DPI and lands back to their national "parent" departments, they were instead transferred into new provincial administration structures<sup>19</sup> which involved a single line of reporting by all district staff to district administrators, who in turn reported to provincial administrators. It is these reporting arrangements which have fractured the vertical supervisory structures for delivery of services.<sup>20</sup> It has been speculated that the re-emphasis on district structures under the current Organic Law represented a misinterpretation about the role and organizational arrangements for districts under the colonial administration.

If this was the case, the misinterpretation manifested itself in the new arrangements in two ways. To begin with, districts under the colonial administrative structures are what we know today as provinces. Today's provinces are more in line with the size of districts in African and Asian countries—it is difficult to find in other countries a model in which the basic administrative division for service delivery covers a population of only 30–100,000 people. Secondly, district administration in the colonial administration did not involve direct reporting relationships between service delivery

staff and district officers. In fact, service delivery staff in sectors like health, education and primary industry were employed in vertical structures ultimately reporting to the heads of the respective national departments. The role of the district officer did involve coordination, but not by requiring those staff to report directly to him. The requirement for district administrators to actually manage service delivery (as opposed to coordinating it) was therefore a completely new model without precedent in

18 Section 74(2)(b)

19 It should be noted that these provincial administration structures are in legal and many other respects identical to the provincial departments they replaced, and fit under the Public Services Management Act in exactly the same way. The main difference is that they no longer enjoy a direct budget allocation from the National Government—instead they rely on provincial governments to allocate resources for them to do their work.

20 The Public Service General Orders (GO 01) attempted to implement the apparent intent of the Organic Law (that service delivery would be nationally controlled) through provisions which also require staff to report on technical matters to the provincial sector advisers while being operationally responsible to District Administrators, but these provisions for parallel reporting (unsurprisingly) appear to have been largely ineffective.

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PNG. Introduction of this model without any training for district administrators, without written policies, procedures and guidelines, was

almost certainly destined to fail.

Problems with transfer of functions

Although the OLPGLLG specifies the subjects on which Provincial Governments and Local-level governments may pass laws<sup>21</sup>, there has been

no list of the functional administrative responsibilities of either level of

government until just recently in 2009 (see Appendix 1).

The list of law-making powers is commonly believed to be a proxy for a list

of functions, but a close look suggests this cannot be the case.

The list

includes areas where the national government clearly exercises

primary

responsibility (for example, renewable and non-renewable resources—forestry, mining and petroleum). In any case, passing a law on a subject is only one way in which a function can be acquired by a level of government.

Governments don't need to pass a law to operate a public health service.

The OLPGLLG requires the functions of provincial and local-level governments to be specified in an ordinary Act of Parliament. The Provincial Governments Administration Act attempts to do this.

But here

the story becomes even more confusing. The Act provides that each Provincial Government has "in addition to its other functions" responsibility for (among other things) "establishing basic minimum needs"

and "maintaining minimum standards" in relation to "maintenance of roads, bridges, and infrastructure; urban roads and environment; health facilities, health programs and hygiene; education facilities; safe water; safe housing; safe environment and proper rubbish disposal." The remaining list of

responsibilities includes such functions as "maintaining peace and harmony", "providing support to local-level governments" and so on. What

is of note is that the detailed list of provincial administrative responsibilities

overlaps significantly with the Organic Law list of law-making powers of local-level governments: provision of water supply; hygiene and sanitation;

housing; tok-ples schools; local aid-posts and clinics; local environment are both administrative responsibilities of provincial governments, and law-making powers of local-level governments.

In fact in some areas some quite specific functions for provincial

governments have been spelled out in other legislation (for example, the

21 See Organic Law Sections 42 and 44.

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Education Act,<sup>22</sup> the National Health Administration Act<sup>23</sup> and the Public

Health Act).<sup>24</sup> In fact, there is actually surprisingly little dispute about what provincial governments look after, and most of these functions have a history in the functions of provincial governments before 1995. They include responsibility for lower-level schools, rural health facilities, provincial (trunk) roads and rural air strips, agricultural extension, small business development, some aspects of customary land management, community services, culture, sport, and tourism. However what is missing and continues to create problems, is a process for defining the initial distribution of functions,<sup>25</sup> and for sorting out how functions should move between levels of government. A critical failing is the uncoupling of these functions from the funding arrangements. Under the old Organic Law, functions could be “transferred” to provincial governments by negotiation. When a function was transferred, the Minimum Unconditional Grant (which was to be the main form of funding under the old system) was increased by however much those functions had cost the national government to deliver. In other words, when a function was transferred, the funding attaching to that function was also transferred. Under the current system, provincial funding is static-determined according to population and land area, regardless of what functions provincial governments perform. It was this locking in of the funding levels for provincial governments which caused the first problems over functions. When the Organic Law was passed in June 1995, Treasury Department officials had less than five months in which to completely rearrange the 1996 budget to accommodate the new provincial grants. The amount required under the Organic Law was around K150 million more than the total of provincial funding in the previous year, so substantial cuts had to be made in the national budget. In the end, provincial Organic Law grants were not fully funded in 1996, but

<sup>22</sup> Specifies that provincial governments are the agency responsible for running government schools other than national high schools in each province.

<sup>23</sup> Defines the responsibilities of provincial and local-governments in running health

facilities and attempts to require them to resource these.

24 Gives regulatory powers in the public health area to the provincial administrator as the "Local Medical Authority".

25 Under the old Organic Law, the functions that were transferred from the national government to provinces were defined in a list set out as an attachment to two NEC decisions, one in 1977 and the other in 1979. These listed the programs and activities of each national government department under two headings—those that would remain with the national government, and those that would pass to provinces. These lists formed the basis for identifying staff and budgetary resources which were also then transferred to provinces.

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the under-funding was mainly on the development side. The Administration

Grant, intended to fund service delivery by provincial governments, was

fully funded. To achieve this, the national government cut goods and

services funding from a significant number of national programs<sup>26</sup> which it

was apparently assumed that provincial governments would fund from their

increased grants.

However, many provincial governments were either unwilling or unable to

fund these programs, or did not know they were supposed to. As crisis after

crisis in the funding of critical service delivery functions erupted during the

1996 to 1998 period, the National Government progressively partially

recentralized some aspects of these functions, either by quarantining a

component of provincial funding or simply reducing provincial funding and

increasing funding to those programs through National Departments.<sup>27</sup>

Quarantining involved tying some of the legally untied provincial funding

by designating it as a grant for a specific function. All of this has occurred

without any formal process of function transfer, and in any case the Organic

Law does not incorporate any mechanism for reducing funding if functions

are resumed by the national government.

The biggest area of dispute over functions today relates to what are described as the "national functions". The Organic Law uses the term "national functions" in a way that seems to encompass all service delivery responsibilities, but the colloquial use of the term by provincial bureaucrats

26 The national programs that were cut in the 1996 budget included: school subsidies (operational funding) (K32.9 million); goods and services funding for vocational education; church health service grants (K13.7 million); village court magistrate allowances (K3.4 million); maintenance of minor power houses (rural electricity plants) (K950,000); goods and services for Youth and Home Affairs Department (K1 million); goods and services for regional offices of Lands Department (K2.3 million); goods and services for all Works functions including maintenance of government houses, survey and land acquisition, construction coordination, architectural services, road and bridge design (total K2.8 million) and maintenance of national roads (K22.6 million); 19 provincial radio stations (K2.8 million). In the 1997 budget the National Government also withdrew funding to provincial hospitals (which are national statutory bodies) in the five provinces which had higher than usual revenues on account of mining or petroleum royalties (Western, New Ireland, SHP, Enga and MiIne Bay).

27 These were: 1998—quarantining and partial recentralization of education subsidies (2/3 of education subsidies are now disbursed by the national Department of Education) and quarantining of church health worker salary grants and church health operating grants; 2000—recentralization of church health worker salary grants to be managed by Department of Health; 2002—recentralisation of all education funding (in consequence of the free education policy— 1/3 of education funding was returned to provinces in the 2003 budget) and recentralization of church health operating grants.

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refers to functions which have always been thought of as being the responsibility of the national government, rather than the

provincial government. These include most of the law and order functions—corrections police and courts; and also fire services and the National Broadcasting Commission.<sup>28</sup> Forestry and fisheries are sometimes also described as national functions. In 1999, as the country faced its most severe fiscal crisis ever without the support of the IMF and World Bank, the national government attempted to shift some or all of the cost burden for a number of national functions to provinces.<sup>29</sup> A surprising number of provinces did assume responsibility for at least some of these costs, although their funding decreased in 1999 and continued to decrease each year up to 2004. Nevertheless problems remain in other areas where provinces have long been expected to be primarily responsible for resourcing service delivery. For example, in 2001 provinces budgeted to spend less than 4% of their goods and services resources on health services. Possibly health is simply not a priority for most provinces. Alternatively, it is possible that the manner in which these functions were funded before 1995 has created expectations that the National Government will continue to fund them now. Confusion over funding of functions Under the old Organic Law, provinces should have received an untied Minimum Unconditional Grant (MUG) for all the functions which had been transferred to them.<sup>30</sup> In practice, this did not happen in all because the Department of Finance<sup>31</sup> was concerned that many provinces lacked the budgeting and financial management infrastructure and capacity to manage the MUG, it was reluctant to give provinces a single untied grant to manage all these services.

<sup>28</sup> Provincial radio stations reportedly received national funding for the first time in the 2005 budget. The NBC receives a one line grant, but it is K2.5 million larger in 2005 than in 2004, an increase of more than 25%.

<sup>29</sup> These were: 25% of Police operating costs; 50% of CIS operating costs; 100% of Fire Service operating costs and 100% of the cost of operating provincial

radio stations.

30 The MUG was calculated on the basis of the cost of those transferred functions to the national government in the 1976/77 budget year, indexed each year by the lesser of either the percentage increase in GDP, or the percentage increase in national revenue, whichever is the lesser.

