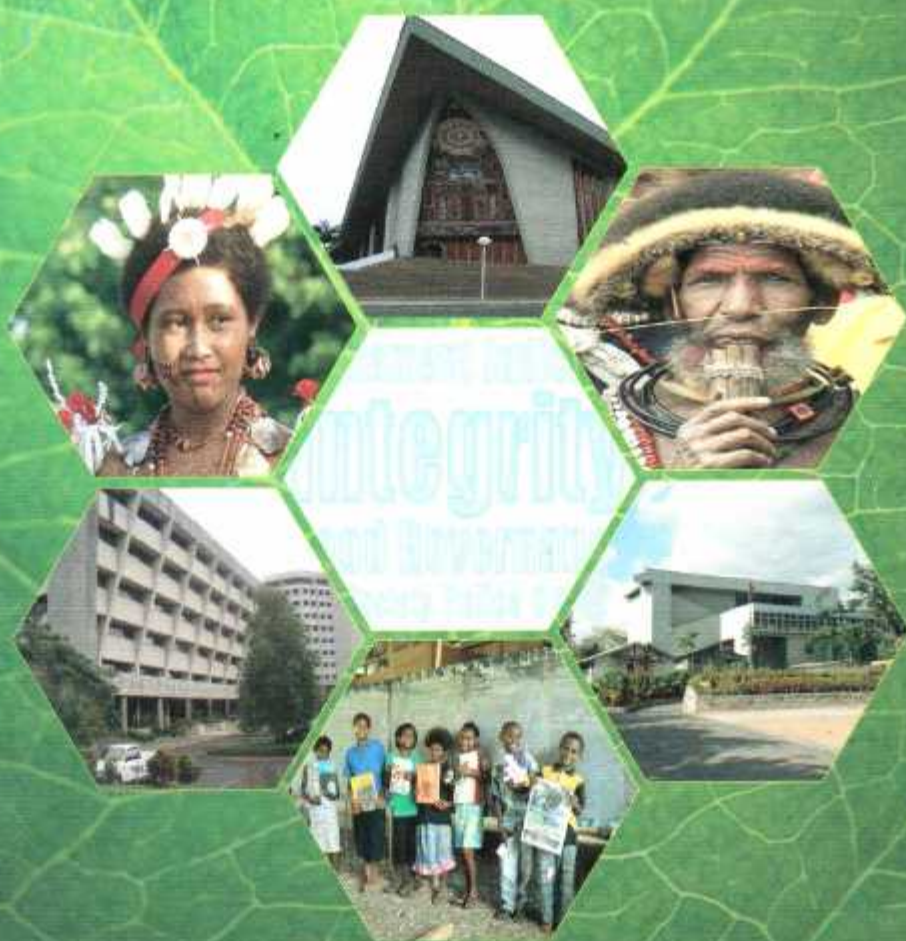


# PAPUA NEW GUINEA

## NATIONAL ANTI-CORRUPTION STRATEGY 2010 - 2030



*Building a Strong and Prosperous Papua New Guinea*



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## ACRONYMS

ADB	Asian Development Bank
CPI	Corruption Perception Index
DoF	Department of Finance
GoPNG	Government of Papua New Guinea
HDI	Human Development Index
PNGFIU	Papua New Guinea Finance Intelligence Unit
ICAC	Independent Commission Against Corruption
INA	Institute of National Affairs
IRC	Internal Revenue Commission
KAA	Key Action Area
MDGs	Millennium Development Goals
MP	Member of Parliament
NACA	National Anti-Corruption Alliance
PNG NACS	Papua New Guinea National Anti-Corruption Strategy
NEC	National Executive Council
NGOs	Non Governmental Organisations
NPF	National Provident Fund
NRI	National Research Institute
OECD	Organisation for Economic Cooperation and Development
ORDL	Organic Law on Duties and Responsibilities of Leadership
PAC	Public Accounts Committee
PFMA	Public Finance Management Act
PSMA	Public Service Management Act
TI	Transparency International
UNCAC	United Nations Convention Against Corruption
UNDP	United Nations Development Programme

## FOREWORD

### Call for National Action by the Prime Minister



I am convinced more than ever that Papua New Guinea has every reason to succeed as a State. We have endured some of the most difficult challenges over the last three decades of our short political history and owe it to ourselves to be successful. We must continue to consolidate all our efforts, take control of our destiny and move along the path we ourselves have spelt out in the Papua New Guinea Vision 2050; to build a strong and prosperous Papua New Guinea.

The Papua New Guinea National Anti Corruption Strategy 2010-2030 is crucial to our ongoing successes. It is an outcome of a commitment made on the occasion of the 35<sup>th</sup> Pacific Island Leaders Forum in Apia, Samoa in 2004 by our founding father, Grand Chief Sir Michael Somare to recognise the link between corruption and development, and to consider signing and ratifying the United Nations Convention Against Corruption (UNCAC) to strengthen good governance in accordance with the spirit of the "Biketawa Declaration". I am very pleased indeed that following that commitment, the National Executive Council (NEC) decided in 2006 that a national strategy to combat corruption and improve good governance be developed. Parliament ratified UNCAC on the 14<sup>th</sup> of June 2007.

I am personally delighted that Papua New Guinea finally has a unifying national strategy to address corruption and to improve good governance. This is a significant step in achieving the ultimate aspirations of the PNG Vision 2050; to make PNG a Smart, Wise, Fair and Happy Society by 2050.

We cannot fight corruption by fighting corruption per se but we fight corruption by improving good governance. Too often we tend to focus much of our scarce resources to fighting incidences of corruption and yet we end up with little or no positive results. This is partly due to the lack of a unifying national strategy to guide and coordinate all our anti corruption efforts. But I am glad that we now have a strategy that is all encompassing and seeks to improve good governance as a way to weed out corruption.

This strategy is not only about criminalising corrupt conduct, which we are all too familiar with [and one which we have continued to place more emphasis on yet with little result to show for] but also and more importantly, about preventative measures. Educating our youths and children about the dangers of corruption and ethical conduct will produce a generation of citizens who will strive for the good of their country, respect and uphold our institutions of democracy and the rule of law. Public awareness, partnerships and cooperation with all stakeholders including Government Departments and Agencies, Donors and Civil Society Organisations will become avenues for driving the message of anti corruption and good governance.



I want to encourage Non Governmental Organisations (NGO's) to work with the Government because we all pursue the same objective and that is to weed out corruption and improve good governance. The Government must not be viewed as an 'obstacle' but rather, a key partner and vehicle to free the people of Papua New Guinea from the bondages of corruption.

Finally, I would like to extend by sincere gratitude to the Chief Secretary, Mr. Manasupe Zurenuoc, and his team of senior public servants for their leadership in ensuring this strategy is developed.

I would also like to thank members of the business community, Diplomatic Missions, Donors, International Organisations including UNDP, Civil Society Organisations and NGO's, Churches, and the public at large for your invaluable contributions towards making this strategy a reality. Your valued comments and criticisms have indeed enabled the team to fully understand and appreciate the sentiments and desires of the wider community of stakeholders.

Thank you and God Bless Pāpua New Guinea

A handwritten signature in black ink, appearing to read 'Peter O'Neill', with a stylized flourish extending to the right.

Hon. Peter O'Neill, CMG  
Prime Minister

## MESSAGE FROM THE CHIEF SECRETARY TO GOVERNMENT



### Lets walk the talk

"Successful strategies for addressing corruption should not be piecemeal and focus solely on a single sector such as the public sector agencies. A national anti-corruption strategy must address itself to all sectors of society, including the public sector, private sector, faith based organisations, civil society organisation, schools, families and individuals".

I made this statement at the opening of a two (2) day workshop on developing a National Anti Corruption Strategy for Papua New Guinea in August 2009. I am pleased to note that this strategy is now complete and presented in the way we all had envisaged. It is now before us to implement.

The Papua New Guinea National Anti Corruption Strategy 2010-2030 sets the framework for the Government and all its stakeholders to begin taking actions to combat corruption and improve good governance. The Public Service remains the key driver in the implementation of this Strategy and I appeal to all Departmental Heads, Heads of Agencies and Statutory bodies, and public servants throughout the public service to take this strategy very seriously. We owe it to our people, our children and future generations and we must make it work for them. We cannot deny that public opinion about us public servants and political leaders has always been very negative and continues to be so. This must change, my friends, and I challenge each and every one of us to rise to the occasion and take the opportunity presented by the Strategy to rebuild and restore confidence back in the Public Service and Governments at all levels.

