FINAL REPORT TO THE:

NATIONAL DEVELOPMENT SUMMIT ON

THE PAPUA NEW GUINEA

NATIONAL STRATEGIC PLAN

2010 - 2050

THE PNG INSTITUTE OF PUBLIC ADMINISTRATION
THURSDAY, 4TH SEPTEMBER 2008
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1. BACKGROUND

1.1 Legal Basis

The National Planning Committee (NPC) is the highest ranking ministerial committee established by the NEC Decision NG 21/2007 and comprises senior members of the National Executive Council (NEC) namely: the Deputy Prime Minister as Chairperson, Ministers responsible for the central agencies of the government, the four regional National Alliance parliamentary leaders and parliamentary leaders of political parties in the current coalition government and Ministers who chair Ministerial Committees. There are thirteen members of NPC.

The NPC is a working committee of the NEC. It has wide powers and mandate including delegated powers of the NEC focusing on policy and development agendas of the Nation.

The NPC in its Meeting No. 1/2008 held on 15th January 2008 resolved to hold a National Development Summit on the 2nd, 3rd and 4th of September 2008 to deliberate on the following:

1. A sound National Strategic Plan (NSP) Framework;
2. The best political system to deliver the NSP;
3. The best service delivery system to support the NSP.

1.2 Papua New Guinea’s Development Performance: 1975 to 2005

We all want to see Papua New Guinea change for the better for our people. This was the motivation behind the development of Papua New Guinea’s “Eight Point Plan” by the founders of our Nation at Independence in 1975.

1.2.1 Papua New Guinea’s Eight-Point Plan

PNG’s Eight Point Plan states:

1. A rapid increase in the proportion of the economy under the control of Papua New Guinean individuals and groups and in the proportion of personal and property income that goes to Papua New Guineans.
2. More equal distribution of economic benefits, including movement toward equalisation of incomes among people and toward equalisation of services among different areas of the country.

3. Decentralisation of economic activity, planning and government spending, with emphasis on agricultural development, village industry, better internal trade, and more spending channelled to local and area bodies.

4. An emphasis on small scale artisan, service and business activity, relying where possible on typically Papua New Guinean forms of business activity.

5. A more self-reliant economy, less dependent for its needs on imported goods and services and better able to meet the needs of its people through local production.

6. An increasing capacity for meeting government spending needs from locally raised revenue.

7. A rapid increase in the equal and active participation of women in all forms of economic and social activity.

8. Government control and involvement in those sectors of the economy where control is necessary to achieve the desired kind of development.

Three decades later, the Somare-Temu Government sees the eight-point plan as still valid and reflecting present political vision.

When we assess our development performance since 1975 against the “Eight Point Plan”, it is obvious that we have failed miserably in every one of the eight aims. After three decades of political independence, our rural people still lack the basic services. Taking into account the Gross Domestic Product (GDP) over the last three decades we find that it has increased steadily from about K1.2 billion in 1975 to over K12 billion in 2005 indicating that we can do better (Table 1).

| Table 1. Papua New Guinea’s development performance from 1975 to 2005. |
|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| GDP           | K1190 m        | K1583 m        | K2201 m        | K3037 m        | K4785 m        | K8082 m        | K12629 m       |
| GDP GR%       | +5.10          | +2.80          | +3.60          | +1.53          | +6.96          | +1.08          | +2.20          |
| Popn. GR      | +2.3%          | +2.3%          | +2.3%          |                |                |                |                |
| Life Exp.     | 47 Yrs         | 53 Yrs         | 54 Yrs         | 57 Yrs         |                |                |                |
| Malay GDP     |                |                |                |                |                |                |                |
The “Eight Point Plan” has been criticized by some experts in various circles for being vague. However, Rt. Hon. Sir Julius Chan in 1981 as the then Prime Minister in defending the “Eight Point Plan” stressed very strongly that it was not a policy document but a document intended to guide bureaucrats, technocrats and experts to formulate the most appropriate systems, institutions, policies and programs to help build a peaceful and harmonious Papua New Guinea and to prosper and empower our people. In fact what was expected from the bureaucrats at the time were home-grown solutions, not cut and paste solutions from everywhere.