31 In those days the Departments of Finance and Treasury were amalgamated and called the Department of Finance.

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Accordingly, alternative arrangements were made to fund most service delivery functions (education, health, community services, information, even district services) through national budget votes.<sup>32</sup> Only a small number of functions (mainly the minor capital works program) were funded through the MUG in all provinces. Each "Department of the Province"<sup>33</sup> had its own national budget vote and received funding for a range of provincial functions as if the provincial government were a national department. These funds did not go through provincial budget and financial management processes, and were accounted for separately and directly to the national government through the forerunner of the Provincial Treasury—an agency function known as Bureau of Management Services, or BMS. As some provincial governments developed capacity,<sup>34</sup> an increasing proportion of these programs were converted into MUG and no longer funded through the Department of the Province vote. These provinces were described as having achieved "full fiscal responsibility" (FFR). In the 1995 budget (the last year of the old system) one province, Madang, received all of its funding through the MUG. Under the old system, this was the only province which ever controlled all of its national government funding through its own budgeting mechanisms—many controlled almost none of it. But overnight, in 1996, all provinces were suddenly in control of all their

funding through their own budgets, with virtually no capacity building or preparation for doing so. Although the FFR mechanism was not an arrangement sanctioned by the Organic Law, it worked well as a way of graduating the autonomy of provinces according to their capacity. However, it may have left a legacy in those provinces which did not achieve FFR, in the process of making the transition to the new arrangements. Since all provinces except Madang were still being funded at least partly under non FFR provinces, there were at least some functions for which the provincial government was operationally responsible, but which politicians

32 Provincial Governments received their grants under national budget votes 57 1-590 (these are the same division codes used for provincial government grants today). The provincial departments were budgeted through votes 27 1-290. 500 series budget votes are used for statutory bodies that are not considered part of the national department structure. 200 series budget votes are used for national departments. The provincial PGAS accounts used to report back to the national government still use these 200 series numbers even though provincial governments now only receive grants under the 500 series votes.

33 See earlier discussion of the Department of the Province structure in connection with provincial staffing arrangements.

34 And passed their own financial management and audit laws.

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framing the provincial budget had not had to consider in the course of framing the provincial budget—because they were funded through the national budget. Before 1995, the non-FFR provinces did not have to consider any of the core service delivery functions—health, education and other similar function—in allocating resources. Their revenue was relatively small, consisting only of the small amount of MUG they received, plus internal revenue they were able to collect through retail sales tax, land tax and liquor licensing taxes and from private investments. In 1996 those provinces were for the first time responsible for

budgeting for a full range of services. Furthermore, the introduction of the Joint Provincial and Joint District Planning and Budget Priorities Committees made it very clear that budgeting was now a political responsibility, not a bureaucratic one. It is conceivable that some provincial politicians actually did not understand what their budgets now had to cover, had no idea how much was needed to support service delivery, and had no real understanding that the success or failure of service delivery in these areas would rest on them.<sup>35</sup>

The early arrangements for funding of service delivery in non-FFR provinces through the national budget also created a precedent for separating funding and implementation responsibilities which continues to resonate through the current system. While the question of which level of government carries out functions is relatively clear, most of the disputes and confusion relate to which level pays. The broad vision of the Organic Law was for service delivery to be devolved to districts, and for provincial governments to become responsible for all infrastructure (including, apparently, infrastructure associated with national functions, like police stations). Service delivery was to be paid for out of the Administration Grant, maintenance of infrastructure out of the Infrastructure Grant. Neither grant was fully funded except in 1996 and 1997. In any case, there seems to have been no process for communicating to provincial bureaucrats (much less politicians) exactly what their new funding responsibilities were. The end result of this confusion is that many essential "infrastructure"

<sup>35</sup> Early in 1996, the Milne Bay Governor Tim Neville told the National Treasurer that he would not be budgeting for education subsidies because "there is no mention of education subsidies in the grants to the provincial government". The Governor later told the National Governors Conference in July of that year that "this omission has led my Government into believing that the 1995 subsidy payment would be maintained [ie, that NDoE would be allocated the funds and would disburse them to schools], so it

consequently did not budget for education subsidy payments in 1996". (Submission by Governor of Milne Bay to Governors Conference, titled Education Subsidy Payments in 1996, referenced ADM 2-16).

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expenditures—such as maintenance of government buildings—are now not

met by either level of government.

Separation of capital and recurrent

The reforms to the system of decentralization which came into effect in

June 1995 were paralleled by a raft of other reforms, many at the behest of

the donor community, which were part of a package of structural adjustment reforms PNG had agreed to after it suffered its first fiscal crisis

in September of 1994.

Successive missions by the IMP and World Bank had identified that much

of PNG's budget was tied up in recurrent expenditure leaving little

available for spending on investment. The solution was to propose quarantining of development expenditure in a separate budget. For the first

time in 1996, PNG introduced a separate development budget. This separation was also reflected in the main grant types set out in the new

Organic Law—the administration grant, which was to cover service delivery, and the infrastructure grant and local-level government grants,

which were identified as being for development expenditure. An additional

allocation of K300,000 to each MP (later increased to K1.5 million per

year) boosted the funding apparently available for development.

Unfortunately this separation between recurrent and development also

inhibited proper planning of development projects involving new infrastructure, in particular the planning for ongoing recurrent costs. The

result has been a large number of poorly planned and executed infrastructure projects<sup>36</sup> and an almost complete failure to incorporate

ongoing recurrent needs into provincial budgetary planning. Funding for

new projects (in many cases new roads) continues to be found, even though

recurrent budgets—inadequate in the first place even for existing infrastructure—have continued to decline.

Gradation of provinces

Both the old and the new systems of decentralization have recognized that provincial governments have very different levels of capacity, and therefore there should be a system of gradation which allows them to move progressively toward increased autonomy as they are ready to do so.

36 Poor contract management by some provincial governments led to the coining of the phrase "stick buildings" to describe the half-finished frames of houses and classrooms which appeared in many parts of PNG, after inadequately budgeted project funds ran out or contractors were paid and never completed the work.

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However, while the old Organic Law provided a mechanism to achieve this—through the graduated transfer of functions to provincial governments—this is not really possible under the current Organic Law.

The main impediment is that the grants to provinces are guaranteed and absolute. There is no scope to reduce grants to a particular province if transferred functions are resumed. A power to gradually transfer functional responsibilities to provinces is not much use without a corresponding power to graduate funding accordingly.

Even the old Organic Law arguably did not go far enough to recognize the

gulf in capacity between provinces. The development of the extra-legal FFR

arrangements were a response to this deficit. They were broadly supported

by provincial governments. In 1990, as the national government was moving to establish the second of three reviews of decentralization culminating in the new Organic Law in 1995, the Islands Region Premiers

Council put forward a proposal, complete with drafting instructions, to

amend the old Organic Law to make the FFR arrangements lawful, and enable the national government to withdraw financial responsibility for

service delivery functions from those provinces that were unable to carry

them out effectively.

Taxation powers

One of the reasons why provincial governments may justifiably reject the

idea that they are responsible for funding certain functions is that they receive considerably less funding than was envisaged in the Organic Law.

Not only are their Organic Law grants underpaid by around 60%, but they are effectively prevented from collecting taxation so as to supplement their resources with internally-generated revenue. To add salt to the wound, the only really substantial taxing power they had, retail sales tax, was effectively removed<sup>37</sup> when the National Government introduced VAT in 1999.

Provincial Governments are delegated exclusive powers to collect taxes from a limited range of tax bases—sales, gambling and liquor licenses, developed property, motor vehicles, road use. The impediments to provincial tax collection centre primarily around the Organic Law

<sup>37</sup> The effect of the successive VAT and GST Revenue Distribution Acts is that while sales and services tax remains a concurrent power of provincial and national governments, provincial governments lose their entitlement to share in the GST revenue if they impose their own sales taxes. This has proved an effective deterrent to provincial sales tax laws (and in any case they would presumably require national enabling legislation as described in the next paragraph).

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provisions which require that “an Act of the Parliament shall make provision for” the manner of imposition, collection arrangements and sharing arrangements and should also “make provision for the rate of taxes and fees” and ensure they are uniform throughout the country.

There is much to be confused about in reading these provisions relating to national “enabling laws”. Does it mean that provincial governments have no power to collect taxes unless the national government has passed such a law? That would probably depend on whether the phrase “shall make provision for” is meant to be directory or discretionary.<sup>38</sup>

However, it is difficult to see how the rate of these different taxes could be made uniform

without a national law. But if a national law covers the manner of imposition, collection and the rate, what is left for the provincial government tax law to say? The end result of all this confusion is that no national enabling Act has been passed, so provincial governments are not only receiving far less in grants than they are entitled to under the Organic Law, they are unable to increase their revenue through internally-generated taxation either.<sup>39</sup>

While issues of definition become somewhat moot in the absence of enabling legislation, there are also some definitional issues. "Developed property tax" was not a taxing power that was formerly assigned to lower levels of government, and there is some confusion about what it means.

Most likely it refers to a land tax imposed only on land which has been developed. Land tax was a taxing power of provincial governments under the old system, but prior to independence was a taxing power of local government. Since most alienated land is within town boundaries, it may be a more appropriate tax to assign to the urban local government, which is responsible for direct service delivery to taxpayers. These and a number of lesser questions of policy remain to be resolved before the problems with PNG's decentralized tax system can be remedied.

38 There is much legal case law on the question of whether shall means "must" (mandatory) or "may" (discretionary). This depends very much on the surrounding circumstances. It is unusual for a law to provide that a Parliament "must" pass a law, since Parliament clearly cannot make itself do something.

39 It should be noted, however, that a number of provincial governments have continued to collect taxes, either under old laws which now have no effect (having not been formally adopted by the new Provincial Governments) or under new laws which are of dubious legal

validity. Only in a few cases have taxpayers apparently challenged the validity of these laws.

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Viability of the district service delivery model

Some of the foregoing discussion has impliedly challenged the viability of

the district service delivery model instituted under the new Organic Law.

While the concept of taking services to the people of PNG is unquestionably a good one, some real questions remain about affordability and feasibility.

Many of PNG's current district headquarters were established many years

ago under the system of colonial administration. Under that system, many

districts were thriving small towns, albeit with very under-developed

private sectors, supporting services like high schools, district hospitals,

substantial police contingents and agricultural, business development and

other extension, staff. An important component of a functioning district

was the cash office, an outpost of the Bureau of Management Services function of the provincial government. BMS cash offices provided a means

to cash government cheques, make bank deposits and withdrawals (as agent

for the PNG Banking Corporation) and they served as postal agencies.

Most

districts had a Plant and Transport Branch (PTB) office of the national

Department of Works, which provided vehicle hire and road and building

maintenance services.<sup>40</sup> Supply chains were centrally coordinated by Departments of Works (vocabulary stores), Health (drugs and medical supplies) and Education (school books and basic education materials).

