

## **Heeding the Message, rather than Shooting the Messenger**

Despite strong economic growth in recent years, Papua New Guinea's already deficient infrastructure and services have been barely improving and in many cases continue to deteriorate, as a result of poor management and oversight, and lack of funds being allocated and then actually spent on priorities.

To plan and deliver priority public goods and services effectively the National, Provincial and local authorities need basic information on where the population is, their needs, and the state of existing roads, schools, health facilities and other infrastructure and services. Much of PNG's data is old, with the last National Census over ten years old, and the next one delayed until this year and we know that large numbers of people have shifted to town and other centres over the past decade. Nevertheless, much information has been collected in recent years which can guide planners and managers, including the Demographic Health Survey, Household Income and Expenditure Survey, and extensive data collected by line agencies and their consultants, notably road inventories, ongoing health and education statistics and the monitoring of services and functional grants by the National Economic and Fiscal Commission (NEFC).

Once government has identified the needs and problems to be addressed, then they need to ensure the required human and other resources are provided, particularly using routine recurrent funds for maintenance and, for example, supplying teachers, health workers, school materials and medicines. Once budgeted the authorities and the public need to ensure that the funds are being spent properly, with the necessary staff and supplies actually in place, at their school or health centres, and being used for the purposes intended.

So we'd expect national and provincial governments and MPs to welcome feedback on service delivery under their jurisdiction, and use the information to improve their performance where weaknesses are identified; but not a bit of it. Some, such as Governor Luther Wenge of Morobe, have leapt to criticise NEFC for its recent provincial expenditure review, providing rather personalised criticisms of public officials associated with the review. Yet, NEFC is an independent State organisation which has over recent years been undertaking very credible objective research and monitoring of service delivery costs, allocations and performance, which is unparalleled in government.

NEFC's effort has highlighted the gross inequality of funding provided to provinces (and Districts) for performing their mandated service functions, which breaches the Constitutional obligation to provide services and opportunities to men, women and children across the country. NEFC's analysis led to the 2008 reform of intergovernmental finance, using an equalisation process gradually phased in since 2009. This reform, although still inadequate (with many provinces still with insufficient funds for providing required basic services), nevertheless remains one of the major achievements of this Government in its past two terms. It's a building block which needs to be taken to its next step.

The DSIP, by contrast reinforces the inequity between Districts and provinces, by providing the same allocation regardless of the population and whether districts are already cash starved or well funded.

We know that adequate funding is only one of the necessary requirements for service delivery, but it is an essential prerequisite. We've seen over the years how some of the best funded provinces, earning major revenue from their mines or other natural resources, have suffered some of the worst services. These provinces provide a stark warning for the country that unless strong governance and accountability are in place from the start then the potential benefits from LNG and other resource projects will be frittered away in frivolous projects, burgeoning and false claims and escalating administrative overheads.

NEFC's latest review assesses delivery of the Minimum Priority Activities, which had been agreed to with the provinces themselves, including for example, the number of health facilities open, staffed and with running water in their labour ward, number of active village courts and the percentage of schools with basic school supplies by 30<sup>th</sup> April. The questions are not comprehensive, but they are extensive and provide a good gauge of priority health, education, transport, agriculture and local justice services actually being provided within provinces.

The survey found some provinces have responded well to the call for providing these needed services, including some of the poorest provinces, such as Sandaun and Simbu, and including provinces which performing poorly hitherto, such as Central and Oro, perhaps responding to wide public concern since Cyclone Guba, with some within the community turning to self-help initiatives and applying social auditing of services to pressure authorities into better delivery.

Provinces which performed poorly in the NEFC review included Morobe, at the bottom, with East Sepik, Madang and Gulf, which seemed not to have made progress to address these priority needs, even though some of them are better resourced provinces, and others like New Ireland and Western showed marked declines from 2008.

For some provinces, like Morobe, the findings should provide a sharp wake-up call, indicating to them that too much has been diverted into lower priorities, perhaps such as hugely costly concreting of selected city roads, and into administrative overheads. Rather than shoot the messenger, in this case NEFC, respective provincial authorities should see where they might have gone wrong, in perhaps funding activities less critical to the community, or too much travel or full page paid adverts. But it's not just about funds, it is also whether provinces and other government agencies have the right management and management systems in place to ensure teachers are in the field and productive, medicines actually reach health centres on time, and whether funds are budgeted and released to the districts and services promptly.

Other surveys from around the world and within PNG, such as the Benefit Sharing Study undertaken recently by the INA and partners, highlight how an informed and organised local community is better able to hold government accountable and performing its

functions, notably local service provision. Proactive local communities, with for example operating business and women's groups and cooperatives, generally secure more projects in PNG than those without communications or active representative groups.

Sadly, over the years public sector accountability has broken down widely in PNG, with capable professionals and managers too often sidelined and replaced with staff who spend their time currying their minister's or other sponsor's favour, travel incessantly overseas, collecting lucrative allowances and striking secretive deals (perhaps over SABLs with unknown partners), ignoring the communities they're meant to serve home.

Since mid-2007 communications to rural areas in PNG, however, have been improving, along with mechanisms for the public to express their views. MPs may like their District Grants, even though they provide a poor way of delivering basic services. Improved communications, however, will enable more coordinated and effective performance monitoring of projects and service delivery, and whether what's promised is actually delivered. The era of more effective oversight, both by official watchdogs, but especially by the wider community, using mobile phones and digital cameras, is upon us, so woe-betide those politicians and public service managers who expect to hide their poor performance. By then there'll be more than just NEFC and a few reporters to pick on. But the public is also expecting real penalties for poor performance, particularly where it involves corruption and malpractice, as highlighted in reports from the Auditor General and public inquiries

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