The NPC has reviewed the state of the nation and formed the view that the “Eight Point Plan” is still valid and that a paradigm shift in thinking is required The NSP is the result. This was the key motivation behind the NPC’s decision to develop a National Strategic Plan. However, if we are to do better this time around, we must “do the right things” instead of “just doing things right”.

1.2.2 Political System

As we reflect on the past and look forward to the future, one key question is:

“Is our current political system working?”

The most constructive way to address this question is to focus on the attributes of the current system rather than the system per se. In doing so, we find the following deficiencies:

- Political instability;
- Allegiance to regionalism;
- Weak political parties and their policy platform;
- Unpredictable political directions.

The challenge for PNG therefore is to develop practical intervention programs that will give us a political system with the desired attributes. We are of the view that the desired political system should have the following attributes:

- stability;
- promotes national unity;
- strong political parties driven by credible policies;
- sustainable and consistent outcomes.
In fact between 1975 and 2007, PNG had thirteen Governments. How can any Government build a peaceful, prosperous & harmonious nation with that kind of political instability? A relevant and very appropriate question therefore is from 2010 to 2050:

“How many changes of governments do we want over the next 40 years?”

1.2.3 Service Delivery System

The next relevant and equally important question is:

“Is our Service Delivery System working?”

The current service delivery system is not working effectively and efficiently. The challenge therefore is;

“What practical interventions are required so we transform the service delivery system to be efficient and effective?”

1.2.4 Key Lessons

We have learnt many valuable lessons in nation building since 1975 and three key lessons are highlighted here:

i. PNG needs a “National Strategic Plan”.
   a. Central to this lesson is the decision by the Somare-Temu Government to get the current political leaders to decide which sector to develop over the next 30 to 40 years as the foundation for wealth creation.
   b. Given that we have abundant minerals, oil, gas and other natural resources. We should be thankful that we are in a position to choose from many development options.
   c. This decision will require clear direction and foundation to develop and align our people; design our institutions and our systems to build a happy, wealthy and united country. It will create an environment that is positive, progressive and synergistic for all our development stakeholders to operate and do business in.
ii. Our people must have a “Right Attitude”.
   a. The challenge is how do we “transform and empower our people so that they become powerful force in development and nation building”;
   b. To help our people develop the “Right Attitude” our systems, institutions and the bureaucracy must make a paradigm shift in the way they think and do business.

iii. PNG must have “Minimum Standards of Service”.
   a. How do we maintain our systems and institutions at all times, and particularly so in the bad times, so that they do not break down.

1.2.5 The Way Forward

According to Albert Einstein:

“The definition of insanity is to continue doing the same thing whilst expecting a different result”.

Based on our development performance over the last three decades, our people and our future generations will demand a very different and better outcome. We therefore have no choice but to do things differently if we are to realize our leaders dream and our own aspirations for a better Papua New Guinea in the future.

As stated earlier, this calls for nothing less than a major transformation in the way we think, interact with one another and do business in the future. This is a huge challenge and a very high calling. In fact the challenge is as daunting today than it was in 1975.

However, to succeed we need a major shift in the mindset. Our systems, institutions, the private sector, the communities and all citizens must shift from the “scarcity mentality” that has delivered a poor result for us over the last 32 years and we must now adopt an “abundance mentality”. The “scarcity mentality” generates the negative poverty reduction mindset which produces largely competitive and survival attitudes while the “abundance mentality” generates the positive wealth creation mindset which produces complimentary and win-win attitudes and behavior. According to Stephen Covey (1991), abundance mentality addresses the four basic human needs (physical, emotional, psychological and spiritual) and encourage “fairness, kindness, development and purpose” in life (Table 2).
Table 2. Paradigm Shift – “From Scarcity Mentality to Abundance Mentality” according to Stephen Covey

