

## Address to Rotary Lunch – Background to Institute of National Affairs

- Thanks to the Port Moresby Rotary Club for your invitation to address the club today
- The first time I addressed a Rotary Club was way back in 1980 or 81 in Kundiawa on the subject of cardamom and other spices!
- since then was kindly invited on various occasions to attend Rotary in Honiara
  
- Today you've asked me to talk about the Institute of National Affairs
- The INA - long history in PNG going back to Independence and before
- When first Pre-Independence National Govt came to power in 1972, distrustful of (Aust dominated) Public Service and foreign business community
- Govt sought advice instead from young academics in New Guinea Research Unit (now NRI) and UPNG.- where some able staff but many inexperienced and idealistic
- in 1972, in the face of perceived naivety and some apparent threats to private sector from Govt – like the plantation redistribution scheme- , Bill Johns and various other local businessmen urged that a private sector-funded body be established to undertake policy research and help promote private sector interests – complementing the efforts of bodies like the chamber of Commerce/Employers' federation etc
- During these early years Govt had little inclination to listen to private sector, perhaps hardly surprisingly as the private sector was then rather prone to hectoring and patronising gov't
- Once Independence came in 1975, many politicians, political parties and Government agencies were more realistic of the role of the private sector and open to dialogue with it
- In 1976 a group of business and some public sector leaders came together and form an independent research Institute, which could constructively dialogue and contribute to Govt policy.
- Much emphasis was made on not setting up another lobby group, but a professional organisation which would gain credibility with Govt. It was also set up to reflect wider public views and enable wider consultation, not just the private sector – and that's reflected clearly in its rules
- Considerable initial dialogue occurred with Govt agencies, with support expressed from the highest level, including from then PM Michael Somare and agriculture Minister Julius Chan, and Dept heads Philip Bouraga and Charles Lepani.
- John Wylie of SP Brewery and Neil Nicklason of Steamships were two of the key organisers of the Institute in 1976.
- An eleven person committee selected three Trustees, who were appointed in August 1976, namely Sir John Guise the then GG, Bill McLellan and Neil Nickalson. Their task was to appoint the Council members, who were to be selected from all sectors of the community, including business and farmers' associations, trades unions, churches, and the regions.
- The first council of 8 people, selected in December 1976, comprised heads of several private businesses, including WR Carpenters, Hornibrooks, SP Brewery, Rice Industries, gov't-owned businesses, including Air Niugini, the

Catholic church, and representatives of the Finance Department and Business Faculty at Unitech.

- The Institute held its first council meeting on 3<sup>rd</sup> Jan 1977.
- Although the first Research Director, Terry Pitt, wasn't appointed till 3<sup>rd</sup> July 1978, the Institute held its first seminar in 1977, on foreign investment policy.
- Two of the INA's first lectures in 1978 and 1979 were by then Finance Minister, Barry Holloway, his Finance Secretary Mekere Morauata, and Planning Director Charles Lepani, as well as various academics....on subjects related to economic and taxation policy, price surveillance, and the adequacy of our financial institutions.
- Economic issues have always been at the core of the INA's agenda, but as the years have progressed wider development, including social issues, have been addressed.
- The Institute remains a unique institution in the S Pacific, outside of Aust and NZ, an independent research or policy "think tank", funded currently by about 70 private sector contributors and a handful of other public, civil society and donor institutions. They each contribute anything from K500 to K27,500 kina.
- The INA's core functions are to:
  - undertake policy research and analysis into key development issues,
  - Promote dialogue between the private sector, civil society and Govt, and
  - Disseminate research results and the outcome of dialogue as widely as possible through the community
- The Institute is not a lobbyist, and cannot represent the interests of specific companies or industries. It is also neutral and non-political, basing its capacity to dialogue with any government on the basis of professional research and analysis
- Research and surveys are a costly business, and the Institute often leans on its contributors, domestic and international funding agencies for funding support. For example, PNGSDP funded the recent Agriculture policy study (with support from the Bank of PNG for its printing) and the Asian Development Bank is funding the current private sector survey.
- Since 1977 the institute has produced 95 discussion papers, and a mass of speech series papers, reports from reviews (such as the 2004 police review) and on conferences, and other occasional papers. These are distributed FOC to contributors, government bodies and MPs, various libraries and other selected persons, and sold close to cost to the public. Some of them can be downloaded on the INA's website.
- Since the early 1990s the then Director, John Millet also produced a monthly **Focus column** in the Post Courier (John was also, incidentally a founder of the INA, when head of the former Investment Corporation was). The Pot Courier column has subsequently been produced on a fortnightly basis by my predecessor, Mike Manning and myself.
- The INA also organises various workshops and conferences, with a free admittance, on issues of public concern, and the INA's members and other members of the public – or govt - are welcome to propose subjects for research or discussion.
- Govt has often devolved the management of consultation to the INA – Brian Brogan with Jocelyn Millet and subsequently John and Jocelyn Millet