I note the significance of this strategy towards the realization of the goals of Vision 2050 and I am happy to say that we have taken an important step in establishing one of the principal enablers that will forever change PNG for the better.

I am very delighted as the acting Chief Secretary to Government to have precided over the development of a very important strategy that is fundamental to our success as a Country. I would like to thank the Government of Hon. Peter O'Neill and the National Executive Council for the opportunity to lead the public service and the confidence in delivering on Government's key development aspirations.

Finally, on behalf of the Public Service (and the public servants), I would like to take this opportunity to appeal to every Papua New Guinean to work towards making PNG realise the real and potential benefits of a corruption-free country through this strategy.

A handwritten signature in black ink, appearing to read 'Manasupe'.

Manasupe Zurenuoc, OBE  
Chief Secretary to Government

# Part I

## THE PNG NATIONAL ANTI-CORRUPTION STRATEGY (NACS) 2010-2025

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*"Corruption is an insidious plague that has a wide range of corrosive effects on societies. It undermines the rule of law, leads to violations of human rights, distorts markets, erodes the quality of life and allows organized crime, terrorism and other threats to human society to flourish."*

*Kofi A. Annan, Former Secretary-General, United Nations<sup>1</sup>*

### 1.1 OVERVIEW OF THE STRATEGY DOCUMENT

*The PNG National Anti-Corruption Strategy (PNG NACS) 2010-2030 is a significant Strategy Document that sets out a clear pathway for addressing and tackling corruption in Papua New Guinea (PNG). Lending weight to the PNG Vision 2050, NACS will be a key enabler contributing directly to strengthening leadership and good governance, service delivery and performance and accountability — key goals of the Vision 2050. NACS will be inclusive and participatory. It will engage all sectors of the PNG community — from political, public service and business leaders to all state actors, non-state actors, civil society organizations and every citizen — to work together in combating corruption. While the GoPNG has provided the overall lead and coordination in developing NACS, its formulation is a result of a consultative process involving key stakeholders and a wide section of the PNG community. Similarly, NACS implementation will be inclusive and participatory, involving and drawing support from every sector of the PNG community.*

Eradicating corruption and the fight against it remains a key policy agenda of virtually every country across the globe, not least in PNG. Citizens and governments alike are acutely aware of the scourge of corruption and the toll it has on society and are imploring their authorities to take concrete action. Where public and private interventions have been poor, citizens and civil society are now calling upon their governments to take real action against corruption. The call for action is not only for governments and civil authorities to have appropriate anti-corruption strategies, but also to translate such strategies into meaningful action on the ground.

The development of the NACS is unprecedented. Since independence in 1975, PNG has not adopted any viable and effective national strategy to combat corruption and promote good governance in a meaningful way. To be sure, there are institutional and legal initiatives on tackling corruption, but the approaches have been sporadic and uncoordinated, lacking any concrete link to a national strategy aimed at unifying different efforts to achieve common national goals of combating corruption. Also, laws combating corruption are not exhaustive enough, especially in relation to the international developments in the United Nations.



Convention Against Corruption (UNCAC). As a result, efforts aimed at combating corruption have been weak and largely uncoordinated with no positive impact on eradicating corruption.

## 1.2 WHY A NATIONAL ANTI-CORRUPTION STRATEGY?

A National Anti-Corruption Strategy matters. Papua New Guinea's future economic growth and improving the quality of life of its citizens depend on a corruption-free society and on robust systems and processes of governance and commerce. The debilitating systems and processes of governance and an equally weak public service, coupled with the rise in the number and frequency of corruption have all sounded a clear warning to the People and Government of PNG: If comprehensive action is not taken against corruption on all fronts, national development will be severely undermined, cutting off any real prospects for growth, poverty eradication and improving the life of millions of Papua New Guineans. A robust National Anti Corruption Strategy therefore is not an option, it is a must.

More specifically, a National Anti-Corruption Strategy is needed for a number of reasons:

### 1.2.1 Tackling Corruption is Vital for Better and Effective Governance

Corruption is a leading cause for bad governance. Where corruption thrives, bad governance also thrives. Corruption undermines the proper functioning of the systems and processes of governance. It causes social disintegration and distorts economic systems; it endangers the stability of democratic institutions, discriminates and undermines the delivery of government services and thus violates the rights of people, and the poor in particular. Addressing corruption therefore is a key precondition for instilling better and effective governance. In PNG's development context, tackling corruption is an important precursor for realising the Millennium Development Goals (MDGs) by 2015 and the achievement of PNG Vision 2050.

### 1.2.2 A Holistic and Comprehensive Approach is Needed

A combined national effort is the only way of tackling corruption. Corruption is no respecter of persons and has no boundaries. Allowed to thrive unabated, it will engulf entire people and societies. Tackling corruption should therefore be everyone's business. However, without a guiding national strategy, efforts on tackling corruption will be sporadic and piecemeal, creating gaps in intervention modalities and squandering scarce resources needed for a meaningful fight against it. And without a basis for consolidated community action, the fight against corruption will be waged only by a few. What is needed is a national strategy that will provide the basis for cooperation and unified action at all levels.

### 1.2.3 Strengthening Government Leadership and Coordination at All Levels

While a holistic and integrated approach from all sectors is necessary, nothing can supplement the government's role in providing leadership and coordination in any successful anti-corruption campaign. It is absolutely crucial that the government plays a lead role, but this must be informed and guided by a set of realistic outcomes, goals and action plan embedded in a robust national strategy. Without a reliable strategy to guide the government, it will be useless for the government to provide an effective steering role. It will be like a rudderless ship steaming across



the ocean but being piloted to nowhere. A national strategy will therefore provide the impetus for the government to actively provide the leadership the country deserves, and it will be the basis upon which national actions against corruption is judged.

#### 1.2.4 Supporting PNG's Commitment to UNCAC

The PNG NACS will strengthen PNG's efforts to ensure compliance with the United Nations Convention Against Corruption (UNCAC), an important international obligation which PNG has ratified in May 2007. Article 5 of UNCAC specifically requires State Parties to "develop and implement...effective, coordinated anti-corruption policies that promote the participation of society and reflect the principles of the rule of law, proper management of public affairs and public property, integrity, transparency and accountability."<sup>2</sup> Adopting a national anti corruption strategy will send a strong signal to the international community that PNG is serious about addressing corruption and that real efforts are being made to align national anti-corruption efforts to the UNCAC.

### 1.3 THE ROLE OF THE NATIONAL ANTI-CORRUPTION STRATEGY

The PNG NACS is not an implementation document. Rather, it is a strategic driver, providing both the impetus for action and strategic direction for political, public service and business leaders, state actors, non state actors, civil society, development partners and citizens to rally their institutional and individual actions to fight corruption in a more systematic and integrated way, and towards a common vision and national goals.

It must also be mentioned that the PNG NACS is a dynamic document, subject to evolve depending on experience and changing circumstance of corruption in the country.

### 1.4 OUTLINE OF THE STRATEGY DOCUMENT

There are six parts to this Strategy Document:

**Part I** (this part) outlines the PNG NACS as a strategy document

**Part II** outlines the linkage between the PNG NACS and the Vision 2050

**Part III** outlines an overview of corruption in PNG

**Part IV** outlines the PNG NACS framework

**Part V** outlines the strategies for national action against corruption, and

**Part VI** outlines the implementation of the PNG NACS

# Part II

## PNG VISION 2050 AND THE NATIONAL ANTI-CORRUPTION STRATEGY

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*"Corruption is the anti-thesis of national development. Where corruption thrives, national development will be significantly undermined"*

*Anonymous*

### 2.1 PNG VISION 2050

Like all developing countries, PNG aspires to be in the league of transforming economies, lifting the benchmark of development to a higher level where there is an overall improvement in the quality of life of its people. In November 2009, Papua New Guinea Vision 2050 was launched, the aim of which is to set clear attainable long-term goals to guide nation-building and development for the next forty years. Vision 2050 asserts the development aspirations of the People of PNG and will be used as a benchmark to assess the long term development expectations Papua New Guineans have placed upon themselves and their government. It will be the basis upon which all developmental planning will be mounted and executed across government and at all levels.

#### 2.1.1 Pillars of PNG Vision 2050

Vision 2050 identifies the need for progress on seven important pillars, namely:

- (1) Human Capital Development, Gender, Youth and People Empowerment;
- (2) Wealth Creation;
- (3) Institutional Development and Service Delivery;
- (4) Security and International Relations;
- (5) Environment Sustainability and Climate Change;
- (6) Spiritual, Cultural and Community Development;
- (7) Strategic Planning, Integration and Control.<sup>3</sup>

The expectations of development set by Vision 2050 are unparalleled, testing the will and commitment of both the Government and People of PNG. Although daunting, the task of realising the dreams of Vision 2050 is not impossible. However, this will require creating an enabling environment for national development using correct strategies and policy mixes.



