



REFORMING DECENTRALISATION AND SUB-NATIONAL FISCAL POLICY IN PAPUA NEW GUINEA AND SOLOMON ISLANDS

Proposed Dates:

- To be presented Port Moresby 28-30 April 2008 (draft program attached).
- To be presented Canberra 7-8 May 2008 (Port Moresby program – modified).
- To be presented Honiara, second half of 2008 (program not yet developed).

Joint Hosts:

The workshops will be jointly organised by SSGM & applied research organisations in PNG and Solomon Islands - in PNG the INA and UPNG (Law, Social Science and Business Administration, and Constitutional and Law Reform Commission).

The organisers acknowledge the Australian Government, through the Australian Agency for International Development, AusAID, for providing the funding for this workshop.

Goals, Audience, Approach and Output

Goals: To contribute to understanding of and debate about decentralisation policy in PNG and Solomon Islands, with particular reference to:

- a. the context in which policy reform debate is occurring;
- b. origins, nature and implications of alternative policy reform processes and proposals, and the extent to which processes are evidence-based (etc.) and various policy proposals are consistent, responsive to actual problems etc.;
- c. a particular focus on fiscal decentralisation policy reform, relating the issues to the broader decentralisation reform debate, but also including:
 - a. principles of design of an effective fiscal decentralisation system;
 - b. issues, possibilities and problems involved in specific fiscal decentralisation reform proposals (in PNG the NEFC proposals) and in Solomon Islands fiscal aspects of federalism proposals).

Audience of the proposed workshops: As the focus will be on substantive issues of design and operation of complex systems, the audience will focus largely on those able to contribute to informed debate. With the goal of contributing to debate about current reform proposals the workshops in PNG (and Solomon Islands) will entail wider audiences, including policy makers and advisers involved in decentralisation policy issues in PNG (and Solomon Islands). The workshop in Canberra will more likely entail a smaller group, including Australian/New Zealand policy makers, advisers and academics with extensive familiarity with the issues, together with specialist in the field from PNG (and Solomon Islands)

Approach: The work will be undertaken in two stages. The first will involve PNG, where a number of specific reforms have been implemented or are being proposed. Two workshops will be held – one in PNG and the other in Canberra. The second will involve a Solomon Islands workshop, focused on the proposed federal arrangements there, and any other decentralisation reform policies. For comparisons, selected presentations from the PNG workshops may be included in Solomon Islands.

Outputs: To include:

- A set of the papers presented (aim to have them available at the workshops);
- A report of workshop discussion circulated to participants;
- A policy briefing note;
- An edited book of papers, to be published by the joint sponsors (INA, UPNG, CLRC, appropriate SI institution, and SSGM) as soon as possible after the workshops.

REFORM OF DECENTRALISATION AND SUB-NATIONAL FISCAL POLICY IN PAPUA NEW GUINEA

Venue: Kumul Room, Holiday Inn, Waigani

Draft Programme

MONDAY 28 APRIL - DAY ONE

8.00-8.30a.m. Registration

8.30 –10.15a.m – First Morning Session (Day One) – CHAIR: Mel Togolo, Nautilus Minerals Ltd and INA Council (TBI)

8.30-9.00a.m.

Topic 1: Opening: Welcome and brief comments on purpose of workshop:

Opening Address:

Hon Dr. Puka Temu, Deputy Prime Minister & Minister for Mining and Lands and Physical Planning (TBI)

9.00-9.30a.m.

Topic 2: Keynote Address – NA Government Perspectives on Decentralisation Policy Development, 2008-2012:

Speaker: *Hon. Job Pomat (Minister for Inter-Government Relations) (TBI)*

9.30-9.55a.m.

Topic 3: The Context of Proposals for Reform of Decentralisation and Sub-national Fiscal Policy in PNG:

Speaker: *Alphonse Gelu, National Research Institute*

9.55-10.15a.m.

Discussion of Topic 2.

10.15-10.45a.m. Morning Tea

DECENTRALISATION REFORM IN PNG– APPROACHES & PROPOSALS

10.45 – 12.15p.m. – Second Morning Session (Day One) – CHAIR: *Nao Badu, Chairman, National, Economic and Fiscal Commission*

Topic 4: Major Processes for Developing Policy Proposals on Decentralisation

10.45-11.15a.m.

a. Rethinking political and administrative structures in PNG – origins, mandate & terms of reference of the Taskforce on Government Administration:

Speaker: *Sir Barry Holloway, Chair, Taskforce on Government and Administration*

11.15-11.45a.m.

b. Reviewing the Organic Law on Provincial and Local-level Government:

Speaker: *Dr. Lawrence Kalinoe, Secretary, Constitutional and Law Reform Commission*

11.45a.m.-12.15p.m.

Discussion of Presentations by Sir Barry Holloway and Dr. Lawrence Kalinoe

12.15 – 1.15p.m. Lunch

1.15 – 3.00p.m. – First Afternoon Session (Day One) – CHAIR: *Nao Badu, NEFC*

1.15-1.35p.m.

c. Commentary on the three presentations on topics 3 and 4:

Manasupe Zuruenoc, Secretary, DPLGA

1.35-2.00p.m.

Discussion of the presentations and commentary on topics 3 and 4

2.00-3.00p.m.