Although a number of districts were not accessible by road, regular government air and marine charters provided a flow of goods and supervisory staff in and out of more remote district centres. Many provincial governments were still receiving special grants to meet these

costs as late as 1988. In those cases where districts were accessible by road,

the roads were in good condition.<sup>41</sup> A large number of districts were also

provided with large diesel generators which provided power for at least part

of each day to the offices and residences at the district

headquarters. During the early days of decentralization, those generators were maintained through special funding to the "minor power houses" program, which recognized the importance of rural power infrastructure. District offices were taken over and became part of the provincial administrations in 1977, and in most cases continued to operate as outposts

40 The budgets of many departments in those days included allocations against specific items intended to be spent through DoW.  
41 For example, a journey from Okapa to Goroka which took 30 minutes in 1973 now takes over three hours.

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of the provincial governments. There was however, a significant decline in services offered in districts during the 18 years period that the first system of decentralization operated. Under-spending on both road and building maintenance was a problem from early in the life of provincial government, and government houses and buildings began to suffer major disrepair. Serious problems running cash offices, including chronic failure to properly acquit the impress advances on which cash offices operated, and increasing insecurity surrounding the transport of cash, led to the closure of many of them in the late 1980s. Many post office and banking agencies were closed for similar reasons. Changes in government policy also unwittingly contributed to problems with the continued functioning of districts. In the late 1980s the national government determined that it should no longer provide housing for public servants, a hangover from the colonial period when expatriate Australian public servants expected to have housing provided for them. Most of the housing in Port Moresby and in provincial headquarters was sold off, often to occupants. District housing was left to provincial governments to operate

and maintain, while housing was removed as a condition of service for public servants. The deterioration of district housing coupled with this policy meant that many public servants recruited to work in districts could not, or would not go there, and some district offices closed by default as most or all of their staff moved into the provincial headquarters. Rural power infrastructure also suffered, partly because of changes to the Department of Energy, which was abolished in 1996. In the early 1990's rural power house maintenance was allocated substantial resources through the Department of Energy, although declining from over K3 million to just under K2 million in 1995. After the new Organic Law was introduced, and the Department was merged with the Department of Mining and Petroleum, the program was cut to just K31,000 in 1997, presumably on the assumption that provincial governments would fund it. Rising fuel costs and the decline in the value of the kina have contributed to the starving of resources which has seen many of these rural generators fall into disrepair and disuse, so many districts no longer have power. At the same time, methods of bureaucracy in PNG have become increasingly power-dependant, with most departments adopting computers, centralized databases and electronic rather than manual accounting systems. These combined changes have contributed to the impediments to operating bureaucratic functions effectively from many district offices. Under the new district arrangements introduced in June 1995, district service delivery arrangements were no longer a matter for provincial

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administrations to determine according to what made the most sense in that province. Instead, district administration boundaries were to be determined by the political boundaries of each open electorate. This created significant problems with administrative service delivery networks, as some parts of districts cannot be readily serviced from the location which is designated as

the district headquarters.<sup>42</sup> Other district headquarters were required to be established in locations which economy and efficiency could not justify— for example the district headquarters at Henganofi, located only 45 minutes drive along a good bitumen road from Goroka. Districts are a sub-set of provincial administrations, dependent on the provincial budgets to fund service delivery. In most cases, provinces have budgeted little for district operations.<sup>43</sup> They have little motivation to do so—the goods and services costs that need to be met at the provincial level are already under-funded, and provincial bureaucrats regularly complain about the high degree of politicization at district level leading to misuse of funds for service delivery on politically more popular forms of expenditure. For example, health staff in districts complain that the provincial budget allocation to pay for an ambulance is used to buy another vehicle for the district administration. It was common 2–3 years ago to hear provincial bureaucrats complain about “fiefdoms” comprising the Open MP and the District Administrator operating largely outside the policy and budgetary framework of the provincial government and provincial administration. Those tendencies have been to some extent now been legitimated by the proposals for district MPs to become District Governors and for budget resources to bypass the provincial government. However, it is also common to hear district staff complain of the lack of support and resources they receive from the provincial government. These new proposals clearly have some foundation in the day-to-day reality of district administration, but there are also political realities to contend with. During the 2002 national election the extent of political unrest in some districts led their staff to completely abandon them. Although District (open) MPs receive substantial funding to spend in the district, the processes for expenditure (involving a Joint District Planning and Budget Priorities Committee comprised of local government

politicians

and the Open MP) make it unlikely any of these funds will be spent on the

42 For example, the district headquarters of Alotau District is located at Rabaraba on the North Coast. Most parts of the district can only be accessed from the District HQ. In many cases the funding for district service delivery is as little as K30-K50,000 per district.

43 These increased from K300,000 per district, per year in 1996, to K1.5 million in 1999 and down to K500,000 in 2003.

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costs of service delivery. By far the most significant cost to be met at

district level is for the transport and travel allowance costs of rural patrols,

by which the agriculture, health, education and business development

officers at district offices travel out to deliver services, deliver materials,

and oversee the activities of education and health staff in more remote

facilities. These expenses are seen as "kai kai" for public servants and not a

legitimate use of money by politicians, who are more interested in spending

which will yield tangible results more directly attributable to them.

Moreover, they may have some justifiable cause for complaint.

There is

some evidence that travel allowance rates for public servants increased

dramatically in the early-mid 1990s. The cause is not quite clear-some

attribute this to the inflated patrol allowances paid by the World Bank's

Child Support Program (which supported immunization patrols through

project funding in the early 1990s). Others attribute it to an increase in the

allowances paid to bureaucrats who supported the 1992 election. Whatever

the reason, the allowance rates now paid are not inconsiderable, and add

significantly to the cost burden of service delivery.

The point to be made here is that there are many factors which have

contributed to the deterioration of service delivery from district centres, not

all of which can be readily rectified. Many districts that were connected by road, and had power, in the early 1980s, today have neither. The goods and services that need to be purchased in order to deliver services are often not available, or are available at such an inflated cost that it makes more sense to get them from the provincial capital. The state of many roads is such that simple grading is almost pointless—they require major rehabilitation and minor maintenance is simply throwing good money after bad. Many of the “big ticket” items involved in service delivery—road rehabilitation contracts, distribution runs to schools and health facilities, are not sensibly paid for from a district headquarters location. Improving service delivery from districts is not a simple matter of establishing treasury services so provincial public servants can draw and cash cheques. Even if they were, the state of security in many rural parts of PNG makes it difficult to see how the problems that beset these rural cash outposts in the late 1980s can be overcome 15 years later. The high cost associated with the establishment of 86 district treasuries across PNG begs the question as to whether this is the best way to use those funds to improve rural service delivery. The best model of district service delivery is likely to be determined only by examining the circumstances of each district. Some districts that are close to the provincial capital would be better being serviced from that

#### COMMENTS ON PROBLEMS WITH THE OLPG&LLG 159

capital, rather than establishing a whole new administrative infrastructure. In districts that still have operational airstrips servicing most remote points (Goilala in Central Province, and much of Nipa-Kutubu in Southern Highlands), it would make more sense to deliver services by charter runs out of the provincial capital rather than out of the district headquarter. Remote parts of Telefomin are more easily accessed by air from Mt

Hagen

or Tabubil than they are from Vanimo. These considerations should be driving the design of service delivery arrangements, rather than a nationally-determined uniform model.

## Chapter Nine

### Conclusion

Lawrence Kalinoe

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#### General Comments and Concerns

The intention behind this monograph has been to provide a “rapid assessment report card” by conducting a situational survey and assessment on the state of implementation of the institutional and administrative structures and arrangements of the OLPGLLG relating to service delivery in the provinces and districts, based on the sample of the six provinces which we have covered in Chapters 2 – 7 above. In Chapter 1, Kalinoe has canvassed the key institutional and administrative structures and arrangements and the composite processes established by the OLPGLLG to give effect to the intended purpose of improved service delivery. The “rapid report card” assessment is however restricted to the six provinces which are covered in this study – being New Ireland Province; Morobe Province; East Sepik Province; Gulf Province; Southern Highlands Province; and the Eastern Highlands Province. Chapter 8 by Kathy Whimp highlights and gives contextual and background information to some of the weaknesses of the institutional and administrative arrangements and the weaknesses of

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some of the assumptions, projections and intentions behind the service delivery projections and calculations of the OLPGLLG. The analysis by Whimp in this chapter are pertinent and also compelling in our view – such which must be taken into serious calculation and consideration in any future review of the OLPGLLG.

As was highlighted in Chapter 1, improved service delivery – in particular the delivery of government services to our people in the rural areas, who make up the majority of us, was the main intention and consideration behind the reforms to the pre-1995 system of provincial governments. The experiences thus far as captured in the case studies of the six provinces covered in this monograph clearly show that we have not got any nearer to the realization of the goal behind the intention of improved service delivery.

In Chapter 2, we see the experimentation by the former Governor of New Ireland Province from 2002 to 2006, to deliver goods and services to the people of New Ireland using a system that was well outside the OLPGLLG and the end result has been total wastage of time, opportunity and money.

In the opinion of many New Irelanders, the years in this period have been “wasted years” for New Ireland as there has been nothing to show for in terms of tangible capital investment for all the massive amount of money that has been spent through the “Limus Structure” style of service delivery.