Such strategies and policy mixes will need to concentrate on removing key barriers to national development and allowing broad-based growth to take place.

## **2.2 COMBATING CORRUPTION IS VITAL FOR PNG VISION 2050**

There is mounting international evidence that corruption is a significant barrier to national development.<sup>4</sup> Any meaningful effort towards national development and poverty eradication will therefore continue to be thwarted if corruption continues to persist. Creating a sustaining and an enabling environment for national development and achieving Vision 2050 will, first of all, require tackling corruption on a sustained and coordinated basis. It is for this reason that the PNG NACS will be a critical enabler of Vision 2050. While Vision 2050 has set out the broad development outcomes PNG aspires to achieve in a 40-year period, rapid progress to that end will be hampered if corruption is left unchecked. Combating corruption is therefore a necessary precondition for national development, and will be a key basis upon which the Vision 2050 goals will be achieved.

# Part III

## OVERVIEW OF CORRUPTION IN PNG

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*"...Based on present trends, most poor countries will miss almost all the Millennium Development Goals (MDGs), and extreme poverty will not be halved by 2015, in any region except in East Asia. There are many reasons to these sobering facts. One is the significant distributional implications that widespread corruption has on growth, equity and poverty."*

UNDP 2005: 3<sup>5</sup>

### 3.1 OVERVIEW

The scourge of corruption has been a long standing issue both abroad and in PNG, and one that has drawn serious concerns from all sectors of the community. Its effects are all too familiar. At the macro level, corruption undermines the rule of law, erodes the effective functioning of the different arms of state — legislative, executive and judiciary — perpetuates the abuse of power and authority at the expense of the citizenry, and allows the illicit use and/or diversion of public resources for private-personal gain. At the micro level, corruption undermines personal integrity and affects the ability of those in positions of trust to effectively carry out their duties. In worst cases, corruption undermines public confidence in the institutions of the state and can be a major cause for legitimacy problems confronting authorities at all levels.

### 3.2 CORRUPTION

Corruption is understood in relative terms and there is no agreeable definition of it. However, there is general acceptance on what it does and the impact it has on the general populace. Corruption is widely seen as the misuse of office for private gain, or the advancement of private interests that are contrary to the interests or office or position one occupies. This definition can be viewed in three different contexts: (a) abuse of office in the context of decision-making, (b) abuse of office in the context of financial gain and material possession, and (c) abuse of office in the context of unethical and dishonest conduct.

The abuse of office in the context of decision making refers to situations where decision makers placed in the position of trust are making policy decisions to advance their own private interest and of those they are aligned with. Such decisions have both short and long term ramifications in that they perpetuate, and often legitimise corruption, to the detriment of those that decision makers are supposed to serve.



Some examples of these in PNG can be found in the Barnett Inquiry in the Forestry dealings and the National Provident Fund (NPF) Inquiry into the conduct of the Board of the management of NPF.<sup>6</sup>

The abuse of office in the context of financial gain and material possession refers to situations where leaders and those in a position of trust acquire finance and material possession belonging to the office or the people they serve. This is done through theft, fraud, misappropriation for the purpose of self enrichment, abusing officially sanctioned process and rigging the procurement system to award contracts, to name a few. Some examples of this in PNG can be found in the successive reports of the Auditor General, the PAC deliberations and the recent DoF Inquiry.

The abuse of office in the context of unethical or dishonest conduct refers to the personal conduct of leaders and those in the position of trust on what is and what is not acceptable behaviour. In this context, a person is said to be corrupt if he or she is behaving in an unethical manner, or if he or she is acting dishonestly or inconsistent with acceptable norms of the office or position he or she holds. Often corruption in this context may not necessarily be corruption in the legal sense, but is considered unacceptable and therefore undermines the personal integrity of a person. And, as mentioned earlier, when personal integrity is eroded, trust on a person can be undermined, which can lead to loss of confidence and the erosion of leadership.

### 3.2.1 PNG's Perception of Corruption

On a general level, almost all Papua New Guineans will agree to the definitions of corruption offered above. In fact, in the public consultations leading up to developing this strategy document, there was agreement on the definitions above. The difficulty, however, is when one uses a "cultural" lens to view corruption. The above definitions notwithstanding, in PNG as in many developing countries, corruption is often viewed differently because of different cultural perspectives on what is morally right or wrong. This situation tends to compound the difficulty in combating corruption. For example, some communities will accept certain types of behaviour when the same behaviour will not be accepted by others. The act of giving and accepting gifts as a token of appreciation of one's efforts and providing patronage in exchange of loyalty are some examples that may not be necessarily seen as corrupt, and yet these are often viewed as major sources of corruption in modern day public administration and politics. As the People of PNG work together to implement the NACS, such issues will need to be discussed and addressed, especially in the context of how such perspectives help to perpetuate corruption and undermine good governance.

### 3.3 COMMON TYPES OF CORRUPTION

A survey of international experience on corruption points to five common types of corruption<sup>7</sup> namely:

- a. **Bribes:** these are illicit payments, usually in monetary form, to public servants or those engaged to perform an official duty of which five broad categories of bribes can be distinguished:
  - Bribes paid for (a) access to a scarce benefit, or (b) avoidance of a cost;
  - Bribes paid for receipt of a benefit (or avoidance of a cost) that is not scarce, but where state officials must exercise discretion;
  - Bribes paid, not for a specific benefit itself, but for services connected with obtaining a benefit (or avoiding a cost) such as speedy service or inside information;
  - Bribes paid (a) to prevent others from sharing a benefit or (b) to impose a cost on someone else;
  - Bribes paid to prevent or avoid sanctions or punitive actions.
- b. **Theft/illegitimate acquisitions** of state or personal assets through the misuse and/or abuse of power. This includes but is not limited to: spontaneous privatization of public enterprises, equipment, financial sources, uncontrolled utilization of funds of enterprises, obtaining credit without payments, payments of wages to un-existing employees etc.
- c. **Clientalism/wantokism:** promoting interests of family or wantoks in terms of favours for jobs, contracts or other services. In PNG this takes the form of nepotism, which undermines the principle of meritocracy, fairness and due process among others.
- d. **Political corruption:** violation of the election legislation, illegal financing of electoral campaigns, improper lobbying, engineering electoral violence to gain political advantage, etc.
- e. **Conflict of interest:** the use of official power to achieve unfair market advantage or for personal benefit through the manipulation of regulatory and legislative means. The lack of separation between public and private sectors or shadow state.



### 3.4 NATIONAL TRENDS

The scope and scale of corruption in PNG cannot be easily determined. Yet there is common agreement that despite efforts to eradicate it corruption continues to run unabated and is doing inexorable harm to the very fabric of the PNG society. Influential reports both from GoPNG and independent sources show clearly that corruption is no longer sporadic, isolated to certain segments of the community and institutions; rather corruption appears to be more systemic and endemic. For example, in 2010 the PNG Public Accounts Committee (PAC) reported that: "In total, we have made inquiry into 1000 agencies, each examined from 2003 to 2008. The findings have shown that the management and accountability by public servants and the government has collapsed miserably".<sup>8</sup>

Overall, there has been a rise both in terms of the number and frequency of corruption and bad governance practices as shown by the investigations by various Commissions of Inquiries instituted by the Government, the National Parliament's PAC, the work of the Auditor General and the Ombudsman Commission, to name a few.<sup>9</sup>

Perception on the international level also lends support to the domestic view, although highly perceptual and therefore drawing criticisms from certain circles in PNG.<sup>10</sup> For example, the Corruption Perception Index (CPI) — the indicator that highlights the propensity of domestic corruption and its damaging influence — rates PNG to be one of the developing countries high on corruption. And, PNG does not fare well against its Pacific neighbours on the CPI. In 2007, PNG was ranked 162 out of 180 countries, far below Vanuatu 98, and Solomon Island 111. In 2008, PNG was ranked 151, compared to Samoa 62, Solomon Islands and Vanuatu 109, and Tonga 138. In 2009, PNG was ranked 154, again falling behind Samoa 56, Vanuatu 95, and Tonga 99.<sup>11</sup>

#### 3.4.1 Common Features of Corruption in PNG

Corruption and bad governance tend to feature prominently in the following areas in PNG, although they are by no means exhaustive:

- Questionable and dishonest conduct which undermines and questions the personal integrity of those who are in the position of trust and authority,
- The use of bribery to acquire preferential service or treatment,
- Theft of public money and illegal acquisition of assets by abusing one's position of authority,
- Disregarding and bypassing officially sanctioned process to acquire a service or select appointees to important positions,

- Lack of compliance with the Public Finance Management Act including breaching the procurement process,
- Intra and inter-departmental scheming or collusion by public servants to defraud the state involving millions of Kina,
- Lack of compliance to audit and accountability requirements sanctioned by law,
- Non reporting of performance and the failure to account for and report the use of public money,
- Failure to enforce compliance, accountability and transparency,
- Nepotism, resulting in recruitment and retention of unqualified personnel and the failure to discipline non-performing staff,
- Conflict of interest in public decision-making,
- Misappropriation of public funds,
- Abuse of discretionary powers and privileges for private-regarding or personal interests, and
- Maladministration or incompetence both in leading and administering government institutions and departments.

