



## TRANSPARENCY INTERNATIONAL (PNG) INC

The coalition against corruption in international business transactions

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### TRANSPARENCY INTERNATIONAL (PNG) INC

1997

#### ANNUAL REPORT

As reported in last year's brief annual report, TI (PNG) Inc was formally launched on January 24, 1997. The local business community contributed the funds necessary to open an office and hire a manager.

TI (PNG) Inc.'s vision and objectives remain as reported in last year's annual report.

In February 1997, TI (PNG) Inc attempted to have the issue of trans-border corruption listed on the agenda for the ABAC Summit in Port Moresby. Primarily due to lack of political support, this was not achieved. TI (PNG) Inc continues to liase with international, regional and local allies on the OECD Convention, APEC, ABAC and PBEC initiatives.

Shortly after the establishment of TI (PNG) Inc, Papua New Guinea went through a crisis unlike any other experienced since independence in 1975. The Australian media broke the story that the PNG Government had hired foreign mercenaries to be used on the Island of Bougainville where civil conflict has existed for 9 years. The Brigadier General and Commander of the PNG Defence Force announced on national radio that the Defence Force had decided to unilaterally suspend the contract with the mercenaries and called on the Prime Minister, Deputy Prime Minister and Minister for Defence to resign. Following his national address, the Brigadier General was removed and 10 days of civil protest ensued. Eventually, the Mercenaries were removed from the country; the Prime Minister stepped aside and an acting Prime Minister was appointed while a Commission of Inquiry examined the contracting of the mercenaries.

Some members of the TI (PNG) Inc Board, along with several other prominent citizens, worked very hard behind the scenes in their respective capacities as private citizens, to ensure that a peaceful resolution was secured.

Following the launch of TI (PNG) Inc, the first major activity undertaken by TI (PNG) Inc was the National Integrity Workshop held in May 1997. The workshop was well attended by representatives and stakeholders from all sectors of society. The Workshop participants adopted a 14 point National Integrity Action Plan, which represents the first ever-comprehensive attempt to develop an effective anti-corruption program and culture in PNG.

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Board Members Peter Colton Rodney Hills Frank Senge Kolma John Nonggorr Meg Taylor Mel Togolo  
Manager Suki Beavers

At the Workshop, a National Integrity Pledge was developed and signed by the participants. Several versions of the pledge were later created for different sectors of society.

The National Integrity Workshop solidified a strong coalition of significant individuals and many prominent leaders. The TI (PNG) Inc Coalition meets on a regular basis to discuss issues and review the progress of TI activities. The Coalition partners include:

- ◆ Business Council of PNG
- ◆ Institute of National Affairs
- ◆ Manufacturer's Council of PNG
- ◆ National Council of Churches
- ◆ National Council of Women
- ◆ National Youth Services
- ◆ Office of the Auditor General
- ◆ Ombudsman Commission
- ◆ PNG Chamber of Commerce and Industry
- ◆ Police Fraud Squad
- ◆ Public Service Commission
- ◆ PNG Trade Union Congress

Seven Working Groups were formed to implement the National Integrity Action Plan. The Working groups and the respective goals are:

1. The Education and Culture Working Group

Goals

- Help establish a corruption free PNG society by networking through existing institutions, agencies and other mechanisms at all levels of our society – national, provincial and local levels
- Encourage good citizenry through formal and informal institutions including the family, by teaching exemplary moral, ethical and civic values

2. The Anti-Corruption Working Group

Goals

- help establish an effective national integrity assessment system including an independent and effective anti-corruption commission
- legislation may be required

3. The International and Regional Affairs Working Group

Goals

- Liase with APEC, OECD and other international agencies

4. Public Information Legislation Working Group

Goals

- promote legislation that allows members of the public to have access to public documents
- legislation may be required to protect individuals from victimisation for revealing acts of corruption or other improper conduct



5. Strengthening Constitutional Offices & Electoral System Working Group  
Goals
  - support actions to strengthen all existing constitutional office holders and other public office holders (Ombudsman, Public Prosecutor, Police Fraud Squad, etc) in order to enable them to better carry out their duties
  - policy change for a limited optional preferential voting system to ensure fairer representation
  - legislation for the integrity of political parties and candidates
6. Code of Ethics Working Group  
Goals
  - work with the public sector to adopt a code of ethics for both private business and public service
  - depoliticise public service starting with departmental heads
7. National Integrity Working Group.  
Goals
  - protect the integrity of the country by arranging for public commitments to do so
  - pledge developed for private citizens, those subject to the leadership code, elected officials as well as political party leaders

National elections were held in June in 1997. 2,300 candidates contested 109 seats. TI (PNG) Inc undertook a major education and awareness campaign focused on the national elections. The National Integrity pledge was also a focus of the intending candidates. TI invited all intending candidates and leaders of political parties to sign the national integrity pledge. There was considerable media attention focused on those who signed the National Integrity pledge.