together, made excellent and productive teams – I was always amazed at Jocelyn’s capacity to produce documents in a flash!

- In the early 1990s, for example, the INA ran the GRAC committee (reforming govt institutions) and later Mike Manning chaired the Right-Sizing Cttee, coordinated the police review and the INA has been an active participant in many of the consultations with Govt, including the recent lands summit and review, which has now moved to an implementation phase,
- The institute sits on bodies such as the Impediments Committee, and is consulted on a wide range of issues from ICCC on competition, to development policy, planning, tourism, and provides a commentary on the annual budget
- INA also provides technical advice to international agencies in the development or review of their policies/programmes
- In the 1980s and 90s there were various consultative committees, chaired by successive PMs, notably on agriculture, commerce and then called the economic summit. Sir Rabbie was a very active promoter and participant
- They were mostly constructive but somewhat sporadic, and certain PMs were prone to hector participants, which frustrated private sector and other participants....
- In 1998 at INA’s suggestion this consultation process was institutionalised and the responsibility to run them given to INA
- Cabinet approved the Consultative and Implementation Monitoring Council (CIMC) to undertake the govt, private sector and civil society consultation process.
- CIMC annually runs 4 regional and 1 National Dev Forums (prior to annual Budget process)
- CIMC also runs several Sectoral committees and two programmes:
  - Commerce and Services
  - Tourism
  - Agriculture
  - Fisheries
  - Forestry
  - Law and Order
  - Health
  - Informal Sector prog
  - Family and Sexual Violence prog
- Some of these committees are more active than others
- CIMC has played important parts in launching:
  - the MTDS,
  - Informal Sector legislation,
  - now family and children’s legislation,
  - introduction of safe houses and
  - NRA
  - NACA
  - Agro-nucleus estate model
  - Etc
- Each year the Development forum focus on key topic selected by the CIMC Council

- For the past 3 years the development forums have focused on opening up the budget process....and the INA also represents PNG as part of an international process of opening budgets to public awareness and participation
- Last year and this, the focus has been esp on the implementation and monitoring of the budget –right through to districts and LLGs
- Regional Development forums enjoy wide community participation from Govt, prov and local govt and wider community –they can be lively events as its the community’s chance to face senior officials and secure briefings and demand explanations etc. – unfortunately not so many MPs turn up....
- Recent workshops and seminars we’ve held have been on opening up business opportunities (covering IS, SMEs, impediments and competition issues), future directions for forestry, public expenditure and Service delivery
- We’ve held a series of recent talks, and acknowledge the support of the American Ambassador and her team on two of these: namely on freedom of the media and expression and pacific regional security and development issues Others have ranged from one on comparing gender and human rights issues in PNG and Afghan, to Prof Francis Fukuyama on governance and development
- In near future, we have more on opening the budget right to local levels, the outcome of the private sector survey, sustainable fisheries, infrastructure constraints/overheads, tourism potential including for wider benefits, governance and decentralisation issues,....but as I say the insitute welcomes ideas for research, discussion and offers of assistance – intellectual or other....
- Thank you very much

Paul Barker  
24 July 2007