Private sector corruption also poses a major challenge for PNG where the sector is often implicated in corrupt procurement processes, although less alarming than the public sector. Companies will often pay bribes or rely on contacts to rig tenders. In addition, PNG's wealth of natural resources, while of great potential benefit to citizens, has opened up huge opportunities for corruption.<sup>12</sup> Revenues from natural resource extraction activities if not carefully monitored and managed can be subject to corruption.

### **3.4.2 Anti-Corruption Laws and Institutions**

PNG has fairly good anti-corruption laws and institutions by developing country standards. The Organic Law on Duties and Responsibilities of Leadership (OLDRL), commonly referred to as the Leadership Code, is perhaps one of the most important legislations that has helped in containing corruption at the top echelons of government and politics. The Code defines monitoring and disclosure of assets by leaders, their conduct and the rules and registries concerning gifts and hospitalities. And it requires leaders to provide an annual return to the Ombudsman Commission stating their wealth and sources of their income.

As well, there are other legislations such as the Public Finance Management Act (PFMA), the Audit Act and the Public Service Management Act (PSMA), which regulate the conduct of public officials and provide measures to prevent conflict of interest in the office. Also, Parliament adopted the Proceeds of Crime Act in 2005, which seeks to, among others, prevent money laundering, ensure the forfeiture of property used in connection with the commission of offences, and deprive persons of, and benefits derived from, the commission of offences.

On the institutions side, the Ombudsman Commission has functioned quite well since Independence, although recent challenges to its powers may weaken its effectiveness. The Auditor General produces regular reports on the use of public money despite weakness in enforcing its recommendations; and a Financial Intelligence Unit was recently established to monitor and combat money laundering and financial fraud using the banking and financial institutions. Also, in 2009, the Anti-Corruption Taskforce was established to strategically coordinate Government anti-corruption efforts across agencies of government. For even longer, the National Anti-Corruption Alliance (NACA) has been working to ensure coordination of Government efforts to tackle corruption across government and the private sector. And Papua New Guinea was the first country in the Pacific to ratify the UNCAC in July 2007 following its endorsement of the ADB-OECD Anti-Corruption Initiative for Asia and the Pacific Action Plan in November 2001.<sup>13</sup>

### 3.4.3 Incapacity of Policy and Institutional Containment Measures

Despite the above developments, there is common agreement that PNG is not doing enough<sup>14</sup>. The rising trend in corruption cases and poor governance practices suggest that current policy and institutional measures are either insufficient or unable to deal with the types of corruption cases the country is facing. For example, several referrals of the alleged breach of the Leadership Code by the Ombudsman Commission, some stretching back several years, are still waiting to be acted upon by the Public Prosecutor. In the meantime, the cloud of suspicion remains on the integrity of those leaders who have been referred. Parliamentary committees, a key mechanism of legislative oversight and control, are no longer functioning save for the few. Even where they operate, they often have insufficient support to effectively discharge their mandated tasks and the reports that they table are not acted upon.

Other audit and accountability institutions' operability are almost breaking down or hampered by a lack of legal and policy support, insufficient backing from other agencies, and weak capacity arising from a lack of resources and professional staff. The police has very weak capacity to investigate corruption complaints, and prosecutions can take a long time to progress through the system. As a result, the Criminal Code has been difficult to enforce in many of the corruption cases dealt with by police.



### 3.4.3 Corruption is Worsening

There is a strongly held view that corruption is worsening. The 2007 report of the Audit of Anti-Corruption Measures by the National Research Institute (NRI) pointed out that there are inadequate anti-corruption laws and institutions available in PNG and that existing anti-corruption mechanisms cannot cope and are functioning below their maximum potential. It also observed that most government institutions appear to be tolerant and passive about corruption and where they are functioning, this has little effect on weeding out corruption.<sup>15</sup> In 2010, the PAC reported that accountability and transparency in the use of public money within all but five of 1000 Government agencies has collapsed.<sup>16</sup>

A significant problem has been the systemic weaknesses on all control and accountability mechanisms across the board and at all levels, particularly within the public service. This situation has significantly affected the efficacy of the civil service and has stalled the delivery of important public services to Papua New Guineans.

Of paramount concern is the gradual weakening of the public finance management system, including the public procurement system over the years. This situation has provided a fertile ground for corruption to thrive, as revealed by the 2005 Department of Finance Inquiry commissioned by the Government. In an independent and exhaustive review jointly undertaken by the GoPNG and development partners, it was revealed that abuse of process and procedures, theft, lack of proper accounting, lack of enforcing compliance, wasteful spending and a lack of financial accountability were key problems affecting the public finance management system.<sup>17</sup>

Without concrete action, the scale of corruption in PNG is set to intensify. A unified national effort towards the realization of a shared vision and common goals on tackling corruption will be required to stem the tide of corruption. Such an effort will require employing a number of measures aimed at addressing the root causes of corruption and not just the symptoms. It should be inclusive and participatory; government led and coordinated, and should be given the strongest support from the highest political level.