<table>
<thead>
<tr>
<th>Need</th>
<th>Metaphor</th>
<th>Paradigm</th>
<th>Principle</th>
<th>Outcome</th>
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<tbody>
<tr>
<td>Physical</td>
<td>Stomach</td>
<td>Scientific</td>
<td>Fairness</td>
<td>Pay me well</td>
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<td></td>
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<td>Authoritarian</td>
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<td>Emotional</td>
<td>Heart</td>
<td>Human Relations</td>
<td>Kindness</td>
<td>Treat me well</td>
</tr>
<tr>
<td>Psychological</td>
<td>Mind</td>
<td>Human Resources</td>
<td>Development</td>
<td>Train &amp; use me well</td>
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<tr>
<td>Spiritual</td>
<td>Spirit</td>
<td>Principle Centred</td>
<td>Purpose</td>
<td>Give me a purpose</td>
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2. THE NATIONAL STRATEGIC PLAN FRAMEWORK: 2010 - 2050

2.1 Why 40 Years?

We have 32 years of nation-building local knowledge and experience to call upon. A 40 Year National Strategic Plan is therefore an incremental extrapolation of the facts, lessons and our experiences aimed at achievement of economic independence.

A few existing mines most notably Lihir and new mines nearing production especially Ramu Nickel are expected to be still in operation over the next 20 to 30 years. In addition, there is the real possibility that the LNG Gas Project is expected to have a life of around 30 years. Any practical and relevant long term national strategic plan therefore should take into account at the very least the 30 year significant revenue projection period so that at the very minimum PNG has some idea on where and how it wants to develop during this time period. A 40 Year National Strategic Plan therefore is a means to convert the profits from exploitation of non-renewable resources into development of sustainable and renewable resources.

2.2 Vision

The National Strategic Plan Vision is that:

“Papua New Guinea is a Happy, Wealthy and United Country by 2050”.

2.3 Mission

Based on the development analysis over the last 33 years and given the challenges ahead for the next 30 to 50 years, the Long Term (2010 – 2050) National Strategic Plan Mission is:

“We will mobilize our people to create wealth through smart innovative ideas, quality services and equitable distribution of benefits.”
2.4 Values and Guiding Principles

We value “Integrity, Maturity, Diversity and Win-Win Relationships” and will strive to uphold these attributes at all times.

The National Strategic Plan embraces the five National Goals and Directives contained in our National Constitution as Guiding Principles and these are:

1. Integral Human Development;
2. Equality and Participation;
3. National Sovereignty and Self Reliance;
4. Natural Resources and Environment;
5. Papua New Guinea Ways; and

In addition, the “National Strategic Plan: 2010 - 2050” acknowledges the emerging global economic trends and the need to position Papua New Guinea to maximize its opportunities and any comparative advantages we may have and therefore adopts an additional “Guiding Principle No. 6” shown above.
2.5 The National Strategic Plan Framework: 2010-2050