The election results were staggering and resulted in a significant change in elected leaders. Many long time politicians lost their seats including two former Prime Ministers. Many newcomers were elected on anti corruption platforms. No single party commanded a majority. Lobbying took place after the elections to form Government.

The Prime Minister elect was one of the leaders who signed the National Integrity Pledge. Following the elections, he publicly stated his support for the concepts and principles of transparency and accountability in Government.

In September 1997, two TI (PNG) Inc Committee members attended the TI AGM in Lima Peru and the International Anti-Corruption Conference.

**The National Integrity Workshop – Part 11** was held on November 22, 1997. The TI Coalition reviewed the 14 point National Integrity Action Plan, the achievements of 1997 and the work that lies ahead. Each of the seven Working Groups reported on their respective activities to date.

The most tangible and impressive achievement of the Working Groups focused on securing the establishment of the Independent commission Against Corruption. Three Working Groups banded together to work towards the establishment of an Independent Commission Against Corruption (ICAC). The Prime Minister announced his decision to support the TI call for the establishment of ICAC, one month after taking office. The TI group held a consultative workshop which was attended by the Prime Minister, prepared the first draft of the legislation and the necessary constitutional amendments. The proposed legislation has recently been gazetted, paving the way for its introduction in Parliament during the next session.

TI (PNG) Inc held its first **Annual General Meeting** on December 11, 1997. The comprehensive Three Year Strategic Plan which was developed from the 14 point National Integrity Action Plan was tabled at the AGM. Audited accounts for the period 2 December 1996 (the date of incorporation) to 30 September 1997, were presented to the membership.

An elected committee governs TI (PNG) Inc. The current committee took office following the AGM. The committee consists of:

President:	Sir Anthony Siaguru
Secretary/Treasurer:	Richard Kassman
Members:	Peter Colton, Rodney Hills, Frank Kolma, John Nonggorr, Meg Taylor and Mel Togolo

Corporations, segments of the voluntary sector and individuals form the TI (PNG) Inc membership base. Members pay a fee to join. Individual members pay a minimum of K5-00 to join, the voluntary sector pays a minimum of K50-00 and corporate members pay a minimum of K1,000-00. TI (PNG) Inc relies on the local business community to finance its ongoing activities. Aid Agencies provide financial support for specific projects or activities. In 1997 only one grant of K46,539-00 was received and used to fund the National Integrity Workshop and an education and awareness program. At the time of the AGM, TI (PNG) has approximately 140 individual, corporate and voluntary sector members, who contributed approximately K140,000 to TI (PNG) Inc. during our first year of operations.

In the 11 months since its inception, TI (PNG) Inc has had some success in raising public awareness through a series of advertisements in the print and electronic media of the need for honesty and accountability on the part of all leaders in our society. One of the major accomplishments of TI (PNG) Inc has been the introduction of the terminology of transparency, accountability, honesty and integrity. It is now a rare event when a speech from Parliamentarian, leader or top bureaucrat does not include reference to these words and a reference to the Government's commitments to these concepts. The challenge for 1998 will be to have the words given meaning.

TI (PNG) began its outreach program travelling to two centres outside Port Moresby. The outreach program will eventually travel to all provinces.

Again, at the end of 1997, the Government was rocked with another controversy involving allegations of corruption. Tapes were aired on international and national television, which among other things, showed the Prime Minister and Police Minister

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allegedly discussing corrupt payments to journalists. To date, the Prime Minister has refused to resign claiming he was set up and that he was not involved in any corrupt dealings. The Prime Minister continues to publicly support the establishment of ICAC.

1997, the first year of its existence was indeed a year of great activity for TI (PNG) Inc.