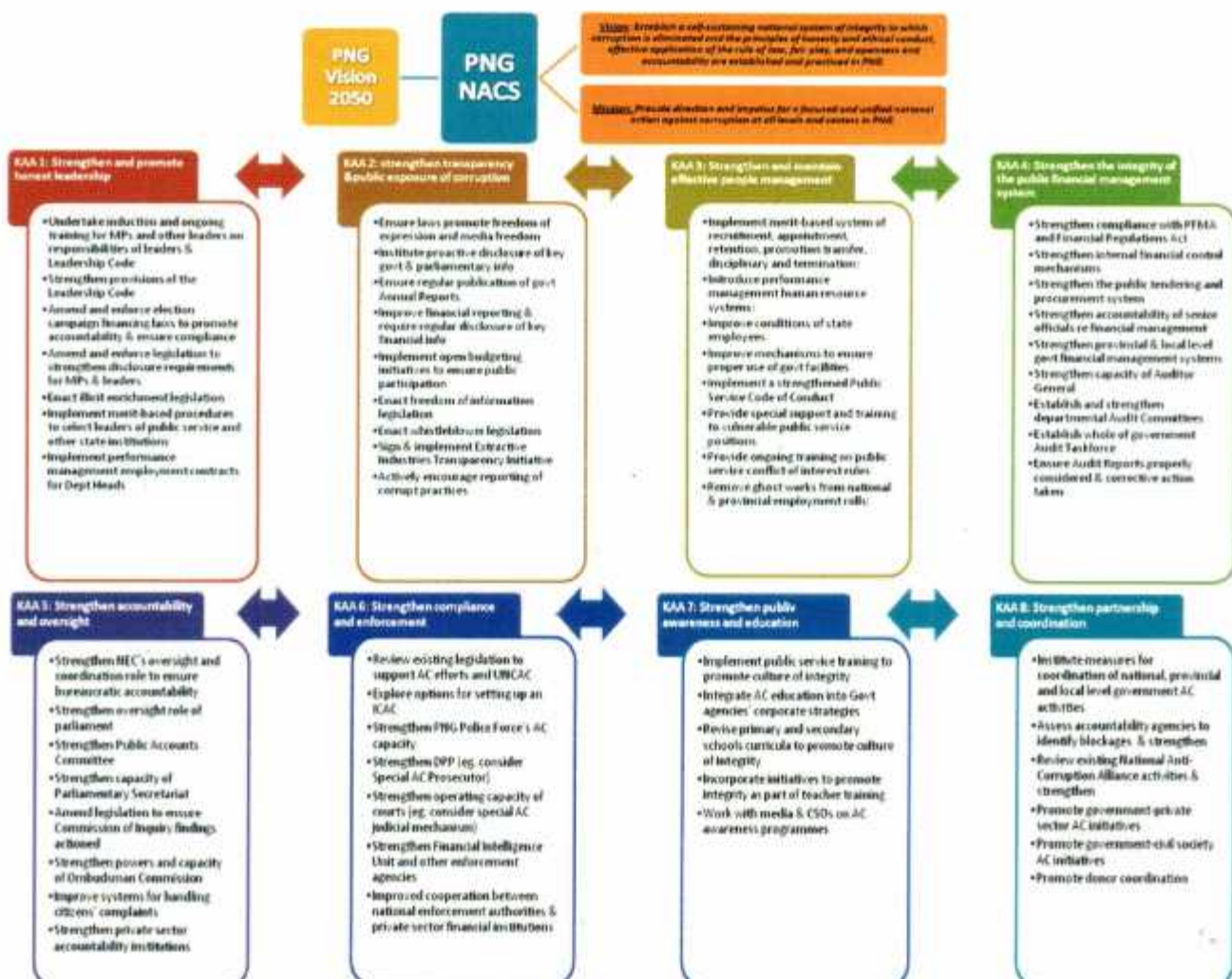
# Part IV

## NATIONAL ANTI-CORRUPTION STRATEGY FRAMEWORK

*"Without a guiding national strategy, efforts on tackling corruption will be sporadic and piecemeal, creating gaps in intervention modalities and squandering scarce resources needed for a meaningful fight against it..... What is needed is a national strategy that will provide the basis for cooperation and unified action at all levels."*

The PNG NACS

### 4.1 STRATEGY FRAMEWORK



## 4.2 VISION

PNG NACS overall vision is to:

Establish a self-sustaining national system of integrity in which corruption is eliminated and the principles of honesty and ethical conduct, effective application of the rule of law, fair play, and openness and accountability are established and practiced in PNG.

By having a self sustaining system of integrity, the PNG NACS will contribute to improving PNG's Human Development Index (HDI), improve service delivery and improve the quality of life of all Papua New Guineans.

## 4.3 MISSION

As a key national strategy, the PNG NACS' mission is to:

Provide direction and impetus for a focused and unified national action against corruption at all levels and sectors in PNG.

## 4.4 LONG-TERM GOALS

The PNG NACS long-term goals are to:

1. Improve and intensify national efforts to tackle corruption through focused and collaborative actions across all sections of the PNG community involving all actors, including state actors, non state actors, civil society and individual citizens
2. Strengthen democracy and public accountability and the integrity and operational and management capacity of state and public institutions
3. Strengthen the integrity and operability of private sector institutions and commercial entities
4. Build a strong civil society that rejects, exposes and fights corruption,
5. Build and strengthen Papua New Guineans' trust and confidence in their government, state institutions and the private sector; and
6. Build and strengthen the international community's confidence on PNG, its government and its people.



## 4.5 ROLE OF PNG NACS

The role of PNG NACS is to:

- Provide a comprehensive unified national directive for combating corruption;
- Provide a clear set of anti-corruption goals and the strategies for achieving them
- Provide a clear and concise direction to all stakeholders in their fight against corruption
- Unify, harmonise and link different anti-corruption efforts at all levels and sectors to achieve common medium and long term national anti-corruption goals
- Be the key platform for building a broad national coalition for combating corruption between state actors, non state actors, civil society and the private sector; and,
- Be used as a framework to coordinate, monitor and assess anti-corruption measures, and for improving such measures as and when necessary

## 4.6 PRINCIPLES UNDERPINNING THE STRATEGY

All national efforts taken under the PNG NACS directives will observe the following principles:

- Any measures to combat corruption will respect and observe the application of the rule of law
- Any measures to combat corruption will observe and respect the rights of citizens guaranteed by the National Constitution
- Constitutional independence of existing watchdog agencies and audit and accountability institutions, including the separation of powers of the different arms of government, will be respected and observed
- Any measures to combat corruption will promote the high priority needs of the government including but not limited to the Five National Goals and Directive Principles enshrined in the National Constitution and the goals of the PNG Vision 2050; and
- The PNG NACS will engender inclusiveness, participation and collaboration of all stakeholders regardless of who they are, in its mission to eradicate corruption.

#### 4.7 IMPLEMENTING THE STRATEGY

As a key strategy, the PNG NACS will be taken seriously and implemented by all actors and stakeholders:

- The PNG NACS will work in support and unison with other country strategies and priorities and objectives of the government
- The PNG NACS will be incorporated into all sectoral and corporate strategies, where each actors will be required to incorporate meaningful anti-corruption measures consistent with the PNG NACS in their sectoral and corporate priorities and plans, and
- The implementation of such measures will be subject to regular review to determine effectiveness and impact, and future strategies for improvement and action.

# Part V

## STRATEGIES FOR NATIONAL ACTION AGAINST CORRUPTION

*Paradoxically, PNG has more than its share of public watch-dog bodies with a mandate to enforce compliance with the PFMA and identify corruption and waste. These include the Auditor General's Office, the Public Accounts Committee of Parliament and the Financial Inspections Division of Treasury. The basic problem though is that all these watchdog bodies have been rendered ineffective because of absence of follow-up action on the irregularities they uncover.*

*PERR Report<sup>18</sup>*

There are no quick-fix solutions to fighting corruption. Tackling corruption will have maximum impact if efforts are unified, relentless, focused and coordinated. Areas which have shown systemic and endemic weaknesses or are prone to be abused and therefore face the greatest risk of being corrupt should receive immediate attention in any anti-corruption campaign. As well, precautionary preventative and curative measures should be put in place to prevent corruption even if actors, systems and institutions are working well, in case they succumb to the evils of corruption over time.

PNG's strategies for national action against corruption will employ a combination of measures. Each measure or group of measures may be different, targeting different areas and aimed at tackling different aspects of corruption. Collectively, however, measures adopted will be interdependent, providing reinforcement to each and implemented towards common goals. Yet others may act as platforms for the successful launch of measures yet to be deployed. In this regard, sequencing of strategies and specific action measures will need to be taken into account when implementing the PNG NACS.

PNG's anti-corruption efforts will focus on **Eight Key Actions Areas** (KAA) considered important to create a self-sustaining national system of integrity and the elimination of corruption:

- PROMOTE AND STRENGTHEN HONEST LEADERSHIP
- STRENGTHEN TRANSPARENCY AND PUBLIC EXPOSURE OF CORRUPTION
- BUILD AND MAINTAIN EFFECTIVE PEOPLE MANAGEMENT
- STRENGTHEN THE INTEGRITY OF THE PUBLIC FINANCIAL MANAGEMENT SYSTEM
- STRENGTHEN ACCOUNTABILITY AND OVERSIGHT



- STRENGTHEN COMPLIANCE AND ENFORCEMENT
- STRENGTHEN PUBLIC AWARENESS AND EDUCATION
- STRENGTHEN COORDINATION AND PARTNERSHIP

## 5.1 KEY ACTION AREA 1: STRENGTHEN AND PROMOTE HONEST LEADERSHIP

### 5.1.1 Current Situation

Leadership plays a crucial role in managing people, institutions and countries. Institutions and countries are most at risk if their leaders are not honest and do not display the highest standards of integrity in what they do. The debilitating state of leadership across all level of state and public institutions in PNG is apparent and is a major cause for systemic weakness and failure in the operability of state institutions, including the ushering in of corruption and bad governance practices. If corruption is to be addressed successfully, it would be necessary first and foremost to have honest leaders, displaying the highest level of integrity in what they do.

### 5.1.2 Action Area Outcome

Honest and ethical leadership is established and practiced at all levels, especially in state institutions and the public service.

**Target Areas:** All Leaders: parliament, executive, judiciary, audit and accountability institutions, public service, other state institutions, the private sector

**Vulnerable areas:** Political leadership, public service leaders including leaders of statutory authorities and other state organs

### 5.1.3 Action Area Objectives

There are three primary objectives to KAA 1:

1. To create awareness on the virtues and importance of personal integrity, honesty and accountability among leaders at all levels and sectors
2. To build a strong culture that values, promotes and rewards honest and ethical leadership, and
3. To develop and build honest and ethical leaders in all state, public and private sector institutions.

