



TRANSPARENCY INTERNATIONAL (PNG) INC
Lokua Avenue, Boroko, Section 54 Lot 31
PO Box 591 Port Moresby, NCD Phone 323 7517/4917 Fax 323 4317
E-mail: michael.arnold@transparencypng.org.pg
Website: www.transparencypng.org.pg

PRESS STATEMENT FOR IMMEDIATE RELEASE

Government Decision on K65 million Contract Signals a Failure to Learn from Costly Mistakes

Wednesday 22nd December, Port Moresby – Transparency International Papua New Guinea (TIPNG) is calling on the Government to ensure lessons learnt from multiple Parliamentary Public Accounts Committee Public Hearings dating back to 2014, on the poor performance by contractors of medical supplies, are not ignored for political convenience. TIPNG issued this statement following media reports of a cabinet decision to award the Certificate of Inexpediency for the Contract for Provision for the Supply of 100% health centre and aid post kits throughout Papua New Guinea to Borneo Pacific Pharmaceuticals (BPP) Limited for K65 million for 1 year only.

In 2019 under the chairmanship of Finance Minister Sir John Pundari, the Parliamentary Public Accounts Committee heard testimonies from invited experts and witnesses, that there was generally no due diligence performed to guarantee the quality of contractors, nor the quality of the drugs supplied under the contract, with specific references made to a controversial decision by the Government in 2013 to award Borneo Pacific Pharmaceuticals K71 million. The Minister for Health, Jelta Wong told media at the time of the hearings in 2019, that he had written to the Police Commissioner to take action on the Committee's findings.

“There had been a similar inquiry in 2014 by the then Parliamentary Public Accounts Committee on the same issue, of procurement of medical supplies from Borneo Pacific Pharmaceuticals, and Papua New Guineans are now asking what steps has the Government taken to learn from these costly public hearings to avoid further risking the health and well-being of citizens. Our national health service is already in such a critical state that poor decision making on medical procurement will sadly lead to the occurrence of deaths that could have been prevented,” said Peter Aitsi, Board Chair of TIPNG in a media statement.

“This decision by the Cabinet to issue a certificate of inexpediency, upon the advice of the National Procurement Commission to a company with documented historical concerns, directly undermines the lessons learnt from the hearings by the Public Accounts Committee. The role of the National Procurement Commission is not just to award public contracts but just as importantly, to monitor performance of contractors to ensure public funds are spent on reputable firms with a proven ability to deliver for Papua New Guinea. Following through with such a decision would indicate to development partners that recent public finance reforms introduced by the Government to promote transparency and accountability of public expenditure have been ineffective, and not met the public expectation of ensuring transparent decision making by accountable decision makers.” said Mr. Aitsi.

In December 2013 the company was thrown into the spotlight when the Australian government withdrew from a drug supplies program, after the PNG Government’s Central Supply and Tenders Board (CSTB) awarded a contract to supply medical kits to BPP. The PNG National Doctors Association expressed concerns at the CSTB decision in January 2014 after it was revealed that the ISO 9001 accreditation requirements was removed. In April 2014 the Community Coalition Against Corruption – led by TIPNG and the Media Council of PNG – condemned the contract.

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Authorized by:
Arianne Kassman
Chief Executive Officer

Media contact:
Michael Arnold
Communications & Marketing Lead

What is TIPNG?

TIPNG is a member of Transparency International a global anti-corruption movement committed to fighting corruption. TIPNG is an independent organization in PNG known as a Chapter of the international movement. The PNG chapter advocates against corruption and promotes transparency, good governance, honesty and accountability both in private and public sector dealings. TIPNG tries to assist strengthen the integrity systems of our country such as the police, the parliament, the public services and the judiciary.