Autonomy & Decentralisation of Government in PNG
What is the problem/Issue?

1. Basic Services delivery systems and capacity have deteriorated.
   CLRC and DPLGA Final Report (2015); “Despite improved service Delivery being one of the objectives of the Organic Law, service delivery has deteriorated over more then 20 years. This is particularry the case in rural areas where most people live”

The second National Goal and Directive Principle

• “for all citizens to have an equal opportunity to participate in, and benefit from, the development of our country” (PNG National Constitution, s.2);

• “the creation of political structures that will enable effective, meaningful participation by our people in that life, and in view of the rich cultural and ethnic diversity of our people for those structures to provide for substantial decentralization of all forms of government activity” (ibid; s.2(2)).

• ‘ “for every citizen to have equal access to legal processes and all services, governmental and otherwise, that are required for the fulfilment of his or her real needs and aspirations” (ibid; s.2(4)).
Objectives of the Research Project

To facilitate an informed national conversation with dialogue and information sharing between academics, policy practitioners, political leaders and civil society on issues and challenges to autonomy and decentralised governance arrangements in PNG with a view to improving access to basic services for the whole community as envisioned in the National Constitution.
Through this process, key policy decision makers will have increased knowledge on options for autonomy and decentralisation in PNG enabling them to consider specific legal and technical arrangements emanating from a National Forum for follow up actions through GoPNG departments and processes.
The Framework

• Political Representation and Institutions.

• Division of Powers and Responsibilities'

• Fiscal Arrangements

• Entrenchment and Inter-Governmental Relations

• Implementation
Division of Powers, Functions and Responsibilities

• Local/Sub-national Issues - Functions and Responsibilities

• National Issues – Functions and Issues

• Not Clear – Shared Responsibilities by Agreement.
Division of Powers, Functions and Responsibilities

Functions, Roles and Responsibilities need to be clearly spelt out;

• Ambiguity
• Duplication
• Accountability
The profiling of the economic and social programs was a neglected feature of the sector profiles. Only one province each (out of four) discussed the social and infrastructure programs, while no province profiled any economic/business programs. Adequate attention to the economic, social and infrastructure programs is a key requirement for economic growth and/or social development. Although such programs will ultimately be addressed in the sector plans, it is important to at least summarise the key features of the programs in the PDPs. This would provide the link between the PDPs and PSPs, thus avoiding disjointed planning (see relevant discussion on the „weak inter-plan linkages“ in Section 8.6).
A Ministerial Determination setting out the functional responsibilities for service delivery and development activities of DDAs and other subnational agencies is still being developed, as are the standards by which service delivery outcomes will be measured. To add to the uncertainty, legislation needed for full implementation of the DDA Act has not yet been passed. The responsibilities of provinces, districts, and LLGs need to be understood and agreed on if service delivery is to be efficient and duplication avoided.
• Organic Law on Provincial Governments.
• (1) Subject to the Constitution and this Organic Law, a provincial legislature may make laws on the following matters:—
  • (a) mobile trading;
  • (b) primary, secondary, technical and vocational education, but not curriculum;
  • (c) sale and distribution of alcohol;
  • (d) public entertainment;
  • (e) culture and cultural centres;
  • (f) museums and libraries;
Vague and Not Clearly Spelt out

Ministerial Determination (Treasury - NEFC Functions and Grants)

2. SERVICE DELIVERY FUNCTION GRANT
   (1) Service delivery function grants are provided to Provincial Governments to
   ensure that adequate funding is directed towards a minimum set of core services for
   all people across Papua New Guinea and consistent with the Government’s Medium
   Term Development Strategy priorities.

   (2) Service delivery function grants must not be used to fund salaries or capital
   development unless the budget allocation specifies that purpose.

3. HEALTH FUNCTION GRANT
   (1) A health function grant must be used to fund operational and maintenance
   costs (i.e. goods and services) incurred in the primary health sector.

   (2) Without limiting subclause (1), a health function grant must be used to fund
   goods and services for the following main programs and activities:
   (a) distribution of medical supplies;
   (b) outreach services;
   (c) malaria supervision;
   (d) safe motherhood;
   (e) immunisation;
   (f) water supply and sanitation;
   (g) health service monitoring, review and performance agreements.
What Does the Auditor General Say?


Overall Audit Conclusion

8. The AGO’s review and assessment of the legislative and policy framework governing the establishment and operation of the various service improvement programs at the National and sub- National level show that in overall terms, the administrative arrangements are clear and comprehensive. In practice there are split responsibilities giving rise to uncertain accountability requirements which have acted to the detriment of the programs and there would be a case for the Government and the central agencies to consider simplifying the various policies, legislation and guidelines.
What Does the Auditor General Say?

• Performance Report on Payments and Acquitals of Service Improvement Program (SIP). DSIP, PSIP, LLGSIP, 2013-2016

• Expenditures not reported. One District received in 2014 received K10m, but acquittal records at DRD were for K3.9m.

• Increasing incidences of Non Acquitals
What Does the Auditor General Say?

Figure 4: Acquittal status of DSIP

Source: AGO analysis
What Does the Auditor General Say?

Figure 5: Acquittal Status of PSIP

PSIP Acquittal Submission Status

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<tr>
<th>Years</th>
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Source: AGO analysis
What was the Objective of the Reforms?

IMPROVING BASIC SERVICE DELIVERY???????
The Framework

• Political Representation and Institutions.

• Division of Powers and Responsibilities

• Fiscal Arrangements

• Entrenchment and Inter-Governmental Relations

• Implementation
Life is really simple but sometimes we insist on making it complicated!
Thank you