#### 5.1.4 Actions to be taken

The following actions will be taken in KAA 1:

- A. Carry out induction and ongoing training for legislators at all levels on the roles and responsibilities of leaders, including compliance with the Leadership Code,
- B. Review and amend election campaign financing laws to promote transparency, accountability and integrity and ensure strong penalties for non-compliance,
- C. Amend/enact legislation to strengthen disclosure requirements re financial interests, asset holdings and conflicts of interest for leaders and ensure strong penalties for non-compliance,
- D. Enact illicit enrichment legislation to enable investigations into the accrual of assets by which cannot be reasonably explained, especially those who occupy influential positions,
- E. Strengthen disclosure requirements of the financial dealings of leaders and those who occupy positions of authority,
- F. Strengthen the provisions of the Leadership Code to ensure effective investigation, prosecution and stronger penalties for corrupt leaders,
- G. Implement transparent, merit-based procedures to select leaders of public service and other state institutions, and
- H. Implement performance management employment contracts to promote accountability of departmental heads

## 5.2 KEY ACTION AREA 2: STRENGTHEN TRANSPARENCY AND PUBLIC EXPOSURE OF CORRUPTION

### 5.2.1 Current Situation

Transparency and the public exposure of corruption are important deterrents. People and institutions involved in corrupt practices will be afraid to engage in such practices if they know that their actions are observed and therefore are open to official and public scrutiny. The lack of openness on institutional and personal actions combined with a disinterested public often unwilling to expose corruption not only provide more opportunities for corruption to take place, but have also been some of the primary causes for the rise in corruption cases.

### 5.2.2 Action Area Outcome

Transparency and public exposure of corruption is strengthened

**Target Areas:** All state and non-state actors

**Vulnerable Areas:** All state institutions and their actors including political leaders

### 5.2.3 Action Area Objectives

There are three primary objectives to KAA 2:

1. To promote openness and integrity across all institutions and actors,
2. To provide the public and civil society greater access to official information, and
3. To create greater opportunities for public and community scrutiny and reporting of corruption.

### 5.2.4 Actions to be taken

The following actions will be taken in KAA 2:

- A. Establish and strengthen legislation, regulations and policies that protect and promote the right to freedom of speech, media freedom and public debate on corruption,
- B. Institute proactive disclosure of government and parliamentary information,
- C. Strengthen regular publication and consideration of government Annual Reports, including departmental reports and reports of accountability institutions,
- D. Institute measures to improve financial reporting within government and to require regular public disclosure of key financial information,



- E. Explore and implement open budgeting initiatives, designed to ensure public participation in budget development and oversight,
- F. Provide incentives for reporting and exposing corrupt practices among civil society at all levels,
- G. Enact comprehensive Freedom of Information legislation, in support of Article 51 of the Constitution,
- H. Enact whistleblower legislation to promote disclosure of public wrong doing, and
- I. Sign and implement the Extractive Industries Transparency Initiative

### 5.3 KEY ACTION AREA 3: STRENGTHEN AND MAINTAIN EFFECTIVE PEOPLE MANAGEMENT

#### 5.3.1 Current Situation

Corruption thrives in situation where weak administrative systems and processes provide opportunities for corruption and unethical conduct to take place at a personal level. Poor people management has been a key cause for the upsurge of corrupt and unethical practice in state and the public service institutions. Strengthening the effectiveness of state institutions and the public service machinery will require strong interventions to improve people management systems, procedures and conditions.

#### 5.3.2 Action Area Outcome

People management systems, procedures and conditions are strengthened.

**Target Areas:** State institutions and the public service machinery.

**Vulnerable area:** employees of the public service machinery and state organs.

#### 5.3.3 Action Area Objectives

There are three primary objectives to KAA 3:

1. To remove opportunities for corruption and unethical conduct,
2. To restore and strengthen personal discipline and integrity, and
3. To strengthen the performance and integrity of state institutions and the public service.

#### 5.3.4 Actions to be Taken

The following actions will be taken in KAA 3:

- A. Review and current public service recruitment regulations to implement a fully merit-based system of recruitment, appointment, retention, promotion, transfer, disciplinary and termination procedures to ensure that principles of openness, accountability and performance are promoted,
- B. Strengthen current public service transfer, disciplinary and termination procedures to ensure coordinated processes,
- C. Introduce performance-based human resource management systems and processes,

- D. Improve terms and conditions of state employees and public servants,
- E. Improve mechanisms to ensure proper use of facilities by public servants,
- F. Develop, provide training on and enforce a Public Service Code of Conduct,
- G. Identify especially vulnerable public service positions (e.g. in procurement, finance) and provide special training and support,
- H. Provide special ongoing training on public service rules on conflict of interest, and
- I. Review all national and provincial government employment rolls to remove ghost employees;



## 5.4 KEY ACTION AREA 4: STRENGTHEN THE INTEGRITY OF THE PUBLIC FINANCE MANAGEMENT SYSTEM

### 5.4.1 Current Situation

Corruption in the public finance management system is perhaps one of the significant problems facing PNG at the present time. Public monies and assets have been subject to outright theft, fraud and diversion for illicit use. This situation is perpetuated by a combination of factors including poor leadership and management, lack of measures to monitor and detect fraud and stealing, deliberate flaunting of procedures, collusion by officials to defraud the state often across agencies, lack of financial reporting and accountability, and a lack of enforcing compliance by those who are responsible. The systemic and endemic nature of corruption in the public finance management system is such that urgent action is required to arrest the situation.

### 5.4.2 Action Area Outcome

Integrity of the public finance management system is restored and financial corruption is tackled.

**Target Areas:** All institutions of state and the public service, budget and financial institutions, Department of Finance

**Vulnerable areas:** All budget and financial institutions, public service departments and state institutions

### 5.4.3 Action Area Objectives

There are three primary objectives to KAA 4:

1. To remove theft, fraud and corruption from the public finance management system,
2. To strengthen the financial operating capacity of budget and financial institutions, public service departments and state institutions, and
3. To establish compliance to the Public Finance Management Act (PFMA).

### 5.4.4 Actions to be taken

The following actions will be taken in KAA 4:

- A. Strengthen the accountability of departmental heads and senior management officials on financial disbursement, disclosure and acquittals,

- B. Strengthen provincial and local level government financial management systems,
- C. Institute measures to strengthen compliance with the PFMA and Financial Regulations Act across all levels of the public service,
- D. Strengthen internal control mechanisms to monitor, detect, expose and take corrective action on theft, fraud and misappropriation,
- E. Strengthening the public tendering and procurement system to promote openness, accountability, efficiency, outcomes and value for money and zero-tolerance for corruption,
- F. Establish a whole of government Audit Taskforce,
- G. Strengthen the Office of Auditor General by ensuring provision of sufficient personnel, resources and training to discharge the Office's mandate,
- H. Strengthen the role of internal departmental Audit Committees and provide training, personnel, resources and training to ensure they have capacity, and
- I. Take action on Audit Reports by investigating, prosecuting and criminalizing thefts, fraud, and misappropriation of public money and state assets.

## 5.5 KEY ACTION AREA 5: STRENGTHEN ACCOUNTABILITY AND OVERSIGHT

### 5.5.1 Current Situation

Accountability and oversight are key pillars of the national integrity system and are maintained by a number of special audit and accountability institutions empowered by law or the constitution to carry out these tasks. Over the years, however, there has been a gradual weakening of these institutions for a number of reasons. One is that their capacity has been eroded through neglect and poor leadership. Yet another is the elaborate erosion of the powers of such institutions by parliament, which has rendered them ineffective in combating corruption. The restoration of audit and accountability institutions and the strengthening of their capacity will be paramount to any anti-corruption effort. Also, it is important to ensure that these organisations are free from fraud and bribery as such organisations are often targeted first by corrupt practices. Equally important is the need for such bodies to work in unison, complementing each other in their efforts against corruption.

### 5.5.2 Action Area Outcome

Integrity of audit and accountability institutions and their capacity is restored and strengthened.

**Target Area:** Parliament and the parliamentary committee system, the PAC, Cabinet (NEC), the court system, central agencies and the CACC, the Ombudsman Commission, the Police Fraud Squad, the Auditor General and internal audit committees of departments, the Public Prosecutor, the Finance Inspection Branch of the Department of Finance, the Public Service Commission, the Electoral Commission, the Registrar of Political Parties, the National Anti-Corruption Alliance, PNG Securities Commission, the International Revenue Commission, Customs and Immigration, and the Investment Promotion Authority.

**Vulnerable Areas:** Parliament and parliamentary committees, police fraud squad and anticorruption agencies, Finance Department, Public Service Commission, customs and immigration and all Public Service Organisations.

### 5.5.3 Action Area Objectives

There are seven primary objectives to KAA 5:

1. To strengthen the key pillars of the national integrity system,
2. To strengthen the accountability and oversight role of parliament,
3. To strengthen the accountability and oversight role of cabinet,
4. To strengthen the integrity and transparency of audit and accountability institutions,



5. To strengthen the accountability and ethics of the Public Service,
6. To empower and maintain the independence of the audit and accountability bodies, ensuring that they are outside of political control and external influence
7. To strengthen the operability of accountability and oversight bodies so that they can effectively fight corruption, and
8. To strengthen private sector audit and accountability entities.