In Chapter 4, we see a situation of a somewhat dysfunctional system of provincial government and district administration in the East Sepik Province where some districts have not even been physically established – in particular the new Worsera- Gawi district – as a result service delivery in this district of the province is dysfunctional. Since the establishment of this system in 1995, the East Sepik Province has never had a rolling 5 year provincial development plan but the districts have pursued their own district

development agenda through their respective district development plans and the JDPBPCs without any regards for a provincially coordinated planning process and project implementation cycle. In Chapter 5, we encounter a very disappointing situation in the Gulf Province where, despite its close proximity to Waigani – the seat of Government – district administration and service delivery in the districts has been disappointingly well below reasonable levels. The entire sub-district administration of Ihu has been closed for well over 8 years now and schools in this particular sub-district have been closed for many years and no one in the Gulf Provincial administration has done nothing to redress this situation at all. The Ihu High School has remained closed for over six years now and there appears to be no plans for its re-opening in sight. The airstrip at Ihu also remains closed and it appears that this airstrip will now have to be abandoned altogether. In

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fact if nothing is done soon to address the situation in Ihu, the whole government station will be entirely lost as there is not a single functioning government – either provincial or national – office in Ihu now. Every thing there has shut down. The Kerema Town Authority does not seem to function at all in spite of the fact that some skeletal staff continue to remain on Government payroll. In Chapter 6 we see the sorry state of affairs in the Southern Highlands Province where, due largely to the dominance of “pork barrel politics” in the province and serious ethnic clashes, the public service machinery as envisaged under the OLPG&LLG has not functioned as intended and there has been serious abuse and wastage of massive amounts of public money resulting in a rather diabolic situation in the province – where government presence and government services in the province remains weak and sketchy. The large sums of money appropriated through the Southern Highland Provincial Government budget has not made much

impact at all in building provincial infrastructure to improve the delivery of public goods and services in the province. The breakdown in law and order through out the province remains a serious concern and this has had a direct negative effect on service delivery programs in the province. The experience from Morobe Province as presented in Chapter 3 does show some hope that if there is a strong and a proactive provincial management team (PMT) in planning and coordination of the implementation of government service delivery in the province – driven through a provincial development plan and supervised by a provincial management team (PMT) comprising of the Provincial Administrator and all his District Administrators and other senior staff, we can be able to realize some aspects of the dream of improved service delivery. The cost of service delivery due to poor or falling transport infrastructure is a strong point that comes out in our study of the situation in the Morobe Province. This point is also visible in our review of the East Sepik Province in Chapter 4 particularly concerning the districts of Ambunti – Drekikir, Worsera – Gawi and Angoram.. The issue of planning at the ward and LLG level under the OLPGLLG – where, by this law, all wards and LLGs are required to have their respective plans – was seriously questioned in the Morobe Province as being irrelevant and superfluous in the sense that there is no budgetary as well as technical capacity at these levels for project design and implementation at these levels. Instead, it was suggested that at the ward and LLG levels, they should be required to submit a “shopping list” to the District Administrator – simply identifying in order of priority, the projects they would like to have them funded in a given year. In our view, this suggestion has strong merit in view of the dominance of the JDPBPCs now

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through out the country resulting in the diminishing role of the LLGs in

service delivery.

Significance of the Roles and Responsibilities of PAs and DAs in the Administration of Provinces and Districts and the Delivery of Basic Government Goods and Services.

As we saw in Chapter 1 above, the Provincial Administrator (PA) and the District Administrator (DA) are the two key institutions (through the offices they hold which are established under the OLPGLLG) and persons under the current system, charged with the responsibility to ensure that service delivery projects and programs in their respective provinces and districts are implemented and that such projects and programs are functioning at all times. It is the PAs job to ensure that the DA and all the extension staff for a given district are located in the district concerned and are functioning.

Likewise, it is the DAs job to ensure that all the district advisors and district extension workers are stationed in the districts and working – discharging their respective roles and responsibilities in the delivery of services to our people in the districts and LLG areas. The DA also has additional functional roles and responsibilities over LLGs to ensure that all LLGs in the district are functioning. Additionally, the DA also has roles and responsibilities over the effective functioning of the project design and planning and implementation of all work programs and projects under the JDPBPCs. These are very onerous roles and responsibilities that the DA has over service delivery under the current system. In our view, ultimately the responsibility for effective service delivery in any province and districts rests on the PA and the DA – they either make or break service delivery in provinces and districts through out the country. In other words, the state of service delivery in provinces and districts and LLG and ward areas is as good as a PA or a DA.

It is therefore crucial that a provision be written into the OLPGLLG requiring all provinces to establish a PMT comprising the PA as its chair and the DAs and possibly such other senior officers in the provincial government and district administration – and requiring by the same law for

the PMT to meet on a quarterly basis – to among other things, assess the state of service delivery projects and programs in the province and monitor their state of implementation or continuity. We note that in the Morobe Province there is a functioning PMT (see Chapter 3) and this has contributed to a better coordination and monitoring of service delivery projects and programs in the province. Outside of law, we further suggest that there should be a forum at which PAs and DAs through out the country

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– either collectively or separately – meet on an annual basis to discuss their work programs and activities or new and innovative ways, in service delivery design and delivery, in their respective provinces so that they can learn from each others experience. Such a forum is likely to be a catalyst for the development of best practices and for bench marking. The resolution and outcomes from this forum could be channeled to the national Governor’s Conference and eventually to the national government. Lack of Support for LLGs and the Dominance of JDPBPCs in District and Local-level Service Delivery and the Issue of Sustainability of JDPBPC Funded Projects and Programs. The other point that comes out strongly through our review of the six provinces which we look at in this monograph is the point that the LLGs in the provinces have been either intentionally or unintentionally, subjugated and somewhat made irrelevant or even redundant, in service delivery owing to the dominance of the JDPBPCs – at the great risk of making the people’s directly elected government redundant in the eyes and minds of the people themselves. Due largely to the current national government funding priorities through the various District Services Improvement Programs (DSIP) through the JDPBPCs, the LLGs have been severely weakened as there has been no attempts made to strengthen and improve the capacity of LLGs. LLGs do not have adequate staffing and resources to meaningfully participate in service delivery. Instead LLGs now are totally

ineffective in service delivery and only exist for political reasons – simply as “window curtains” displaying the presence of government in the remote parts of the country. The dominance of the JDPBPCs in all the six provinces which we cover in this monograph is resounding. For example in the East Sepik Province, (see Chapter 4) it appears that the JDPBPCs in the province have been leading and driving service delivery programs and projects whilst the LLGs and even the East Sepik Provincial Government itself have been idly standing by. There have been concerns raised about the issue of long term sustainability of programs and projects funded through the JDPBPCs – particularly in instances where such projects and programs are not linked with or twined with either an established national government or provincial government priority and funding. We say that these are valid concerns and go onto suggest that programs and funding through JDPBPC funding must be linked with, at least provincial government programs and priorities through the provincial development plan so that in the event that there is a political change in the leadership of the JDPBPC through the election process, then there would be some hope of sustaining the program or project through the provincial government. This is due to the obvious that

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most JDPBPC funded programs and projects are largely associated with the MP concerned and therefore their continuation is dependent on the political survival of the MP himself or herself. Service delivery through the JDPBPC processes is associated with the political priorities and political preferences of the chairman of the JDPBPC who happens to be the local MP concerned. Since service delivery is tied to politics, this mode of service delivery itself is clearly unsustainable and therefore inappropriate for

sustainability and is counterproductive to the long term development of the nation. The prominence and dominance of JDPBPCs in the six provinces covered in this monograph has also had the unintended effect and consequence of weakening, not only the functional roles and responsibilities of the LLGs in service delivery, but also those of the District Administrator and the entire district administration. In some of the provinces covered in this study, it is apparent that the District Administrator (DA) is spending too much time and attention on the activities of the JDPBPC in close collaboration with the MP concerned as its JDPBPC chairman – resulting in lack of due care and attention to the wider issues and concerns for the entire district administration and management of staff and other service delivery extension programs in the district. The DA is at a serious risk of being mistaken for a political staffer of the MP concerned and radiating as the “Member’s Servant” rather than a “public servant” and this is bound to undermine the office of the DA.

Issue of Capacity for Implement of Service Delivery Projects and Programs

Capacity of provincial governments, districts, JDPBPCs, and LLGs to effectively and efficiently administer significant impact service delivery programs and projects such as those under the current national government DSIP funding via the Office of Rural Development is a serious concern in the provinces. This point was emphasized by the Acting Administrator of the Morobe Province in Chapter 3 above. The issue of capacity has to be first addressed if we are to make any significant progress towards realization of the goal of improved service delivery. When we speak of capacity here, we are referring to every manner of resources which would be required to implement a service project or a program on a long term sustainable basis, including:

- trained and skilled sufficient personnel required to implement and maintain the project or program;
- required necessary funding through appropriate budgetary support on a continuous and constant basis;

- required transportation infrastructure including roads, bridges, airstrips, airports, wharves and jetties, sea and waterways transportation services, air services – connecting all services delivery points in the provinces to the main provincial capital or such other point of service delivery such as Maprik in the East Sepik Province;
- utilities – electricity and telephone;
- offices and store housing infrastructure with requisite furnishing and office equipment to run the programs or projects;
- required support to maintain law and order in the provinces, districts and the LLG and wards;
- realistic service delivery plans linked to the relevant government budgetary process;
- project monitoring and auditing capacity to ensure compliance and reporting requirements;
- commitment and dedication by political and administrative leadership in the province within the administrative processes and systems established by the OLPGLLG as reviewed in Chapter 1 above; etc.<sup>1</sup>

Capacity constraint has been and will continue to be a serious constraint to effective service delivery throughout the country. A recent “profiling exercise” conducted by the National Research Institute (NRI) in 2008 and published in March 2009 where the NRI team looked at “capacity” levels of some LLGs and districts in the Southern Region, strongly supports this point<sup>2</sup>. In this study, the NRI team inter alia, looked at the “capacity” levels of seven LLGs, one sub-district and five districts<sup>3</sup> – with the intention of

<sup>1</sup> We acknowledge that this broad based approach to the multifaceted layers of “capacity” was also taken in the study by the National Research Institute in their report on a profiling of selected districts and LLGs to access their respective capacity to implement DSIP programs and projects and published in their Spotlight with NRI series in March 2009: see Gelu A (2009) “Profiling local-level

governments and districts in Papua New Guinea” Spotlight with NRI  
Volume 3 No.

2 .

2 See Gelu A (2009) *ibid*.

3 The seven LLGs are: Rigo Central Rural and Mekeo / Kuni Rural  
in the Central

Province; Huhu Rural and Alotau Urban in the Milne Bay Province;  
Tufi Rural in

the Northern Province; Kerema Central in the Gulf Province; and  
Kiunga Rural in

the Western Province. The sub-district is Tufi sub-district in  
the Northern Province.

The Districts are: Rigo and Kairiku in the Central Province,  
Alotau in the Milne

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assessing whether, at these two sub-national government levels,  
there was  
capacity and actual ability to enable them to participate in the  
implementation of service delivery projects and programs at their  
respective  
levels. The NRI study found that inter alia, at least two LLGs (Tufi  
Rural  
and Mekeo / Kuni Rural) neither had any physical infrastructure nor  
administrative capacity at all to participate in any service  
delivery projects  
and programs at their level. The others had varying degrees and  
levels of at  
least 4some capacity. In the profiling of the districts, they found  
inter alia,  
that there was wide spread deterioration in basic offices  
accommodation  
infrastructure, transportation, no electricity, and no communication  
infrastructure and this seriously undermined their ability to  
participate in  
any meaningful service delivery projects or programs. From their  
“profiling” study, the NRI team concluded there were far serious and  
greater challenges faced by districts and LLGs in terms of their  
capacity  
levels to participate in the delivery of goods and services to our  
people and  
warned that: “If the current trend continues, the districts and LLGs  
will  
continue to be institutions that exist, but do not have the capacity  
to deliver  
services to the people.” We of course endorse these concerns and  
note with  
concern that some districts such as Worsera – Gawi in the East Sepik  
Province (Chapter 4 above) do not even have any office complex of  
their  
own and it is little wonder that their capacity to be involved in  
meaningful

service delivery projects and programs is seriously undermined.  
Cost of Service Delivery  
A related issue and concern to the one above ("capacity") is the significant one of the cost of service delivery. In all the six provinces we looked at in this monograph, the issue of the cost of service delivery comes out as a serious concern and a serious constraint to the delivery of basic services in the districts and LLG levels. We find these concerns strongly raised in the Morobe Province (Chapter 3) and the East Sepik Province (Chapter 4). No doubt the cost of service delivery will be significantly reduced if we first address the issue of transportation infrastructure through out the country. We have to build and maintain the roads and bridges first before service delivery can be improved. We have to maintain the rural airstrips and maintain through government subsidy a viable and reliable rural airline service to service our rural out stations and out posts first before service delivery can be improved. We have to maintain a national government Bay Province; Kerema in the Gulf Province, and North Fly in the Western Province.  
4 Gelu A (2009) see n.1 above at p.8.

