

District Grants

For three days last week the Consultative Implementation and Monitoring Council (CIMC) held the annual National Development Forum (NDF) at the National Parliament.

The NDF is the culmination of four Regional Development Forums and presents the recommendations from several Sector Committees, covering economic and social issues. PNG's unique and home-grown CIMC process enables government to dialogue with the private sector and civil society on wide ranging issues of major concern to the community and affecting the country's economic and social development. Consultation is often frank, but invariably constructive, so, although many major public concerns are raised, including frustration over non-performance or lack of accountability by different government agencies, the focus is on partnership in finding practical solutions to address problems.

There is no shortage of problems affecting PNG, some readily resolvable given the will, others more intractable, but most require wider community commitment to addressing them, including the difficult law and order, family and sexual violence, governance and corruption problems. As Winifred Kamit (PM's Department Acting Secretary) stated in her closing remarks, the Greek Philosopher, Plato, ago was highlighting governance (including corruption) problems affecting the Greek State 2,350 years ago. Whilst we are human such problems will exist and it is, therefore, our combined responsibility to be vigilant and work collectively and constantly to make our systems, including leadership and public servants, perform for the wider community benefit. Our systems are manmade, and we appoint our leaders (despite Electoral cheating); the whole community has a shared responsibility to make the system accountable and operational.

The next INA Focus will address recommendations from the 2008 NDF, but this one, written by CIMC's Elizabeth Avaisa, will explain the current District Support Grants, considered in this year's **regional development forums**.

The 2008 Regional Development Forums were conducted in Port Moresby in May for the Papua Region, Kundiawa and Lae in June for the Highlands and Momase Regions and Kimbe in early July for the New Guinea Islands.

The theme of the forums was "**Community Monitoring of District Grants**". A major objective was informing the public about the various types of grants/ funding currently available to the Districts through the National Government and managed through District Administrators and District Treasurers (i.e. types of services), in order for the community itself to actively monitor the implementation (expenditures) of these grants. As the Deputy Prime Minister, Dr Temu, stated at

the National Development Forum, rural democratisation and community empowerment is dependent upon capital, organisation and especially **knowledge**.

The grants currently provided for Districts: **Rural Local Level Government grants** (recurrent), **District Support Grants**, **Special Support Grants (SSG)**, **Memorandum of Agreement** grants (for mining provinces), Tax Credit Scheme and **District Service Improvement Program (DSIP)** grants. The DSIP grants (widely misnamed, along with DSG, as “Members’ Funds”) are allocated through the Joint District Planning and Budget Priorities Committees (JDP&BPC) for projects and activities in each respective District/Open Electorate. The DSIP is distributed as follows:

- ***Transport Infrastructure Grant – K4 million***
- ***Health Improvement Program – K1 million,***
- ***Education Improvement Program – K1 million,***
- ***Water Supply & Sanitation Grant – K1 million,***
- ***Law & Justice – K1million,***
- ***Commodity Roads Improvement Grant – K1 million and***
- ***Agriculture/ Communications– K1 million***

totalling K10 million. The District Support Grants, provided under Section 95A of the Organic Law (OLPLLG), comprise **Members’ Discretionary** K250,000 and the **Non-Discretionary** components of K250,000 (intended incorporated into DSIP in 2008). These are also Public Funds, not the Members’ own funds, but the Open MP has some discretion over the use of the former within his/her Electorate, whilst non-discretionary must be used for particular stipulated community requirements. In all each District there is K10.5 million to be spent on public goods and services (apart from some targeted funds, e.g. for markets, and recurrent funds provided, notably through provinces for health and education and related services).

For the public to participate meaningfully in the forums, CIMC provided financial information on the DSIP (by grant types) for each province by district over the last two years and the 2008 budget, enabling public awareness of funds released or available and whether they have seen tangible outcomes. Although there are monitoring mechanisms and systems in place for public servants to follow in monitoring, evaluation and acquittal of public funds, there are currently inadequate checks and balances, or capacity. When acquittals are presented to the Office of Rural Development, few physical inspections are made of sites before accepting the acquittals as fair and genuine. In the forums there were many cases of fraudulent reporting given, even with photos provided, e.g. of classrooms already built elsewhere.

The Forums, supported by some Provincial Governors and other leaders, aim to enable NGOs, churches and the wider public to participate in both planning and monitoring implementation of projects and take ownership. It is proposed that a simple “**RIPOT CARD**” be designed to allow communities to assess outcomes of DSIP activities and projects in their respective wards, reporting back if implementation is inconsistent with approved plans.

At end of each day participants in the Forums were organised into provincial groups to discuss the presentations of the day, identify key obstacles and propose practical recommendations for endorsement by the forum.

Wide dissemination of clear and accurate information, and community participation in oversight of the National, District and local Budget (e.g. for local school or health centre) and Planning, Budgeting, Accounting and Reporting (PBAR) is critical to minimising misappropriation of funds. Transparency is reduced, with currently confusing provincial/district allocations and expenditure, especially with multiple Trust Funds, (likewise the lack of transparency with NADP allocations/expenditure). Accurate and accessible information helps ensure funds are spent in line with budget and comply with relevant Laws and thereby enhance service delivery. This works overseas (e.g. Uganda) in cutting abuse of funds and ensuring commitments are fulfilled. This is people's power, but requires commitment and responsiveness also by authorities. **People power** has also helped make authorities in PNG more accountable, such as pressure from dynamic groups, like Kup Women for Peace, and many other dedicated NGOs and community groups providing awareness, and directly delivering services around this country.

As stipulated in the OLPGLLG and the Local Level Government Administration Act 1997, the process to be followed in the submission of projects for funding from DSIP funds is "**Bottom Up Planning**" through the Ward Development Committees, through to Joint District Planning & Budget Priorities Committees (JDP&BPC). The Office of Rural Development (ORD) guidelines and the Finance Instructions on the DSIP must be used for the procurement process. If the District Project Management Teams, District Technical Evaluation Committees, Authority to Pre-commit Committees and the Provincial Supply and Tenders Boards in the Provinces and Districts are functioning with competent staff, the expected projects and services can be provided efficiently. MPs should preferably not sit in JDP&BPCs as National MPs have other functions. This would require the law being amended, but at least MPs should not have discretion over appointments to committees or undue operational control, if the system is to function effectively.

The interest shown by Forum participants in 2008 was very high. They learnt of the different grants available to their Districts, both under recurrent and development budgets, how programmes are implemented and how communities can participate in the process at the different levels of government to monitor expenditure. The regional forums' recommendations were presented at last week's National Development Forum.