<table>
<thead>
<tr>
<th>VISION</th>
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<tr>
<td>PAPUA NEW GUINEA is a HAPPY, WEALTHY and UNITED COUNTRY by 2050</td>
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<table>
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<th>MISSION</th>
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<tr>
<td>We will mobilize our people to create wealth through smart innovative ideas, quality services and equitable distribution of benefits.</td>
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<table>
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<tr>
<th>VALUES &amp; GUIDING PRINCIPLES</th>
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<tbody>
<tr>
<td>We value INTEGRITY, MATURITY, WIN-WIN RELATIONSHIPS</td>
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<tr>
<td>Our guiding principles are: 1. INTEGRAL HUMAN DEVELOPMENT; 2. EQUALITY &amp; PARTICIPATION; 3. NATIONAL SOVEREIGNTY &amp; SELF RELIANCE; 4. NATURAL RESOURCES &amp; ENVIRONMENT; 5. PAPUA NEW GUINEAN WAYS; 6. PROGRESSIVE &amp; GLOBALLY COMPETITIVE.</td>
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<th>FIVE CORE FOCUS AREAS WITH OBJECTIVES &amp; EXPECTED OUTCOMES</th>
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<tr>
<td><strong>STRATEGIC PLANNING</strong> Sound &amp; clear development plan</td>
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<tr>
<td>1. Sound National Strategic Development Plan</td>
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<tr>
<td>2. 8 MTDS linked closely to the NSP objectives sequenced for progressive growth</td>
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<tr>
<td>3. Result oriented and performance based annual work plans with budgets</td>
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<td><strong>SYSTEMS &amp; INSTITUTIONS</strong> Appropriate political &amp; effective service delivery systems</td>
</tr>
<tr>
<td>1. Political, Government, Community, Business &amp; Partners align systems &amp; plans to support the NSP</td>
</tr>
<tr>
<td>2. Institution’s processes &amp; procedures simplified &amp; aligned to deliver the NSP agreed outcomes</td>
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<tr>
<td>3. Institutions adequately resourced to deliver NSP agreed outcomes</td>
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<tr>
<td><strong>HUMAN DEVELOPMENT</strong> Best &amp; productive human resource</td>
</tr>
<tr>
<td>1. Systems &amp; Institutions have incentives to attract the best people to deliver NSP</td>
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<tr>
<td>2. Best education, health, recreation &amp; religious programs supporting NSP</td>
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<td>3. Create innovative solutions to challenges &amp; opportunities</td>
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<td><strong>WEALTH CREATION</strong> Dynamic &amp; competitive economy</td>
</tr>
<tr>
<td>1. Revenue from renewable natural resources to increase while contributions from non-renewable sector to decrease</td>
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<tr>
<td>2. Maximize mining &amp; energy revenues retained in the country</td>
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<tr>
<td>3. Maximize efficient downstream processing and value added industries</td>
</tr>
<tr>
<td><strong>SECURITY &amp; GLOBAL RELATIONS</strong> Happy &amp; united country</td>
</tr>
<tr>
<td>1. Embrace our rich cultures &amp; vast diversity as blessings</td>
</tr>
<tr>
<td>2. Have effective and efficient internal security/legal systems &amp; institutions</td>
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<tr>
<td>3. Have positive, constructive &amp; progressive international relations in trade, diplomacy &amp; security</td>
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Figure 1. The National Strategic Plan Framework: 2010-2050
2.6 The National Strategic Plan Framework: 2010-2050 – Log Frame

The next logical steps are to translate this framework to a statement of achievable objectives which can then be used by the bureaucracy, technocrats and our development partners to prepare medium term plans, design and align systems and institutions to deliver the long term plan in a logical and sequential manner instead of the ad-hoc approach of the last three decades. We have attempted this in the log frame that follows.

2.6.1 Strategic Planning

i. Objective
   a. Papua New Guinea has a sound, clear, achievable and progressive long term direction, policies and programs for development from 2010 to 2050.

ii. Strategies
   a. Prepare a sound National Development Strategy (NDS) for 2010 to 2050.
   b. Prepare eight Medium Term Development Strategies (MTDS) linked closely to the objectives.
   c. Prepare result-oriented and performance-based annual work and financial plans.

iii. Expected Outcomes
   a. There is a sound and clear long term development direction.
   b. Outcomes of the eight MTDS are sequenced for progressive achievement of the NDS.
   c. Key development programs in the annual work plans are delivered on time and within budget.

iv. Key Performance Indicators
   a. Key stakeholders at all levels of Politics, Government, Community and Businesses as well as our Development Partners align their own MTDS to support Papua New Guinea’s eight MTDS.
   b. Key stakeholders in all sectors are successful and prosperous.
   c. Over 90% of development programs are implemented successfully to agreed outcomes.
v. Means of Verification
   a. Corporate, Strategic and Business Plans of all key stakeholders.
   b. Annual reports highlighting financial and management performances.
   c. Annual program reports and independent feedback from clients.

2.6.2 Institutions and Systems Strengthening and Alignment

i. Objective
   a. Appropriate political and a service delivery systems that are efficient, effective and dynamic.

ii. Strategies
   a. Political, Government, Community, Business and Partners align their systems and plans to support the NSP Vision and Mission.
   b. Institutions’ processes and procedures simplified and aligned to deliver the NSP outcomes.
   c. Institutions adequately resourced and supported to deliver the NSP outcomes.

iii. Expected Outcomes
   a. Partnership amongst all key stakeholders in Politics, Government, Business, Community and Development Partners is positive and results in planned outcomes.
   b. Services are available, accessible and affordable.
   c. Our institutions are performing to high standards.

iv. Key Performance Indicators
   a. The NSP Vision, Mission and Values are embraced and institutionalized by key development stakeholders.
   b. All people in Papua New Guinea are receiving high quality services.
   c. Our institutions are responding effectively and efficiently to important local, national and international issues.

