



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

### 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).

### Joint Hosts:

The workshops are being jointly organised by the Institute of National Affairs (INA), the University of PNG (faculties of Law, Social Science and Business Administration), the PNG Constitutional and Law Reform Commission, and the State Society and Governance in Melanesia Program, The Australian National University..

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

### Goals

To contribute to understanding of and debate about decentralisation policy in PNG, 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:
  - (i) principles of design of an effective fiscal decentralisation system;
  - (ii) issues, possibilities and problems involved in specific fiscal decentralisation reform proposals.
- d. 'lessons' that might be learnt from the evidence based policy-making process developed by the National Economic and Fiscal Commission.

### 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: Holiday Inn, Waigani**

## **MONDAY 28 APRIL - DAY ONE**

***8.00-8.30a.m. Registration***

**8.30 –10.15a.m – First Morning Session (Day One) – CHAIR: David Hegarty, Convenor, SSGM, ANU**

***8.30-9.00a.m.***

**Opening Session: 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 1: Keynote Address – National Government Perspectives on Decentralisation Policy Development, 2008-2012:**

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

***9.30-9.55a.m.***

**Topic 2: 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 3: 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 – 2.00p.m. –Session continued (Day One) – CHAIR: Nao Badu, NEFC**

1.15-1.35p.m.

**c. Commentary on the three presentations on topics 2 and 3:**

*Manasupe Zurenuoc, Secretary, DPLGA*

1.35-2.00p.m.

**Discussion of the presentations and commentary on topics 2 and 3**

**2.00-4.30 - Second Afternoon Session: CHAIR: Dr Betty Lovai, University of Papua New Guinea**

2.00-3.00p.m.

**Topic 4: 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*

**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**

3.30-4.00p.m.

**Topic 4: – 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 4**

**4.30 – 5.15p.m. – Third Afternoon Session (Day One) SESSION CHAIR: Dr Orovu Sepoe, University of Papua New Guinea**

4.30.-5.15p.m.

**Topic 5: Panel on Policy Initiatives and Proposals Likely to Maintain or Enhance Provincial Roles or Autonomy:**

**a. New provinces:** *Alfred Kaiabe, Spokesman for Hela Province movement and Nick Kuman, Spokesman for Jiwaka Province movement*

**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 29<sup>th</sup> APRIL - DAY TWO**

**8.15 – 9.30a.m. – Session Continued (Day Two) – CHAIR: Dr Orovu Sepoe, University of Papua New Guinea**

8.15-9.00a.m.

**Topic 5. – 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 (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 5**

**9.30-11.00 – Second Morning Session (Day Two) - CHAIR: Dr Ila Temu, Country Manager, Barrick (PNG) Ltd**

9.30-10.00a.m.

**Topic 6: Reconciling the Alternative Policy Initiatives and Proposals:**

**Speaker: Kathy Whimp (National Economic and Fiscal Commission)**

**10.00-10.30a.m. Morning Tea**

10.30-11.00a.m.

**Discussion on topics 4 and 5 and 6, generally.**

**11.00-12.15 – Third Morning Session (Day Two) - CHAIR: Dame Margaret Taylor, DBE, (Ombudsman, International Finance Corporation)**

**FISCAL DECENTRALISATION REFORM IN PNG**

11.00-11.20a.m.

**Topic 7: Historical overview of PNG fiscal decentralisation reform, 1975 to 2008:**

**Speaker: Andrew Axline, NRI**

11.20-11.45a.m.

**Discussion of Topic 7.**

11.45a.m.-12.15p.m.

**Topic 8: Designing Effective Fiscal Decentralisation – Principles & Approaches:**

**Speaker: Kathy Whimp (NEFC)**

**12.15-1.15p.m. Lunch**

**1.15 – 1.30p.m. - Afternoon Session continued (Day Two)**

1.15-1.30p.m.

**Discussion of Topic 8.**

**1.30-4.00p.m. - Second Session continued (Day Two) – CHAIR Winifred Kamit CBE, Snr Partner, Gadens Lawyers, fmr President BCPNG and INA Council**

1.30-2.00p.m.

**Topic 9: The current fiscal decentralisation framework and the reasons for reform – Overview:**

**Speaker: Nao Badu (NEFC)**

2.00-2.25p.m.

**Discussion of Topic 9.**

2.25-3.00p.m.

**Topic 10: Overview of the NEFC Reform Package**

**Speaker: Nao Badu (NEFC)**

**3.00 – 3.30p.m. Afternoon Tea**

3.30-4.00p.m.

**Discussion of Topic 10.**

**4.00– 5.00p.m. – Second Afternoon Session (Day Two) – CHAIR: Mike Manning, Chairman, Transparency International PNG**

4.00-4.30p.m.

**Topic 11: 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 11.**

**5.00p.m. End of Day Two**

**WEDNESDAY 30<sup>th</sup> APRIL - DAY THREE (HALF DAY ONLY)**

**8.15 – 9.15a.m. – First Morning Session (Day Three) – Brown Bai CBE, Chairman, PSRAG (TBC)**

8.15-8.45a.m.

**Topic 12: Developing the NEFC policy proposals – Process, progress and lessons:**

**Speakers: Nao Badu (NEFC) & Felicity Herbert, Adviser, NEFC & DPLLGA**

8.45-9.15a.m.

**Discussion of Topic 12.**

**9.15-10.15 –Second Morning Session – Dr Thomas Webster, Director NRI**

9.15-9.45a.m.

**Topic 13: Relating the NEFC Proposals to the Broader Reform Debate:**

**Speakers:** *Andrew Axline and Alphonse Gelu, NRI*

*9.45-10.15a.m.*

**Discussion of Topic 13.**

**10.15-10.45a.m. Morning Tea**

**10.45a.m.-12.15p.m. – Final Morning Session (Day Three) – CHAIR: Prof David Kavanamur, UPNG and INA Council**

*10.45a.m.-12.00p.m.*

**Topic 14: 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 Tiensten, Minister for National Planning and Rural Development(TBI)*

***12.15-1.30p.m. Lunch***

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