POLITICS & GOVERNANCE SEMINAR
“Decentralization of Powers and Functions”

Date: 31st of August and 1st of September
Venue: National Forestry Institute
Province: Lae, Morobe

The Experience of
MORAN LLG SPECIAL PURPOSE AUTHORITY
Presentation Outline;

Introduction

Summary

Decentralization of Powers and function

Experience of Moran LLG SPA

- Power and Functions
- Key Development Areas
- Plan and its Aspiration

- (Life after Oil & Gas)
  - Funding Aspect
  - Challenges
  - Recommendation
  - Conclusions
Summary

The Independent State of Papua New Guinea (PNG) considers the development of the State's petroleum resources to be amongst its highest priorities. The State is committed to the development of these resources in a way, which maximizes the benefits of petroleum production to the people of PNG, while minimizing social, environmental and economic costs. At the same time the State recognizes the need to develop its petroleum resources in conjunction with international oil companies. It further recognizes that to attract major overseas investors, it must offer a stable economic and political environment, which allows the investor the opportunity to make a reasonable return on exploring for and developing oil and gas resources in Papua New Guinea.

When the state gets its petroleum resource revenue a very small portion is marked for the traditional and customary land owners. In business context the land owners are not a part and in no way apart of the discussion. Only at the end of the discussions they are brought in for recognitions. Again the state through the provincial government deal with the levies and royalties.
Decentralization of Powers
and Functions

Experiences of Moran LLG Special Purpose Authority
The Moran LLG SPA’s Experience as an Authority and as a Service Delivery Mechanism

Its Powers;
• Established in 2007 as a special Purpose Authority under section 42 – 51 of the Local Level Government Administration (Act) 1997. (Moran LLG SPA was established as host of major Oil & Gas Project)

• To Plan and implement its development objectives for social and economic benefits for its people.
Background

- Our three tiers of Government, LLG is the weakest since Independence

- When Decentralization was brought into effect by the Organic Law on Provincial Government 1997, these gives more appropriate powers to local level social circumstance, which gives more strength to what Australian Colonial Administration advocates.

  This arrangement is an institutional Arrangement known as Special Purpose Authority which is used to perform some of the functions of LLG in specific Local Circumstances.

- A number of SPAs were created to support service delivery to the people and as host of Special projects in their respective Area.

- Moran LLG SPA was established in 2007
Moran LLG SPA Service Delivery Responsibility

• To support the LLG to Delivery Social & Economic Services

• Also to boost and improve services provided by the Homo Hulia DDA and the Hela Provincial Government
Experience of MLLGSPA

Governance
- There is Complete Breakdown in System Administration from the provincial government down to Komo Hulia DDA and further to the LLG level
- System and process compliance is not there
- There is no monitoring and evaluation of programs and projects Expenditures by the Moran LLG SPA, Benaria LLG, DDA & Provincial Government.

Services Delivery Setback
- LLG and District Administration - non-operational at the Gazettal site
- Schools, and Health services work on site
- No Police personal, court officials, and most economic sector servants serving in those areas.
Reporting framework
Benefits Sharing Arrangements
Grants, Levies and IDGs

• 22.5 % State share

• 2 % is given to the Hela Provincial Government

• 30% of the 2% share is given to Moran LLG SPA

• The 30% is planned, budgeted and Implemented for services delivery in the affected Areas
Challenges

• Accessibility of the 30% has always being challenged by;
  - Provincial Government as signatory to the Benefit Agreement
  - Land owner Groups outside of the Authority
  - Former Chairman challenging in Courts between 2007 up to 2020.

Thus;

• Service Delivery has always being very hard
• Maintenance of existing services has always being difficult due to late or slowness of the release of funds/ Most times they do debts servicing.
Recommendation & Way forward;

• Moran LLG Special Purpose Authority has developed its Development Plan 2023 – 2027 and is ready to be launched this year

• Social and Economic Development Sustainable Program for the children of Moran after the oil and Gas Extraction
  - Education programs
  - SME for Women and Youths
  - Public Private Partnership Program
  - Agriculture Projects for the Rural Population – MOU with FPDA

• Service delivery framework to be maintained as approved by Nat Govt.
Conclusion;

Strength working relationship with the Existing Government System/Structure /Service Delivery mechanism/Work closely

Provide report to relevant Authority up the rank

Launch 2023 to 2027 Development Plan for the sake of the Children of Moran LLG SPA

And implement the plan for Social and Economic Benefit of the people today and for a sustainable future after the extraction of the Oil and Gas.
Thank you

God Bless