v. Means of Verification
   a. Corporate, Strategic and Business Plans of all key stakeholders.
   b. Feedback from local communities & ranking against international social and economic indicators.
   c. Annual reports by national and international institutions.
2.6.3 Human Development and People Empowerment

i. Objective
   a. Papua New Guineans are well trained and well utilized, well paid, well treated and contributing positively and meaningfully to national development.

ii. Strategies
   a. Our systems and institutions have incentives to attract the best people to deliver the NSP.
   b. We have the best education, health, recreation and religious programs supporting the NSP.
   c. We demand innovative solutions to our problems and opportunities from our people.
   d. We promote gender equality and participation.

iii. Expected Outcomes
   a. Our systems and institutions are well equipped and responding adequately and appropriately to our nations needs.
   b. Papua New Guineans are well trained and well supported to do their jobs.
   c. Papua New Guineans are solving our unique and complex national problems.
   d. Higher participation of women at all levels.

iv. Key Performance Indicators
   a. Our local services are world class.
   b. Papua New Guineans are also delivering world class services to international clients.
   c. Papua New Guinea has many leading internationally recognized experts on major development issues facing our nation.
   d. Increase number of women in politics and employment.

v. Means of Verification
   a. National and international reports on social and economic indicators.
   b. Number of Papua New Guineans holding senior academic, research, development and business jobs in internationally recognized institutions abroad.
   c. Number of internationally recognized academic, research, development and business institutions in Papua New Guinea.
   d. National reports on gender and social indicators.
2.6.4 Wealth Creation

i. Objective
   a. Papua New Guinea has a strong, dynamic and competitive economy by 2050.

ii. Strategies
   a. Revenue from the renewable natural resources to increase while contributions from the non-renewable natural resources to decrease.
   b. Optimize mining & energy revenues retained in the country.
   c. Optimize downstream and value-adding of our products.

iii. Expected Outcomes
   a. Have at least two major projects from the natural resources sector in each Province.
   b. Public and Private Partnerships in the mining and energy sectors encourage greater participation and local ownership of resources.
   c. Have at least one downstream processing facility in fisheries, agriculture, forestry, mining, oil and gas in each of the four regions.

iv. Key Performance Indicators
   a. Nations wealth is shared equally among all citizens.
   b. Over 50% of citizens contributing meaningfully to the formal economy.
   c. Over 80% of our raw materials are processed in the country.

v. Means of Verification
   a. National and international reports on economic and social indicators.
   b. Government, Private Sector and Donor reports on business and the economy.
   c. Government and Private Sector reports on exports and the economy.

2.6.5 Security and Global Relations

i. Objective
   a. Papua New Guinea is a happy and united country by 2050.
ii. Strategies
   a. Embrace our rich cultures and vast diversity as blessings and incorporate them into our Government systems and institutions as symbols of national identity.
   b. Have an effective and efficient internal security and legal systems and institutions that accommodate our cultural diversity.
   c. Have systems and institutions that are constructive and progressive in protecting our national interests as well as enhancing our aspirations in diplomacy, trade and security.

iii. Expected Outcomes
   a. Papua New Guineans are proud of their culture, heritage, history and identity.
   b. Our villages, towns and cities are peaceful and pleasant places to work and live in.
   c. We have a friendly and win-win relationship with our international partners.

iv. Key Performance Indicators
   a. Each Province maintains and promotes its traditional culture, history and identity.
   b. Papua New Guineans are highly law abiding citizens with highest respect for human rights.
   c. Papua New Guinea is best for business and a very attractive investment destination in the world.

v. Means of Verification
   a. Number of cultural events recognized nationally and internationally and culture is part of human development programs.
   b. National and international reports on crime and humanity.
   c. National and international reports on business, diplomacy and security.