Topic 5: Panel on Policy Proposals Likely to Reduce Significance of Provinces and Provincial Governments:

a. District authorities or district governments: *Hon Peter O’Neil, Minister for Public Service (TBI)*

b. The PSRAG proposals: *Brown Bai, Chairman, PSRAG (TBI)*

c. A Provincial view of the PSRAG proposals: *Joseph Sungi, Provincial Administrator, Sandaun Province (TBI)*

d. Local-level Government policy: *Daniel Aloï (UPNG)*

3.00-3.30p.m. Afternoon Tea

3.30 – 5.15p.m. – Second Afternoon Session (Day One) – CHAIR: *Dame Margaret Taylor, Vice-President, World Bank Group (TBC)*

3.30-4.00p.m.

Topic 5: – continued:

e. Direct funding of districts: *Paul Sai’i/Kelly Ovuru, Office of Rural Development, (TBI)*

f. Commentary on the five presentation on Topic 5: Dr. Eric Kwa, Law Faculty, UPNG

4.00-4.30p.m.

Discussion of the presentations and commentary on Topic 5

4.30.-5.15p.m.

Topic 6: Panel on Policy Initiatives and Proposals Likely to Maintain or Enhance Provincial Roles or Autonomy:

- a. **New provinces:** *Spokesperson for Hela Province movement (TBI)*
- b. **Procedures for recognising new provinces:** *Russell Ikosi, Deputy Secretary DPLGA, (TBI)*
- c. **Bougainville autonomy - features and implementation:** *Anthony Regan*

5.15p.m. End of Day One

TUESDAY 29th APRIL - DAY TWO

8.15 – 10.00a.m. – First Morning Session (Day Two) – CHAIR: Dr Thomas Webster, Director, NRI (TBI)

8.15-9.00a.m.

Topic 6. – Continued:

- d. **Implementation and Coordination of Bougainville autonomy at the National level, and the role of NCOBA in development of national policy on autonomy:** *Bill Dihm, Director of NCOBA / Ellison ToWallom (TBI)*
- e. **Enhanced autonomy proposals - East New Britain (and elsewhere?):** *Alphonse Gelu, NRI*
- f. **Developing a policy framework for devolution/autonomy:** *Simeon Malai (Consultant, Policy and Coordination Division, Dept. of PM&NEC)*

9.00-9.30a.m.

Discussion of the six presentations on Topic 6

9.30-10.00a.m.

Topic 7: Reconciling the Alternative Policy Initiatives and Proposals:

Speaker: *Kathy Whimp*

10.00-10.30a.m. Morning Tea

10.30a.m.–12.00p.m. – Second Morning Session (Day Two) – CHAIR: Simon Tosali, Secretary for Treasury (TBI)

10.30-11.00a.m.

Discussion on topics 5 and 6 and 7, generally.

FISCAL DECENTRALISATION REFORM IN PNG

11.00-11.20a.m.

Topic 8: Historical overview of PNG fiscal decentralisation reform , 1975 to 2008:

Speaker: *Andrew Axline, NRI*

11.20-11.45a.m.

Discussion of Topic 8.

11.45a.m.-12.15p.m.

Topic 9: Designing Effective Fiscal Decentralisation – Principles & Approaches:

Speaker: *Kathy Whimp*

12.15-1.15p.m. Lunch

1.15 – 3.00p.m. - First Afternoon Session (Day Two) – CHAIR Winifred Kamit CBE, Snr Partner, Gadens Lawyers, fmr President BCPNG and INA Council (TBI)

1.15-1.30p.m.

Discussion of Topic 9.

1.30-2.00p.m.

Topic 10: The current fiscal decentralisation framework and the reasons for reform – Overview:

Speaker: *Nao Badu, NEFC*

2.00-2.25p.m.

Discussion of Topic 10.

2.25-3.00p.m.

Topic 11: Overview of the NEFC Reform Package

Speaker: *Nao Badu, NEFC*

3.00 – 3.30p.m. Afternoon Tea

3.30 – 5.00p.m. – Second Afternoon Session (Day Two) – CHAIR: Paul Barker, Director, INA

3.30-4.00p.m.

Discussion of Topic 11.

4.00-4.30p.m.

Topic 12: Changing the basis for transfers – from derivation to equalisation, and movement towards conditionality

Speakers: *Kathy Whimp and Nao Badu, NEFC*

4.30-5.00p.m.

Discussion of Topic 12.

5.00p.m. End of Day Two

WEDNESDAY 30th APRIL - DAY THREE (HALF DAY ONLY)

8.15 – 10.00a.m. – First Morning Session (Day Three) – Brown Bai CBE, Chairman, PSRAG (TBC)

8.15-8.45a.m.

Topic 13: Developing the NEFC policy proposals – Process, progress and lessons:

Speakers: *Nao Badu, NEFC and Felicity Herbert, Adviser, NEFC and DPLLG*

8.45-9.15a.m.

Discussion of Topic 13.

9.15-9.45a.m.

Topic 14: Relating the NEFC Proposals to the Broader Reform Debate:

Speakers: *Andrew Axline and Alphonse Gelu, NRI*

9.45-10.15a.m.

Discussion of Topic 14.

10.15-10.45a.m. Morning Tea

10.45a.m.–12.30p.m. – Second Morning Session (Day Three) – CHAIR: Prof David Kavanamur, UPNG and INA Council

10.45a.m.-12.00p.m.

Topic 15: Plenary Discussion: Lessons About Process for Making Policy on Decentralisation (In-country Policy-makers, Donors, etc.), and Future Directions

12.00-12.15p.m.

Closing Remarks: *Hon. Paul Tientsen, Minister for National Planning and Rural Development(TBI)*

12.15-1.30p.m. Lunch