#### 5.5.4 Actions to be taken

The following actions will be taken in KAA 5:

- A. Strengthen the integrity of the NEC to prevent it from policy capture,
- B. Institute measures to strengthen NEC's oversight role on the performance of the public service machinery and other state institutions, including the performance and accountability of departmental heads,
- C. Strengthen NEC advisory and coordination mechanisms to ensure accountability at the highest levels,
- D. Institute measures to strengthen the oversight role of parliament, in particular the role and impartiality of the Speaker and parliament's scrutiny and oversight role on bill, policies and the operation and performance of the executive government,
- E. Strengthen the Public Accounts Committee's investigative capability and empower it to refer for prosecution persons found to have engaged in corrupt or illegal conduct,
- F. Strengthen the capacity of the Parliamentary Secretariat, in particular, to provide support services to all parliamentary oversight committees,
- G. Amend legislation and rules as necessary to ensure that Commission of Inquiries findings are acted upon, especially in investigating, prosecuting and criminalising thefts, fraud and misappropriation of public money and state assets,
- H. Strengthen the powers of the Ombudsman Commission and ensure appropriate personnel, resources and training are provided to ensure it can effectively discharge its mandate,
- I. Streamline and improve systems for the lodgement and processing of citizens' complaints, especially handling of corruption complaints,

- J. Institute measures to strengthen the integrity of all audit and accountability bodies including measures on instituting effective ethical and professional standards of staff, improved reporting of performance and allowing increased public access of information on the governance of such institutions, and
- K. Strengthen the private sector accountability and oversight institutions (e.g. Securities Commission, IRC-customs and IPA) and professional bodies charged with maintaining the professional integrity of commercial-private sector entities.

## 5.6 KEY ACTION AREA 6: STRENGTHEN COMPLIANCE AND ENFORCEMENT

### 5.6.1 Current Situation

Non compliance to established rules and norms and the failure to act against corrupt practices, including the failure to enforce compliance continues to be a key problem in PNG. A large part of the problem involving the theft and mismanagement of our public finances has to do with non compliance issues. Equally, the rise in the frequency and cases of corruption is a direct result of the failure by enforcement agencies to actively enforce the laws against corruption. A successful campaign against corruption will need to improve compliance at all levels, ensuring also that all enforcement agencies properly carryout their roles.

### 5.6.2 Action Area Outcome

Compliance is enforced and capacity of key actors and enforcement agencies are strengthened.

**Target Areas:** Public service and state institutions, all enforcement agencies, in particular investigation and prosecution agencies and the court system

**Vulnerable areas:** public service, state institutions and watchdog agencies

### 5.6.3 Action Area Objectives

There are three primary objectives to KAA 6:

1. To establish a compliance-based culture across the public service and state institutions
2. To strengthen the capacity of all enforcement bodies, including the courts and investigation and prosecuting agencies to effectively carryout their role, and
3. Strengthen efforts in investigating, exposing and taking action against corruption, including prosecuting and criminalising corruption.

### 5.6.4 Actions to be taken

The following actions will be taken in KAA 6:

- A. Review existing legislation to ensure relevant legal instruments are in place to support anti-corruption efforts and PNG's UNCAC obligations,
- B. Strengthen capacity of enforcement agencies to implement the Proceeds of Crimes Act 2005,



- C. Explore options for establishing a strong anti-corruption body such as an Independent Commission Against Corruption (ICAC), and implement recommendations as appropriate.
- D. Strengthening the Police Force's capacity to investigate corruption cases, especially strengthening the capacity of the Police Prosecution Service and the Criminal Investigation Department (CID) of the Police Force.
- E. Strengthen Department of Public Prosecutions (DPP), including assessing the appropriateness of establishing a Special Prosecutor to try corruption cases, especially cases of grand corruption and offences identified by Commission of Inquiries and other anti-corruption , and implement recommendations as appropriate.
- F. Improve the operating capacity of the court system to promote timely decision-making, including establishing a special judicial mechanism to expedite corruption trials, and implement recommendations as appropriate.
- G. Institute measures to maintain the impartiality and integrity of the court system, DPP and Police Force, including developing and implementing strategies to shield them from corruption.
- H. Strengthen the capacity of the PNG Financial Intelligence Unit (PNGFIU), NACA and other anti-corruption and enforcement agencies, and
- I. Institute measures for improved cooperation between national enforcement authorities and private sector financial institutions on the exchange of information, investigation, prosecution and criminalisation of corruption.

- C. Revise the primary and secondary schools curricula to include civic education activities which promote a culture of integrity and zero-tolerance of corruption,
- D. Incorporate education initiatives to promote integrity and tackle corruption as part of teacher training,
- E. Support activities designed to promote zero-tolerance on corruption in the private sector, such as the Business Against Corruption Alliance (NACA),
- F. Work with media and civil society organisations to develop and implement public anti-corruption awareness programmes, and
- G. Strengthen and protect the freedom of the media.

## **5.8 KEY ACTION AREA 8: STRENGTHEN COORDINATION AND PARTNERSHIP**

### **5.8.1 Current Situation**

The fight against corruption in PNG has been sporadic and uncoordinated. And while this fight is everyone's business, it has often been left to a handful of people and organizations. Furthermore, anti-corruption efforts have not always been effectively led and channeled towards a set of identifiable outcomes or goals. If anything, the fight against corruption has been without a clear identifiable leader and clear outcomes. If the PNG NACS is to be successful, it must have strong leadership, effectively coordinated, and involve everyone.

### **5.8.2 Action Area Outcome**

Leadership, coordination and partnership of the PNG NACS are strengthened.

**Action Areas:** All sections and sectors of the PNG community.

**Vulnerable Areas:** Government providing overall leadership on the PNG NACS.

### **5.8.3 Action Area Objectives**

There are two primary objectives to KAA 2:

1. To establish national, provincial and local level coordination mechanisms for the PNG NACS,
2. To strengthen coordination and partnership within and across government, civil society and the private sector, and
3. To strengthen international cooperation in combating corruption.

#### 5.8.4 Actions to be taken

The following actions are to be taken in this KAA:

- A. Institute measures for coordination of national, provincial and local level government anti-corruption activities,
- B. Undertake an assessment of current accountability agencies to identify blockages in information-sharing and coordination and implement options to address such blockages,
- C. Implement options for promoting government-private sector and government-civil society anti-corruption initiatives,
- D. Implement options to ensure effective donor coordination in support of government anti-corruption initiatives, and
- E. Strengthen international cooperation on anti-corruption efforts



# Part VI

## PNG NACS IMPLEMENTATION

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*"Supporting anti-corruption efforts in principle, though commendable, is not enough. Effectively combating corruption requires taking real action on efforts already agreed on".*

*Anonymous*

Because the PNG NACS overall aim is to elicit unified action across all sectors of the PNG community, its implementation will pose a variety of challenges. Of particular importance are the administration and coordination mechanisms that will ensure its successful implementation,

### 6.1 CRITICAL SUCCESS FACTORS

The following issues are critical to the success of PNG NACS:

#### 6.1.1 Ongoing Political Support

Political support from all political leaders and at the highest level will be required if the PNG NACS is to be successful. In this regard, Governments at all levels will be required to provide unequivocal backing to PNG NACS. This backing should come from the highest levels, and should reflect the principle of "leadership by example".

There will be three types of support that will come from the political level:

- Political will to make decisions against corruption, even making 'unpopular' decisions that may be contrary to certain political interests
- Financial support to speed up and effectively implement national anti-corruption efforts, and
- Political leaders 'walking the talk' than merely providing lip service on the war against corruption.

#### 6.1.2 Strong Leadership

The overall leadership of the PNG NACS will continue to rest on the National Government at a strategic level. However, at the operational level, all stakeholders will have to assume leadership

on the actions they carry out to tackle corruption consistent with the National Implementation Plans and their own Action Plans.

### 6.1.3 National Collaboration

The success of the PNG NACS rests on the realisation that tackling corruption is everyone's business. Although the Government will provide overall leadership on the implementation of the NACS, building developing robust partnerships with all stakeholders is necessary. To this end, Key Action Area 8 recognises the need for the Government to develop partnership strategies with civil society, the private sector and development partners. Such strategies will form part of the PNG NACS Implementation Plan, and will operate to ensure that joint and collaborative action is taken against corruption on all fronts with stakeholders both within and outside the country.