2.6.6 Assumptions

i. There is political stability and consistency in policies.
ii. The current macro-economic forecast over the next 20 to 30 years does not change.
iii. Improve governance and reduce corruption.
iv. Systems and institutions align plans to NSP objectives.
v. All key stakeholders support the NSP and make the necessary paradigm shifts.
vi. Government will adequately resource and fund the NSP objectives.
3. **POLITICAL SYSTEMS**

While our political systems are criticized for not being democratic, transparent and accountable the overall assessment by Gelu (2003) is that Papua New Guinea has done well in comparison with other developing countries. The institutions and forms of democracy are well established at the national level. In fact, according to Reilly (2002), Papua New Guinea is one of the few post-colonial states to have maintained an unbroken record of formal democracy over a significant period of time (1964 to 2007). He further states that despite the travails of the 2002 National elections which featured widespread administrative problems and in some areas rampant electoral violence and voter fraud, all Papua New Guinean parliaments have been chosen via the electoral process since 1964 making it one of the longest continuous democracies in the developing world. Reilly (2002) attributes this achievement, despite our poor economic performance between 1975 and 2002, partly to our vast cultural diversity.

The “Current Political System” is characterized by three levels of Legislative Government; National, Provincial and District. It is being reviewed because it is perceived to be very unstable (until recently), strongly regional-based, highly unpredictable, does not promote strong and visionary leadership but facilitates separation of powers and functions.

It is recommended that any changes to the current political system must include the following attributes as minimum requirements:

1. Stable;
2. Nationalistic;
3. Predictable;
4. Transparent;
5. Strong and Visionary; and
6. Separation of powers and functions.

Both the political and administrative systems together affect service delivery. In Papua New Guinea over the last 30 years, no clear demarcation in the functions between national, provincial and local level governments has created confusion, frustration and rendered service delivery to be highly inefficient and ineffective (Table 3).
Table 3. Political functions and service delivery at the National, Provincial and District levels.

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<th>Functions &amp; Responsibilities</th>
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<td>Function</td>
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<td><strong>National</strong></td>
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<td>Monitoring &amp; Evaluation</td>
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</table>
The situation has been further exasperated by the duplication of responsibilities between national politicians and the administrative systems at the national, provincial and district levels. A key question in relation to a new political system is:

“At what level do we stop legislative political representation?”

Our recommendations are:

1. Two-Tiered System with National and Local Level Governments with provincial members to be in separate parliament to open members (312 Legislative Assemblies). In this option, the National Government will be responsible for setting the vision and legislation, provincial members will be responsible for coordinating policy and planning for the province, open members to be responsible for coordinating program implementation at district levels, and the local level government will be responsible for coordinating implementation and ensuring that the monitoring and evaluation systems in place are effective. We further propose that there be two houses in this option, Upper House where provincial members primary role is for setting the national vision and legislation and the Lower House where open members evaluate vision and legislation made by the Upper House and oversee the development of policy and programs or;

2. One-Tiered System with one National Government with provincial members to be in separate parliament to open members (1 legislative assembly with 109 members). In this option, the National Government will be responsible for setting the vision, legislation and policy, provincial members will be responsible for coordinating policy and planning for the province, open members to be responsible for coordinating program implementation at district levels, and the local level government will be responsible for coordinating implementation and ensuring that the monitoring and evaluation systems in place are effective. We further propose that there be two houses in this option, Upper House where provincial members primary role is for setting the national vision and legislation and the Lower House where open members evaluate vision and legislation made by the Upper House and oversee the development of policy and programs; or

3. Other options that may emerge following the detail consultations that will follow.
4. SERVICE DELIVERY SYSTEMS

PNG has one of the most complex forms of government in the world. Recent reforms to the decentralised system have made it even more complicated. The 1995 Organic Law was designed to decentralise the public sector. The theoretical basis for these reforms continues to be sound and that is “providing resources directly to front line service delivery and to villages can dramatically improve services”. Unfortunately, the 1995 reforms have failed to do this. Instead of resulting in extra resources being available in the districts, they created administrative arrangements which have soaked up resources particularly funding for goods and services as well as complicated funding and service delivery arrangements with disastrous consequences for service delivery. There is a clear need to dramatically simplify these arrangements and to increase resources available for operating costs in rural areas.

Like the current political system, the “Current Service Delivery System” is perceived to be largely inefficient and ineffective. There are many contributing factors, including that the Government’s service delivery vehicle is strongly influenced by the political dynamics. For example, the highly unstable political climate between 1975 and 2007 where we had thirteen governments most likely entrenched in our public servants the “survival mode” which was best served by short and medium term plans instead of long term plans.