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funded or subsidized local shipping service to all our coastal parts of the country before service delivery can be improved. It is therefore our view that if we are to make a serious dent on the current state of affairs, the nation must first embark on a massive transportation infrastructure capacity capital works program to build and maintain such infrastructure so that service delivery can be improved.  
Consequences of the Deeming Effect of Section 72(4) OLPG&LLG for Electorates as Districts.  
In our review of the situation in the Morobe Province (Chapter 3) and East Sepik Province (Chapter 4) we have highlighted some of the consequences of the "deeming effect" of Section 72(4) OLPG&LLG – where the

electorates

in the provinces are deemed to be districts and the preexisting administrative districts prior to the 1995 reforms were obliterated and

discarded without any regard at all for practical administrative convenience

for the administration of the "new" districts such as the difficulties which

we have pointed out in the case of the now "new" Ambunti-Drekikir District in the East Sepik Province which we have presented in Chapter 4

above. The creation of these "new" districts by a simple deeming effect by

the force of law, in our opinion was not properly thought out – in particular

the consequences of such on the cost of service delivery. It has turned out

that this change has had a telling negative effect and consequence on levels

of basic government services. For example in those parts of the country that

lost existing administrative districts such as Garaina and Wau in the

Morobe Province, this has resulted in the scaling down of per-existing

services such as subsidized air services and the deterioration of the district

stations and has now forced people to walk longer distances seeking those

government services which were otherwise available previously given the

"district" status of the government station. Another example is the diabolic

situation in the "new" Worsera – Gawi District in the East Sepik Province

where the "deeming effect" created a district from parts of two existing

administrative districts and to date – after 14 years there are no district

administration infrastructure on the ground and the district administration is

scattered between Maprik, Wewak, and Puugwi!

In the case of urban and peri-urban electorates which exist within urban

centres such as those three electorates in the National Capital District –

being Moresby North East; Moresby North West; and Moresby South – this

deeming effect of Section 72(4) OLPGLLG is farcical and may even be

scandalous. How could three "new" districts be created by this "deeming

effect" out from the one and same National Capital District? What is the

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practical administrative logic in establishing a district administrative structure with a DA and extension workers for these three new districts when the National Capital District Commission (NCDC) is already looking after the entire National Capital District (NCD) for all service delivery projects and programs? Where are the district administration and district headquarters of these three “new” districts established? In terms of the DSIP funding for all districts through the JDPBPCs, it is our view that the DSIP funding for these city based “new” districts is most unfair to the rest of the people in the country because these so called districts already benefit over and above all the other people in the country by simply being in the city of Port Moresby and enjoying, in relative terms, better health care services, education, road and transport services, electricity and communication services, etc. Due to the lack of visibility of these “new” districts within the city of Port Moresby, we are only left to wonder what kind of work the DA in these “new” city districts do – do they simply function as electoral workers of the MPs for these “new” city districts by devoting all of their time to servicing the JDPBPCs of these city based open electorates and districts? Are they simply “additional” electoral workers for the MPs of these city based “new” districts? Administratively, which PA does the three DAs in the NCD report to – is it the Administrator for the Central Province or the City Administrator of the National Capital District? We submit that these questions we ask underscore the lack of thinking by the architects of the current system in just simply “deeming” electorates to be districts under the current OLPGLLG. We must now revisit this absurdity and correct it. Projects and Program Planning at the Ward Level through Ward Development Committees.

As stated in Chapter 1, provision for the establishment of Ward Development Committees (WDCs) is made under Section 26 of the Local-level Government Administration Act 1997 for projects and program planning at the ward level. Effectively wards are akin to villages under the current system. We concur with the reservations expressed by the acting PA for Morobe Province in Chapter 3 above – that it is practically impossible and even nearly utopian to expect a village councilor as the local Ward Member to engage in meaningful projects and program planning at his or her village without any assistance from appropriate technical support staff and resources and facilities. The acting PA for Morobe has instead suggested that at the ward level, they should only be required to submit a “wish list” to the District Administrator through the LLG and such “wish

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list” can then be captured in the District Development Plan which the JDPBPCs are required to produce and administer. We concur with these views and comments and we recommend accordingly.

#### Appendix

#### Appendix

Intergovernmental Relations (Functions and Funding)  
Act 2009

#### DETERMINATION AND ASSIGNMENT OF SERVICE DELIVERY FUNCTIONS AND RESPONSIBILITIES.

I, Grand Chief Sir Paul Matane, C.G.L., G.C.M.G., K.St.J., Governor-General, by virtue of the powers conferred by Section 5 of the Intergovernmental Relations (Functions and Funding) Act 2009 and all other powers enabling, acting with, and in accordance with, the advice of the National Executive Council, given under the considering a recommendation by the Minister for Inter Government Relations:

- determine and assign the service delivery functions and responsibilities set out in Column 2 to all Provincial Governments;

and

- determine and assign the service delivery functions and responsibilities set out in Column 3 to all Urban Local-level Government s and Rural Local-level Governments.

Education

Column 1 Item assigned to level Rural Government	Column 2 Service delivery functions and responsibilities assigned to Provincial Governments	Column 3 Service delivery responsibilities Urban Local-level Governments and Local-level
Provincial membership of Management of primary	Governance Provide secretariat, technical and logistical support to the Provincial Education Board. Establish and provide logistical support to Provincial	Recommend to Government Boards of elementary and schools.

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Provincial membership of primary	education committees, such as the Provincial In-service Committee and the Provincial Curriculum Committee Approve members of Boards of Management and Boards of Governors to Provincial education institutions. Policy and Planning Develop and implement the Provincial Education Plan. Develop and implement other plans such as a Provincial Education In-service Plan Develop and implement Provincial education policies Provide enrolment data to the	Advise that Government Boards of Management elementary and schools.
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2 National Development of Education  
 Maintain a register of member and permitted schools in the Province  
 Collect, record and analyse information and data on education in the Province, such as enrolment data, number of teachers, and the number of open and closed schools.  
 Monitor education indicators for each District.  
 New Schools Draw up plans for the and schools.  
 Approved at the Provincial level (through the Provincial Education Board) and subsequently seek approval at the National Level (through the National Department of Education): new schools; amalgamations

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of existing schools; school re-openings; changes of school names; closure of schools; transfer of schools and changes in status.  
 Infrastructure Prepare an annual maintenance plan.  
 ancillary Inspect the condition and maintain:  
 4 Provincial Secondary Schools; Vocation and Trade Training Schools; Teacher and education worker housing; and Ancillary facilities.  
 Teachers No assigned function or responsibility.  
 Appoint, deploy and redeploy teachers to their posting in Provincial education institutions.

- Procure and arrange teacher leave fares.
- Repatriate and remove teacher personal effects upon retirement, death or retrenchment.
- 5 Administer the teachers payroll, including school resumption visits, leave applications.
- Coordinate in-service training at the provincial level.
- Deliver in-service training (short presentations and/or workshops at school in-service meetings or during in-service week but not fund further study or courses) as required.

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- Distribute in-service materials (provided by National Department of Education to schools.
- Recommend candidates (through the Provincial Education Board) to the National Department of Education for further study and National in-service training.
- School Operations No assigned
- function or Purchase and distribute materials and supplies for Provincial schools where the school does not have sufficient capacity to make own purchases or source these from other donors. responsibility.
- 6 Fund and distribute schools subsidies.
- Set school fees within the limits imposed by the National Education Board.
- Distribute curriculum materials, National examination papers, Certificates, Diplomas and other awards to schools.
- Select students for 9 classes.

Organize venues and fund supervisors and markers for National Grade 8, 10 and 12 examinations.

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Health

Column 1 and Item to	Column 2 Service delivery functions and responsibilities	Column 3 Service delivery functions responsibilities assigned
Aid they local area.	assigned to Provincial Governments Governance Provide secretariat, logistical and technical support to	Urban Local-level Governments and Rural Local-level Governments Provide logistical support Post committees where
1	the Provincial Health Board, District Health Management Committees and the Provincial Water Supply and Sanitation Committee if it is operating in the Province.	are operating in the
	Policy and Planning Develop Provincial Health Implementation Plans. Coordinate and monitor the implementation of the National Health plan, National Health Standards and the Provincial Implementation Plan in the Province.	No assigned function or responsibility.
2	Develop and implement provincial policies such as a rural health user fee policy. Collect, record and analyse information and data on health in the Province.	
health	Infrastructure Equipment Maintain health centres, rural hospitals, staff housing and ancillary facilities where the	and Maintain aid posts and worker housing. Maintain aid post medical equipment.

health facility hasn't the capacity to undertake the

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- work from internal revenue.  
Maintain and arrange for the repair of rural health facility (not aid posts) medical equipment including cold chain equipment.
- 3 Maintain adequate stocks of consumables, spare parts and accessories for equipment.  
Pay for transport to and from the place of repair for equipment that must be repaired away from the Province.  
Distribute equipment purchased and provided by the National Government and/or donors to rural health facilities, including aid posts.  
Fund the cost of health radio repairs.  
Pay radio license fees.  
Identify radios that aren't working and transport to and from Port Moresby for repairs.  
Essential Drugs, Vaccines and Supplies      Purchase non-medical for the Aid Post (eg. soap, bleach, cleaning supplies).  
Order and distribute drugs, vaccines and other medical supplies to rural health facilities.
- 4 Properly store drugs, vaccines and other medical supplies at rural health facilities to prevent premature expiry.  
Distribute aid post kits to aid posts.