## 6.2 NACS IMPLEMENTATION PLANS

The PNG NACS provides an overarching strategy to guide national efforts to tackle corruption, and as such it is not a detailed implementation plan. For the PNG NACS to be effective, it must be supported by a series of more detailed **Implementation Plans** set on a shorter time frame, preferably between 3 to 5 years, and leading up to 2025. Under each Implementation Plan, Key Action Areas will be considered in more detail. Each Implementation Plan will identify specific results and their targets, specific measures or activities to adopt, the body responsible, the resources needed, and the deadline for implementation. Performance indicators will also be developed, so that progress can be monitored and achievements determined.

### 6.2.1 Five Mutually Reinforcing Approaches to Implementation

Overall, the PNG NACS Implementation Plans will address the Key Action Areas using five mutually reinforcing approaches of:

- **Prevention** – Preventative measures through systemic, institutional, legislative, administrative reforms and public education and awareness raising, aimed at building democracy and a strong civil society, and an early and effective removal of incentives/compelling factors and opportunities for corrupt practices, also increasing the risk/deterrent effect;
- **Combating** – Criminalisation and law enforcement measures through an improvement in the legal and institutional arrangements for the detection, investigation and prosecution of corruption;
- **International Cooperation** – International cooperation measures aimed at preventing or combating transnational crimes and corruption;

- **Leadership and Coordination** – Leadership and coordination measures through building a broad national coalition against corruption, providing leadership on anti-corruption efforts and coordinating anti-corruption efforts towards the common vision and goals contained in the PNG NACS;
- **Monitoring** – Monitoring measures through the regular and systematic measuring of the impact of anti-corruption efforts through reliable and verifiable data collection, analysis and coordination.

### 6.3 GOVERNMENT'S ROLE

It is important that the PNG NACS Implementation Plan is integrated into existing government planning and programme processes so that they can get the resources and support they deserve. While the civil society and the private sector will play their part in any national anti-corruption efforts, the Government will continue to be the most significant player in the NACS and its implementation plan. And apart from the support it will provide to different actors, it will be required to provide the necessary leadership to steer national efforts and build a national coalition against corruption. Being the most significant player in NACS, the government will be required to commit both financial and personnel resources to the PNG NACS implementation. Ideally, the PNG NACS interventions identified in the Implementation Plan will be integrated into relevant sector and corporate plans, to ensure that they are taken seriously and acted upon.

### 6.4 MONITORING AND EVALUATION

Monitoring and evaluation of achievements, failures and lessons learned are important to determine the progress and effectiveness of anti-corruption efforts. In the long term, anti-corruption efforts will have to be evaluated to determine whether the Government is on track to meet the PNG NACS long term goals and support the achievement of Vision 2050. In the short term, NACS implementation plans will need to be assessed to determine the effectiveness of short-term measures and how implementation gaps can be covered.

Initially, it is envisaged that a 5 year Implementation Plan will be developed. This is a realistic timeframe within which to plan specific activities. Implementation progress will be monitored and the Implementation Plan updated and revised accordingly. At a strategic level, the Office of the Prime Minister or the established body responsible for the PNG NACS will track progress and will provide an annual report to the NEC. The PNG NACS Annual Report will also be tabled in Parliament at the following session for discussion. At the operational level, detailed monitoring and evaluation plans will form part of the PNG NACS Implementation Plans.



## ACKNOWLEDGEMENTS

The development of Papua New Guinea's National Anti Corruption Strategy has taken almost two years since March 2009 to complete. This strategy would not have come about had it not been for the directions and support of key stakeholders in the development process. The Inter-Departmental Committee (IDC) responsible for coordinating and putting the document together is indebted to the contributions from the following stakeholders:

- The former Prime Minister Grand Chief Sir Michael Somare and members of the National Executive Council for political directions set forth in various NEC decisions including decisions for the establishment of a national strategy to combat corruption and improve good governance and for the establishment of the Inter-Departmental Committee on Anti Corruption to oversee and coordinate the development of the National Anti Corruption Strategy;
- Chief Secretary to Government Mr. Manasupe Zurenuoc, for the leadership and persistent support towards the work of the IDC.
- Public Sector agencies of Government in PNG including departments of Education, Health, Defence, Auditor General's Office, Justice & Attorney Generals, Prime Minister & NEC, Ombudsman Commission, Community Development, Treasury, Finance, National Research Institute (NRI), National Planning and others for their various perspectives on the issue of corruption and how the strategy should accommodate these perspectives;
- Development partners including AusAid, New Zealand High Commission, United Nations Development Programme (UNDP) (PNG Office) and UNDP Pacific Regional Centre (Fiji) for providing broader perspective on the link between corruption and development and how the strategy should be tailored so that it fittingly addresses the institutional approaches for improving governance. In particular, the IDC would like to acknowledge the invaluable contribution by Ms. Charmaine Rodriguez of UNDP Pacific Centre for enlightening the IDC on the provisions of the United Nations Convention against Corruption (UNCAC).
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As co-chairs of the IDC, we are very delighted to have embarked on this very significant initiative on behalf of the National Government. The IDC has done its best to accommodate all the views and written comments that were brought to its attention and the final product is now before us. Let us utilise this strategy for the betterment of our people.

Thank you

**Mr. Trevor Meauri**  
Director  
Policy Integration & Control  
Strategic Planning, Policy Integration & Control Division  
Department of Prime Minister & NEC

**Mr. Molean Kilepak**  
Director  
Legal Policy & Governance  
Department of Justice &  
Attorney General

## ENDNOTES AND REFERENCES

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- <sup>1</sup> In *United Nations Convention Against Corruption* (2004), piii
- <sup>22</sup> See Article 5 of UNCAC, "Preventive anti-corruption policies and practices", p9.
- <sup>3</sup> PNG Vision 2050 (2009), p1.
- <sup>4</sup> See for example, *New Perspectives on Combating Corruption* (1998), and national anticorruption strategies for Sierra Leone (2005) and Pakistan (2002).
- <sup>5</sup> In *Institutional Arrangements to Combat Corruption* (2005), p3.
- <sup>6</sup> See the Barnett Inquiry and the National Provident Fund Inquiry, which reveal among others, the systemic abuse of decision making powers at various levels for direct and indirect self-enrichment.
- <sup>7</sup> This definition is widely used and is borrowed from the Transparency International (TI) Source Book (1996).
- <sup>8</sup> AAP (2010) "PNG Government agencies 'lack accountability'", *PacNews*, 18 February
- <sup>9</sup> There are a number of reports in PNG which give account of corruption in the country. See for example:
- Ombudsman Commission of Papua New Guinea. 1992. *Report of an Investigation into the Spring Garden Road Poreporena Freeway Project*. Boroko: Hebamo Press.
- Ombudsman Commission of Papua New Guinea. 1999. *Investigation in the Purchase of the Conservatory Cairns by the Public Officers Superannuation Fund Board*. Port Moresby: Government Printer.
- PNG Independent Commission of Inquiry. 2009. *Report of Independent Commission of Inquiry Report into the Finance Department*. Port Moresby: Government of Papua New Guinea.
- <sup>10</sup> While the accuracy of the CPI is contentious, its influence as an indicator of international significance should not be overlooked. It therefore pays to heed its warning, especially when its warning appears to support the domestic view held in the country.
- <sup>11</sup> See [WWW.transparency.org](http://WWW.transparency.org) on different CPI ranking
- <sup>12</sup> For example, in a report by the INA on the risk by multinational corporations on corruption it was noted, "The national government in PNG, by default, has become the business entrepreneur to partner MNC in major development. And it is the dilemma of wearing 'two hats' that has compromised the



government's neutrality. Its participation as guarantor and as joint-venture partner has also facilitated avenues for corruption by exposing civil servants and politicians to be vulnerable to bribes and commissions from foreign companies" (INA 2003: 9).

<sup>13</sup> [http://www.oecd.org/document/23/0,3343,en\\_34982156\\_35315367\\_35030743\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/document/23/0,3343,en_34982156_35315367_35030743_1_1_1_1,00.html)

<sup>14</sup> This is certainly from the inputs from the stakeholder consultation workshops leading up to the development of the PNG NACS. Prima facie evidence as gauged from press reports and commentaries by ordinary and influential PNG citizens also suggests this.

<sup>15</sup> The Audit of Anti-Corruption Measures Report (2007), p5

<sup>16</sup> *Ibid.*

<sup>17</sup> The Public Expenditure Rationalization Review Report (2005)

<sup>18</sup> PERR Report. 2004: 12

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