The public sector in Papua New Guinea continues to struggle in many areas with key services not being delivered, core public sector processes not operating effectively, corruption and graft are endemic, and implementation of policy is poor and un-coordinated. The case for reform remains a compelling one. In particular, there is a need for reforms to be developed which address the following issues:

- Basic services are still not being delivered largely because of inadequate funding for goods and services;
- Core public sector processes – such as the HR/payroll system – are still not functioning effectively and as result in many provinces there is substantial overspending on salaries much of it going to “ghost” employees;
- Large sums are still misused or spent in areas that do not reflect government priorities;
- Absenteeism in rural areas continues to be a major issue as staff close down aid posts and schools in order to travel to district and provincial centres to access their salaries;
• Security is still poor in many areas and continues represents a serious impediment to
development;
• Coordination of planning and policy development is still not effective. Most district
plans are neither prioritised nor costed and the focus at all levels within the planning
system continues to be on constructing new facilities as opposed to maintaining
existing ones. This capital expenditure on new roads, schools and aid posts is often
wasted as it often does not match need and deteriorates rapidly due to insufficient
maintenance;
• Limited capacity in key agencies to support key public sector processes;
• Limited compliance with legal requirements and widespread corruption;
• Confused governance arrangements for statutory authorities.

The Public Sector Reform Management Unit (PSRMU) has formulated a program to address
poor service delivery by the public sector through the pursuit of two strategic goals:
• Strategic Goal 1: Improve the delivery of basic services in villages and districts.
• Strategic Goal 2: Support service delivery by creating a high-performing affordable
  public sector.

The goals contribute to improving services in different ways. The first involves taking direct
action to improve services at the district level. There are a number of practical steps that can
be taken immediately which should lead to rapid improvement in the delivery of services.
The second involves fixing up core public sector systems and processes to enable them to
support service delivery more effectively. This work, while important, will take longer and it
may be some time before the results of reform in this area are visible.

The reforms pursued by the PSRMU focus mainly on the Public Service as a service delivery
vehicle. However, since the performance of the public service is influenced by politics,
private sector, community and other factors, a holistic approach is needed to support sectoral
programs like those being undertaken by PSRMU. Similarly, while the “Private Public
Partnership” policy being developed for service delivery is a step in the right direction,
successful implementation is greatly dependent on politics. The reforms pursued through the
“National Strategic Plan: 2010 – 2050” provide the opportunity for the necessary structural
changes that are critical for effective and efficient service delivery.
After 32 years of independence we now have many highly qualified and experienced nationals. Many of these experienced, qualified and experienced staff returned to the villages and Districts. These “latent” talent and capacity must be mobilized as partners in delivering services. In addition, churches, non-government organizations and other community based development organizations provide innovative, effective and efficient services in some rural communities. These delivery mechanisms should be supported and the potential for these mechanisms to be extended beyond the traditional health and educations sectors should be fully investigated.

Any new service delivery system must include the following attributes as minimum requirements:

1. Effective;
2. Efficient;
3. Accountable;
4. Ethical and Progressive;
5. Incentivized and Highly Motivated; and
6. Professional and not politicized.

The functions and organizational structures for service delivery at the National, Provincial and District levels in Table 3 highlights the duplication of roles at the national and provincial levels which has contributed greatly to poor service delivery in the past. Under the current 3-Tiere Political system, the most appropriate option would be for the National Government to focus on policy, Provincial Governments on planning, District Governments on implementation and the community and clients of the service delivery system on monitoring and evaluation. Under a 2-Tiered Political System, the most appropriate option would be for the National Government to focus on policy, District Governments on Planning and implementation and the community and clients of the service delivery system on monitoring and evaluation.
Table 4. Administrative functions and organisational structure for service delivery systems at the National, Provincial and District levels.