- Family Health Services No assigned function or  
Distribute of vaccines to aid responsibility.  
posts and clinic points.
- 5 Distribute of Village birth  
attendant kits.  
Undertake date collection in  
rural health facilities as per  
Family and Sexual  
Violence Strategy.
- Health facility operations No assigned function or  
and outreach responsibility.  
Operate rural health facilities.  
Inspect government and non  
government health facilities  
to ensure they meet  
minimum standards.
- 6 Undertake patrols to aid  
posts, clinic points and  
schools.  
Transfer patients between one  
rural health facility to  
another and/or from a rural  
health facility to Provincial  
or higher level hospital.
- Disease Control Disseminate information on  
Maintain laboratories at disease control to the local  
District Health Centres. community.  
Fund travel for hospital  
technicians to monitor  
provincial facilities.
- 7 Deliver clinical care, follow-  
up care, intervention and  
testing programs.  
Distribute bed nets and other  
materials of malaria  
control intervention.  
Investigate disease outbreaks,  
report and monitor in  
accordance with public  
health manual and  
coordinate emergency

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programs.  
Transport extra vaccines and  
medicines to the outbreak  
area.

Health Promotion Disseminate  
information on the health issues to  
the local • Coordinate

		implementation of health promotion campaigns and activities in the Province.	community.
	8	<ul style="list-style-type: none"> <li>• Deliver health promotion activities.</li> <li>• Maintain adequate stocks and distribution of health education and promotion materials.</li> </ul>	
in public		Environment Health	Regulate dumping
hygiene,		Monitor water quality and undertake surveillance of	places.
waste disposal		water supply, sanitation and	Maintain public
as dumps		waste disposal facilities to	sanitation and
Local-level		ensure that they meet	facilities such
		minimum standards.	(Urban
	9	Deliver public awareness and education activities on environmental health.	Governments)
		Coordinate the preparation of environmental health impact assessments for development and infrastructure projects.	
operation of aid		Monitoring	Monitor the
to Districts.		Monitor the Provinces'	posts and report
		performance against provincial health indicators.	
	10	Investigate health services to ensure compliance with National Health Plan and National Health Standards.	
function or		Training	No assigned
		Induct new health workers.	responsibility.
		Deliver in-service training	

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- 11 for health care workers.  
Deliver training for village birth attendants.

Column 1	Column 2	Column 3
functions	Service delivery functions and responsibilities assigned to Provincial Governments	Service delivery and assigned to Urban level Governments
Local-		
and		
level		rural Local-

function	Governance or	No assigned
1	Provide logistical support to District HIV and AIDS Committees where they are operating in Districts. HIV and AIDS Policy and Planning	responsibility.
issues		Mainstream HIV/AIDS
processes,		into planning
operations.	<ul style="list-style-type: none"> <li>Develop and implement District HIV and AIDS plans through the District HIV and AIDS Committees.</li> </ul>	programs and

2	<ul style="list-style-type: none"> <li>Mainstream HIV and AIDS issues and responses into planning, programs and operations.</li> <li>Develop and implement a Provincial Government Workplace HIV and AIDS Policy.</li> </ul>	
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function	Voluntary Counselling and Testing	No assigned
	Distribute HIV Testing Kits to Voluntary Counselling and Testing Clinics.	responsibility.
3	Inspect voluntary, Counselling and testing Clinics and ensure facilities and operations meet national	

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function	standards. Treatment	No assigned
or		
responsibility.	<ul style="list-style-type: none"> <li>Provide services in rural</li> </ul>	

<p>information on AIDS obtained Provincial to the Ward and the</p>	<p>4</p> <p>health facilities for people affected by HIV and AIDS according to minimum standards.</p> <ul style="list-style-type: none"> <li>• Inspect Anti-retroviral Treatment Clinics and ensure facilities and operations meet National standards.</li> <li>• Distribute medical and laboratory supplies and other life prolonging drugs to rural health facilities and Anti-retroviral Treatment Clinics.</li> </ul> <p>Education and Prevention</p> <p>Coordinate and deliver awareness programs in the Province such as HIV awareness and prevention promoting behavioral change interventions.</p>	<p>Disseminate HIV and from the Government Committees community.</p>
<p>function or</p>	<p>5</p> <p>Distribute education and awareness materials to Voluntary Counselling and Testing Clinics, Anti-Viral Treatment Clinics, Local-level Government and other stakeholders.</p> <p>Store condoms received from National Government and distribute them to rural health facilities and other public distribution points.</p> <p>Mobilize and engage community leaders to promote the prevention of HIV and care and support to individuals affect by HIV.</p> <p>Family and Community Care</p>	<p>No assigned</p>

- Deliver home-based care and palliative care services from aid posts where viable. responsibility.
- Coordinate programs for Aids orphans.

- Coordinate programs for individuals and families affected by HIV.
  - Promote and mobilize community support for people living with HIV.
- 7  
Monitoring, Evaluation and Surveillance  
Monitor the implementation of a Provincial HIV and AIDS strategic plan and annual activity plans through participation in the Provincial Monitoring Evaluation and Surveillance Team.  
Collect data HIV and Aids data from health facilities in the Province as per National Surveillance Plan and National Monitoring and Evaluation Plan.
- 8  
Social and Behavioral Change Research  
No assigned function or responsibility.
- Participate as required in research activities undertaken by National agencies and provide data, as requested.
  - Disseminate research information to relevant stakeholders and partners.

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Agriculture Sector

Column 1	Column 2	Column 3
1	Service delivery functions and responsibilities assigned to Provincial Governments	Service and to Urban Governments
Item	Governance	No assigned
Local-level and rural Governments	Provide secretariat, logistical and technical support to the	Local-level Governments
function or responsibility.		

National and plans, policies at the local	<p>1 Provincial Agriculture Committee if one is operating in the Province. Policy, Planning and Programs</p> <p>Develop, implement and monitor the implementation of Provincial agriculture policies, plans and programs.</p>	Implement Provincial and programs level.
District Officers of and awareness local area.	<p>2 Coordinate the delivery of commodity development programs in the Province. Collect, store and analyse information and data on agricultural production in the Province. Promote the development of public/private partnerships and nucleus partnerships. Awareness and Education</p> <p>Develop and distribute to farmers education, awareness and</p>	Advise education needs in the
farmers and farmers in the local training.	<p>3 extension material to guide the development of appropriate commercial commodity opportunities specific to local environments. Training</p> <ul style="list-style-type: none"> <li>• Provide training for farmers in farming and post harvest techniques, pest control and in</li> </ul>	Identify model other area for

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- 4 quality assurance.
- Mobilize farmer groups and model farmers for training and field days by Commodity Organisations, Non Government Organisations and other organizations.
  - Promote rural based training as part of the curriculum at vocation and secondary schools.

farmer needs Extension Services and Identify  
 Provincial Provide in-house training to advise  
 Government. extension officers.

5 Undertake extension services for cash crops (except in areas where Commodity Organisations collect levies for those cash crops) and food security including:  
 distributing education and awareness material; and  
 delivering farmer training; distributing new plating materials; distributing marketing, quality and price information to farmers; providing technical advice; promoting the development of women in agriculture; monitoring development projects; and collecting farmer and production information.  
 • Liaise with extension officers from Commodity Organisations and other organizations, assisting with the mobilization and general organisation of farmers.  
 • Support local landowners respond to disasters including

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production in the outbreak of pests and diseases.  
 Monitoring Monitor crop  
 Monitor and report on provincial the local area.  
 6 Collect, analyse and maintain output indicators.  
 data and information on agriculture production and prices in the Province.  
 Research No assigned  
 function or • May operate some small scale responsibility.  
 7 • Promote ways of improving research stations in the Province.

quality, post harvest, processing and marketing in consultation with National Agriculture Research Institute.

Fisheries

Column 1 functions Item responsibilities	Column 2 Service delivery functions and responsibilities assigned to Provincial Governments	Column 3 Service delivery and assigned to Urban level Governments rural Local-Governments
Local- and level function or 1 management on the 2	Governance Provide logistical, technical and secretariat support to the Provincial Fisheries Committee, if it is operating. Planning • Review fishery management plans prepared by the National Fisheries Authority which impact on the Province. • Work with communities to	No assigned responsibility. Review fishery plans that impact local area.
APPENDIX 185 applications when 3 training 4	establish local marine conservation areas, where appropriate. Licensing and Access Develop guidelines and policies for reviewing fishing licenses. Review applications for new licenses and licenses that are due for renewal. Extension Services • Provide extension services	Review license and renewals, consulted. Identify farmers for by extension

officers and  
run courses.

for small scale and  
subsistence fisheries.

for Nationally

Forestry

Column  
1  
Service delivery  
Item  
and  
responsibilities

Column 2  
Service delivery functions and  
responsibilities assigned to  
Provincial Governments

Column 3  
Service  
functions

Urban  
level  
and  
Local-level

assigned to  
Local-  
Governments  
rural

Governments  
function  
responsibility.

Provincial Forest Management  
Committee  
Participate as a member in the  
activities of the Provincial Forest  
Management Committee, such as  
preparing draft guidelines for  
forest development projects,  
evaluating project proposals,  
evaluating applications for time  
authorities and making  
recommendations on:  
1 the preparation and terms of  
Forest Management  
Agreements;  
the preparation of timber permits;

• No assigned  
or

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assigned function  
responsibility.

the enforcement of timber permit  
conditions; and  
the issue, amendment or surrender  
of timber authorities.

Policy and Planning

• Prepare the Provincial Forest Plan  
and forest development programs in

• No  
or

2 consultation with the Provincial Forest Management Committee and with technical assistance from the National Forestry Service.

- Prepare Provincial Policies on Forests.

Participate in the negotiating team for project agreements in the local area.

Integrate conditions in project agreements

4 provide infrastructure, maintenance operation planning documents.

Timber Permits

- Participate in negotiating team on the negotiation of a draft project agreement for consideration by the National Forest Board.
- Integrate any conditions in the project agreements for forest developers to provide infrastructure and/or maintenance and operation payments into planning documents.