<table>
<thead>
<tr>
<th>Organisational Structure</th>
<th>National</th>
<th></th>
<th>Province</th>
<th></th>
<th>District</th>
<th></th>
<th>Community &amp; Clients</th>
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<tr>
<td>Function</td>
<td>Current</td>
<td>Option 1</td>
<td>Option 2</td>
<td>Current</td>
<td>Option 1</td>
<td>Option 2</td>
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<td>✓</td>
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<td>X</td>
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<td></td>
<td>✓</td>
<td>✓</td>
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<td>✓</td>
<td>✓</td>
<td>✓</td>
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<tr>
<td>Monitoring &amp; Evaluation</td>
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<td></td>
<td></td>
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<td></td>
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<td>X</td>
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</tbody>
</table>

We recommend that the “Private Public Partnership” policy be incorporated into the new service delivery system as follows:

1. Under a 3-Tiere Political system that the National Government focus on developing policy, the Provincial Government on planning, District Government on implementation and the community to be actively involved in monitoring and evaluation.
2. Under a 2-Tiered Political System that the National Government focus on developing policy, District Government on planning and implementation and the community to be actively involved in monitoring and evaluation.
5. THE NATIONAL STRATEGIC PLAN: 2010 – 2050 TASK FORCE

The “National Strategic Plan: 2010 – 2050” developed by the NPC will have serious and long-lasting constitutional, political, economic and social impact to our country and therefore requires the collective effort of the people, government, politics, private sector, community-based organizations and international development partners.

The importance of this long term plan for our people and our country are such that the challenges in formulating and implementing the plan warrant no less than a national approach that will allow smart and dynamic individuals and organizations in government, politics, private sector, our communities and our international development partners to work together for positive outcomes and embracing a win-win spirit and attitude. Such an outcome can only be achieved by a non-political, bi-partisan, highly respected, trusted and independent group.

In light of this, the NPC proposes the establishment of a “The National Strategic Plan Task Force” based on the following reporting structure. This Task Force will comprise of smart, dynamic and highly successful citizens and will be headed by an eminent Papua New Guinean.

![Diagram of the National Strategic Plan Task Force reporting structure]

**Figure 2. Long Term National Strategic Plan reporting structure**
6. **IMPACT PROJECTS FOR EACH PROVINCE: 2009 - 2012**

<table>
<thead>
<tr>
<th>GOVERNOR</th>
<th>PROVINCE</th>
<th>PROJECT</th>
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<td>2.</td>
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<tr>
<td>3. Hon. Leo Dion CMG QPM MP</td>
<td>East New Britain</td>
<td>1. Tokua Bitapaka -Rataubar ring road (K7m).</td>
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<td>3.</td>
<td></td>
<td>2. Vunamami Farmer’s College Redevelopment (K10m).</td>
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<tr>
<td>5. Hon. Michael Sapau MP</td>
<td>Manus</td>
<td>1. Road development to upgrade and seal</td>
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<td>5.</td>
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<td>2. Development of fisheries including downstream processing</td>
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<tr>
<td>6. Hon. Peter Humphreys MP</td>
<td>West New Britain</td>
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<td>7. Hon. Suckling Tamanabae MP</td>
<td>Oro</td>
<td></td>
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<td>8. Hon. Alphonse Moroi MP</td>
<td>Central</td>
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<td>9.</td>
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<td>2. Kundiawa town redevelopment</td>
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<td>11.</td>
<td>Hon. Malcom Kela Smith MP</td>
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<td>12.</td>
<td>Hon. Anderson Agiru MP</td>
<td>Southern Highlands</td>
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<td>14.</td>
<td>Hon. Luther Wenge MP</td>
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<td>16.</td>
<td>Hon. Dr. Bob Danaya MP</td>
<td>Western</td>
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<td>17.</td>
<td>Hon. Simon Solo MP</td>
<td>Sandaun</td>
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<td>Hon. Pawes Parkop MP</td>
<td>National Capital District</td>
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<td>20.</td>
<td></td>
<td>East Sepik</td>
</tr>
</tbody>
</table>

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7. REFERENCES


8. SUMMARY OF DATA COLLECTED FOR ALL THE TERMS OF REFERENCE OF THE NATIONAL PLANNING COMMITTEE
9. CONTRIBUTORS

1. National Government Departments and Agencies
2. National Planning Committee
3. National Research Institute
4. Papua New Guinea – Australia Alumni Association
5. Papua New Guinea Business Council
6. Political Party Executives in the Somare-Temu Coalition Government
7. Provincial Administrators
8. Mr. Reginald Renagi
9. Mr. Simon Kenehe