#### Disaster Management

Column 1	Column 2	Column 3
1	Service delivery functions and responsibilities assigned to Provincial Governments	Service and level
Item assigned to Urban Local Governments and rural Local-level Governments	Governance	• No
responsibility.	• Provide technical, secretariat and logistical support to the Provincial Disaster Committee and any other disaster	

- 1 committee that may be established in the Province from time to time (eg. District Disaster Committee, Emergency Response Office)  
 Policy and Planning • No  
 assigned function or  
 • Develop, maintain and monitor responsibility.
- 2 the implementation of the Provincial Disaster Management Plan.  
 • Develop and implement Provincial disaster policies.  
 Preparedness, Awareness and Disseminate information •  
 Training on  
 disaster management to  
 • Deliver public awareness on the the  
 Ward Committees and risks of disasters in the Province, the  
 community.
- 3 preparing for disasters, responding to disasters and the Provincial Disaster Management Plan.  
 • Deliver training to key stakeholders in the Province.  
 Disaster & Emergency • Assist  
 the emergency Response Office in  
 • Initiate the initial response for responding to disasters in its  
 local government activating an Emergency  
 boundaries. response Office (and begin coordinating rescue and/or relief efforts);  
 completing a Situation Report;  
 4 and  
 notifying the National Disaster Management Office of the disaster and sending it a Situation Report.  
 • Prepare and forward to National Disaster Management

Office reports relevant if seeking assessment National

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Government assistance (eg. the Initial Damage and Needs Assessment and the Detailed Sector Assessment)

Environment

Column 1	Column 2	Column 3
3 Item functions and responsibilities assigned Local-level and rural level Governments function responsibility.	Service delivery functions and responsibilities assigned to Provincial Governments  Governance • Provide technical, secretariat and logistical support to the Provincial Environment Committee, if it is operating in the Province. Policies • Develop and enforce provincial environment policies and/or laws on matters such as noise, litter, hygiene and sanitation. Environment Regulation • Review Environment Impact Statements made by proponents. Protecting Fauna • No designated function.	Service to Urban Governments  Local- • No assigned or  • May make laws about  • Review Impact  • Review Wildlife Areas
1 and enforce noise.		
2 Environment Statements.		
3 proposals for Management		

within the local  
area; and

rules for the  
Management

function  
responsibility.

5

#### Conservation Areas

- Participate on Conservation Area Management Committees, where they exist in the Province.

government

proposed

Wildlife

Areas.

- No assigned

or

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level  
6  
and

#### Parks and Reserves

- Maintain provincial parks and reserves.

#### Community Development

Column  
1  
Item

assigned

level

rural

logistical

Local

Pikinini

local

1

child

from

Column 2  
Service delivery functions and responsibilities assigned to Provincial Governments

#### Child Welfare

- Provide technical, logistical and secretariat support to the Provincial Lukautim Pikinini Council if it operates in the Province.
- Coordinate the delivery of child welfare services in the Province, including education and awareness.

- Maintain Local-

Government parks

recreation areas.

Column 3  
Service delivery functions and responsibilities

to Urban Local-

Governments and

Local-level  
Governments

- Provide

support to the

Lukautim

Council if one is operating in the

area.

- Disseminate information on

welfare obtained

the

Provincial  
the  
Gazettal of  
designated  
protection  
function or

2

- Collect, record and analyse information and data on child welfare including adoption, child protection and orphans.
- Provide technical, logistical and secretariat support to the Community Learning Development Centre District Advisory Committees, if they are operating in the Province.
- Coordinate the delivery of community based programs

Government to local community.  
• Arrange the volunteers as child officers.  
• No assigned responsibility.

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through District Community Learning Development Centres, if they are operating in the District.

3

literacy  
obtained from  
Provincial  
the  
local  
management;  
of  
gases

4

- Monitor the operation of Community Learning Development Centres and report periodically to the Department of Community Development.
- Organize National Literacy Week activities in the Province.
- Coordinate the delivery of literacy programs in the Province.
- Promote sustainable development and conservation in Provincial programs, including the delivery of education and

Literacy Training  
Community Environment

- Disseminate information on training the Government to local community.
- May establish laws about: litter the storage inflammable and liquid;

including awareness. cemeteries,  
of land the allocation  
of and regulation  
days. burials;  
community work  
maintain Civil Registration • Establish and  
Registers. • Act as registration agents, Village Book  
including submitting registration  
applications and transmitting  
certificates to applicants.  
5 • Establish a network of civil  
registration through hospitals,  
schools and churches and  
communities.  
• Collect and maintain data on civil  
registration, and submit to  
Registrar-General on a regular  
basis.  
activity Sport • Promote sport  
area. • Develop and implement Province in the local

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6 sports policies.  
• Promote sport activity and  
participation in the province.  
• Coordinate the implementation of  
the National Sport Policy in the  
Province.  
the Youth • Coordinate  
• Provide technical, logistical and  
secretariat support to the  
Provincial Youth Council and  
District Youth Councils if they  
are operating in the Province. development of youth  
forums at the Ward  
level.  
logistical • Provide  
support to Ward  
Youth Councils if  
7 they Provincial Youth Development operating in the  
local Plans and District Youth area.  
Development Plans. • Coordinate

and youth local of sector awareness training in food 8 the to food food meet areas. on services

- Develop forums for youth at the District level.
- Coordinate and promote youth activities and programs in the Province.
- Community Economics
- Coordinate and implement community development programs such as the Integrated Community Development Program in the Madang Province and the Personal Viability Program in East New Britain Province.

promote activities at the and ward level.

- Arrange gazettal informal inspectors.
- Carry out and basic relation to handling and other matters relevant to proper operation of informal businesses.
- Inspect food sellers ensure that food, preparation and storage facilities minimum standards.
- Declare market
- Disseminate information

Disability

- Provide secretariat, technical and logistical support to the disability

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of the Disabled 9 to the local community. delivery of

Provincial Board obtained from

Persons, if it is operating in Provincial Government Province.

- Coordinate the disability programs

in the

• Promote logistical and workplace and in local level programs.

• Disseminate information on gender equality obtained from in Provincial Government local community.

the Province, the education women associations.

• Identify capacity in the

Village Courts

Column 3  
1  
Service delivery functions and responsibilities assigned

Province.

Gender

gender  
• Provide technical, equality in the secretariat support to a Provincial council of Women and District Council of Women if they are operating in the Province.

• Promote gender equality in the workplace and the

to

programs the  
• Coordinate the delivery of gender programs in  
• Promote

including and establishment of local awareness.

• Implement the National Family and Sexual Violence Strategy. Community Governance

candidate

• Facilitate the delivery of community leaders for building programs

training.

Province for Community Leaders, Councillors and Ward Committees.

Column 2

Service delivery functions and responsibilities assigned to Provincial Governments

to Urban Local-level  
 Governments and rural  
 Local-level  
 Governments

- Monitor the day functioning of the Policy day-to-day Provincial policies.

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- Coordinate, implement and Village Courts. 1 monitor the implementation of National and Provincial policies. Village Courts • Assist Provincial Government with Village courts. • Identify potential areas for a new Government activities necessary to establish, suspend or Courts. abolish a Village Court. • Monitor the operations of Village Courts. • Arrange for the collection all 2 Village Court materials and records (eg. insignma, books) of abolished Village Courts to be placed in the custody of the Provincial Supervising Magistrate and for its cases to be transferred to a District Court. Village Court Officials • Provide information • Appoint, revoke or suspend village about potential Village peace officers and Village Court Court official clerks, including completing candidates to 3 relevant forms and informing all Provincial newly appointed officials of the Government. terms and conditions of their • Support local selection

office. process  
 for village court  
 officials.  
 Equipment, Materials & Logistics •  
 Purchase and  
 • Distribute to Village Courts  
 distribute to Village Court materials Courts:  
 all Village Court materials Courts:  
 uniforms, provided to the Provincial badges  
 4 and flags. Administration by the Village • Provide  
 transportation Court Secretariat.  
 assistance to Village Courts  
 Officials if  
 required.  
 Allowances • Advise  
 Provincial  
 • Provide the Village Court  
 Government Secretariat of with updated changes  
 in Village Secretariat with updated changes  
 officials' listings on a regular Court  
 officials. 5  
 basis and on request.

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• Distribute the payment of allowances to Village Court officials.  
 Training • No assigned  
 function 6  
 responsibility. • Deliver training to Village Court or  
 officials using agreed national curriculum and resources.  
 Inspection and Monitoring • No assigned  
 function  
 responsibility. • Undertake inspections and or  
 monitoring of Village Court operations.  
 7 • Advise the Village Court Secretariat of financial irregularities in individual Village Court finances or breaches in the Village Court Act 1989.

- Complete quarterly data reports and forward to the Village Court Secretariat.

Land Mediation

Column 1 delivery Item and assigned level rural	Column 2 Service delivery functions and responsibilities assigned to Provincial Governments	Column 3 Service functions responsibilities to Urban Local-Governments and Local-level Governments
function or 1	Governance • Provide logistical and technical support to the Provincial Land Disputes Committee, if it is operating in the Province. Policy and Procedures	• No assigned responsibility.
function or 2	• Develop provincial policies and procedures. • Implement national and	• No assigned responsibility.

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function or 3	provincial policies. Land Mediation Areas and Divisions • Declare Land Mediation Areas. • Declare Land Mediation Divisions after consulting with Local-level Governments and Village Courts whose areas partly or wholly occur within the proposed Division. Appointment and Revocation	• No assigned responsibility.
by Provincial provide about	• Appoint and revoke permanent and ad hoc land mediators. • Inform permanent and ad hoc land	• If requested National or Government, information

<p>land 4 local process to Committees to be revoked.</p>	<p>mediators in writing of their appointment, the terms and conditions of their appointment and their legislative powers, for functions, duties and responsibilities.</p> <ul style="list-style-type: none"> <li>• Maintain a running record of all permanent and ad hoc land mediators.</li> <li>• Review the appointment of land mediators at or before three years following their appointment.</li> <li>• Provide to the Land Mediation Secretariat updated land mediators listings periodically and on request.</li> </ul>	<p>potential mediators. Support the selection of land mediators. Recommend Provincial Land Disputes land mediators appointed or</p>
<p>function or 5 distribute mediators 6 badges. level officials</p>	<p>Allowances</p> <ul style="list-style-type: none"> <li>• Distribute the payment of allowances to land mediators.</li> </ul> <p>Equipment and Logistics</p> <ul style="list-style-type: none"> <li>• Distribute Land Dispute Registers and relevant forms provided to the Provincial Government by the Land Mediation Secretariat.</li> </ul> <p>Training</p> <ul style="list-style-type: none"> <li>• Where requested, provide</li> </ul>	<p>• No assigned responsibility.</p> <p>• Acquire and to land uniforms and</p> <p>• Nominate Local-Government</p>

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<p>attend training 7 sessions. requested, facilities for training session.</p>	<p>facilities for training sessions.</p> <ul style="list-style-type: none"> <li>• Carry out induction training for new Provincial and Local-level Government officials regarding land use mediation.</li> </ul> <p>Inspection and Monitoring</p>	<p>to</p> <ul style="list-style-type: none"> <li>• Where provide</li> <li>• Advise</li> </ul>
--	--	---

Provincial Government problems and land mediators. 8

- Inspect land mediators records of the Land Mediation Secretariat of any facing problems/issues facing land mediators.

Commerce and Industry

Column 3	Column 2	
1 delivery functions Item responsibilities Urban Local- Governments and Local-level Governments establishment operative Societies income generation rural population.	Service delivery functions and responsibilities assigned to Provincial Governments  Business Development • Deliver training programs (eg. such as the Start Your Own Business program) to potential or existing small business owners. • Disseminate information to the community on micro-credit or other assistance to promote business development 1 • Advise and assist applicants in seeking funding for their businesses through National Government schemes. • Undertake business extension programs in the province to provide training and advisory services.	Service and assigned to level rural  • Promote the of Co=-- to assist for the

- Promote linkages between private sector and the Provincial Government through the Chambers of Commerce.
- Tourism
- No assigned function or responsibility.
  - Provide secretariat, technical and logistical support to the Provincial Tourism Committee, if it is operating in the Province.
- 2
- Coordinate the implementation of the National Tourism Master Plan in the Province.
  - Develop and implement Provincial Tourism Plans.
  - Deliver training to private sector participants in tourism industry.
  - Promote the tourist potential of the Province.
- Culture and the Arts
- Provide support to festivals and other cultural areas.
  - Promote the staging of Regional Festivals and other activities in the local cultural events.
- 3
- Advise the National Cultural Commission of dates of festivals and other cultural activities.
  - Declare sacred sites outlining whether traditional laws and rules apply to the sacred site.
- Liquor Licensing
- No assigned function or responsibility.
  - Assess applications and make a decision whether to grant or not to grant a license and apply conditions.
- 4
- Maintain a register of licenses.
  - Conduct regular liquor inspections.

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- Collect annual license fees.

Land and Physical Planning

Column 1	Column 2	Column 3
functions	Service delivery functions	Service delivery
Item	and responsibilities assigned and responsibilities	

<p>assigned level rural Governments function or 1 Survey surveys the liaison</p>	<p>to Provincial Governments  Governance  Surveys</p> <ul style="list-style-type: none"> <li>• Provide logistical, technical and secretariat support to the Provincial Lands Board and the Provincial Physical Planning Board.</li> </ul> <p>• Purchase and maintain survey equipment.</p> <p>• Carry out surveys, including, undertaking a field survey, collecting survey data, identifying the true land owners (clarifying with Local Level Government, Land Mediators and Village Court Officials that are no unresolved land disputes) and completing the Land Investigation Report and the Survey Plan.</p> <p>• Seek certification from the Department of Lands and Physical Planning before any survey carried out on customary land who will issue a Land Inspection Report Number.</p> <p>• Carry out valuations in</p>	<p>to Urban Local- Governments and Local-level</p> <ul style="list-style-type: none"> <li>• No assigned responsibility.</li> <li>• Assist District Teams carry out particularly with with land owners.</li> </ul>
<p>2</p>	<ul style="list-style-type: none"> <li>• Carry out valuations in</li> </ul>	

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<p>consultation with the Valuer General's Office. Customary Land are</p>	<ul style="list-style-type: none"> <li>• Check the authenticity of the letter of request to register customary land and consent form.</li> </ul>	<ul style="list-style-type: none"> <li>• Receive requests from landowners to register customary land.</li> <li>• Confirm that applicants the true landowners and</li> </ul>
--	--	---

get  
3

- Seek survey instructions from the Surveyor-General's Office for requests by landowners to register customary land.
- Maintain a register of requests to register customary land.

a letter of consent and forward to the Provincial Government.

Acquisition of Customary Land by Government of Public Purposes

- Determine what land is to be acquired for public purposes in consultation with National Agencies and Local-level Governments.

- Maintain records of land tenure in the local area.

4

- Release land titles (for balance of land not acquired) to land owners.
- Forward payment for land owners.
- Maintain a register and receipts for the release of land titles and the payment to land owners.

Registration of Incorporated Land Group

- Review applications for an

- Forward applications from interested land groups to the Provincial

Government.

Incorporated Land Group then forward compliant application to the Department of Lands and Physical Planning.

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- 5 • Receive Incorporated Land Group Certificates from the National Department and distribute to landowners.
- Maintain a register of all Incorporated Land Group applications and certificates in the Province.

Lease-Lease

Back

- No assigned

function

Agreements

or

responsibility.

- Work with potential developers to identify possible sites in the

- province for proposed developments.
- Consult landowners on the potential for a lease-lease back agreement on their land including the possible terms for the use of a site by a developer and the financial and/or other compensation for the use of that land.
  - Prepare a lease-lease back agreement where there is an agreement in principle between landowners and the developer.
  - Arrange public ceremonies for signing of lease-lease back agreements.
- 6 Leasing of State and for third parties
- Advise the Government if any suspected breaches of lease conditions.
  - Maintain a register of all State leases in the Province and their conditions.
  - Identify land for tendering.
  - Receive, evaluate and make recommendations to the
- Provincial any breaches of lease

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- 7 Department of Lands and Physical Planning on applications for new leaseholders.
- Distribute new leases to leaseholders.
  - Undertakes monitoring of lease conditions, including periodic inspections of lease sites.
  - Prepare show cause notices for suspected breaches of lease conditions.
  - Investigate breaches of lease conditions and complete an inspection report with recommendations on whether the lease should be forfeited.

- 8
- Regulating Development
- Develop and maintain a zoning planning for the Province that incorporates District zoning Plans.
  - Receive, consider and decide on development proposals (via the Provincial Physical Planning Board).
  - Monitor and coordinate developments in the Province.
- Provide comments on development proposals in the local area to the Provincial Physical Planning Board.

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### Infrastructure

Column 1 functions Item responsibilities Local-	Column 2 Service delivery functions and responsibilities assigned to Provincial Governments	Column 3 Service delivery and assigned to Urban level Governments and rural Local-level Governments
Passenger (Urban Governments)	Land Transport	Motor Vehicles
1	<ul style="list-style-type: none"> <li>• Provide logistical, secretariat and technical support to the Provincial Land Transport Board, if it is operating in the Province.</li> <li>• Develop, implement and monitor the implementation of Provincial transport policies (including policies on regulation) and the Provincial Transport Plan.</li> <li>• Implement and monitor the implementation of National transport policies and the National Transport Plan.</li> <li>• Collect, maintain and analyse information and data on transport.</li> <li>• Regulate license of heavy</li> </ul>	<ul style="list-style-type: none"> <li>• Certify village</li> <li>• Maintain footpaths</li> </ul>

- vehicles.
- Collect license and registration fees if a traffic registry exists in the Province.
- Maintain roads and bridges which are not classified as national government responsibility.
- Promote road safety and

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consider safety responses in road network planning.

	Sea Transport	• No assigned function or responsibility.
2	<ul style="list-style-type: none"> <li>• Register small craft (Certificate of Registry, Safety Certificate, Permit to Operate Small Craft), where the Provincial legislation is in place.</li> <li>• Appoint inspectors to inspect small craft to see if craft meets minimum standards, where the Provincial legislation is in place.</li> <li>• Investigate the condition of wharfs and jetties not under National Government management.</li> <li>• Maintain wharfs, jetties and boat landings not maintained by Nation agencies.</li> </ul>	
3	Air Transport	• No assigned function or responsibility.
	<ul style="list-style-type: none"> <li>• Maintain rural air strips including grass cutting, drainage works, the removal of debris from the runway hole wheel rut filling, painting of runway cones, clearing airstrip approaches and the maintenance of wind sock.</li> </ul>	
level and	Government Buildings	• Maintain Local-government offices staff housing
	<ul style="list-style-type: none"> <li>• Provide secretariat, logistical and technical support to the Provincial Building Board.</li> </ul>	
4	<ul style="list-style-type: none"> <li>• Plan, survey, design and cost public building projects.</li> <li>• Maintain Provincial Government buildings such as</li> </ul>	

District administration buildings and staff housing.

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procurement	<ul style="list-style-type: none"> <li>• Inspect buildings to ensure they comply with regulations</li> </ul>	• Undertake
Local-level	<p>Procurement</p> <ul style="list-style-type: none"> <li>• Provide secretariat, logistical and technical support to the Provincial Supply and Tenders Board.</li> </ul>	process for Government
contracts.	<p>for</p>	• Arrange
payments	<p>5</p> <ul style="list-style-type: none"> <li>• Maintain a register of contractors covering capability, experience, and performance assessments for previous work undertaken.</li> <li>• Undertake tender processes for projects (&lt;K3 million).</li> <li>• Negotiate Community Participation Agreements for maintenance of infrastructure (ie. grass cutting, culvert cleaning, bridge painting).</li> <li>• Inspect work and organize progress payments to contractors.</li> </ul>	contractors.
maintain	Other Infrastructure	• Operate and
lighting	<p>(Urban</p> <ul style="list-style-type: none"> <li>• Install and maintain power to provincial headquarters and district administrations – solar, hydro or diesel-powered generator, including fuel, replacement and maintenance.</li> </ul>	street Local-level only).
Government	Eda	• Operate and water supply where not PNG
maintain town	6	Ranu or
and sewerage	provided by	Government
Waterboard,	Provincial	Local-level
(Urban	Governments	only).

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Non-Renewable Resources

Column 1 Item delivery	Column 2 Service delivery functions and	Column 3 Service
and assigned level rural	responsibilities assigned to Provincial Governments	functions responsibilities to Urban Local- Governments and
function responsibility.	Mining, Gas and Petroleum <ul style="list-style-type: none"> <li>• Participate in discussions with National Department of Mining and proposed miners on new mines with respect to provincial employment opportunities (either directly or indirectly from the mine), and contributions to government related infrastructure and/or services.</li> <li>• Regulate small-scale mines.</li> <li>• Liaison with landowners on issues relating to mining.</li> </ul>	Local-level Governments <ul style="list-style-type: none"> <li>• No assigned</li> </ul> or
1		

Notes on Contributors

Notes on Contributors

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Kathy Whimp is currently a Ph.D candidate at the SSGM program, ANU. She is a lawyer by training and has been a leading lawyer in legal policy work in PNG since 1990s. she has been a consultant lawyer to various and numerous projects, programs and departments in PNG some of which include DPLGA and NEFC.

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