

**Presentation by His Excellency, John Ma'o Kali, CMG OBE
Papua New Guinea High Commissioner to Australia**

Transparency, Accountability and the Partnership Environment

Salutations

Thank you, Professor Stephen Howes and the ANU, for inviting me to be on this panel to contribute to this eminent forum on Australian Aid to Papua New Guinea.

Before I share my personal experiences, I want to thank the Australian people and its Government for their enduring and lasting support to my people through the many programs to address developmental challenges in Health, Education, Law & Order, Agriculture, Forestry, Infrastructure, Leadership & Governance, Sports and Churches either directly or through the Government, Churches, management contractors and the NGO's. Our Australian friends have brought many lasting smiles to the people, both young and old, in my beloved country. For that we are forever thankful.

The experiences and the lessons I share this afternoon are from many long years working in the Public Service, at managerial and leadership levels at the national, provincial, district and local government levels. I am providing an honest insight into Australian aid to PNG, particularly in the area of leadership and governance, hoping this can help to better position the wonderful support Australian taxpayers are giving our nation. I believe effective leadership and governance at all levels is a key component to the sound design, development and delivery of Australian aid/support to PNG.

But before I embark on that I would like to share with you some thoughts and reflections on our *PNG KUMUL FORCE 17 (KF17)* engaged in the '**OPTION BUSHFIRE ASSIST 2020**'.

I had the privilege to be on a high-level delegation to visit our PNG Kumul Force (KF17) made up of male and female soldiers (engineers), fully engaged in the beautiful Victorian country side, helping to restore and rehabilitate lives of many ordinary Australians devastated by the recent bush fires in the South Eastern States of Australia. The high-level delegation consisted of our two Ministers of Defence, Senator Hon. Linda Reynolds and Hon. Saki Soloma, MP and our two Defence Force Commanders, General Angus Campbell and Major General Gilbert Toropo.

During our visit we all bunked in at the Air Force barracks and travelled by road and witnessed first-hand the devastation caused by the fires to, what must have been a beautiful lush green environment.

The composition of the combined forces included: PNG engineers (28%), Japan Self-Defence Force members (20%), Fiji engineers (15%), New Zealand engineers (13%), Singapore Air Force members (11%), Indonesia engineers (10%) and USA (2%) Air Force members. So you see, PNG had the largest contingent.

These combined troops have been rightfully embedded into the Command structure of the Australian Defence Force, in providing logistical support to the Australian civilian authorities in clearing roads and other vital infrastructure to restore much needed services. One good example was the unified effort of the Forces to open up roads so children could go back to school. One of the Joint Commanders quipped...“...while the parents were delighted the roads had been re-opened, I suspect the children would have preferred the roads to the schools to have remained closed, blocked by fallen trees and debris so they could have a few extra days on holidays...”

We also had the opportunity to meet ordinary regional aussies and listened attentively to their own stories of relief and satisfaction over the magnificent and sterling jobs our men and women were jointly doing with the ADF and other Troop Contributing Nations (TCN's) in clearing fallen trees, logs, debris, cleaning water tanks, cutting down trees, building new access roads, constructing tents, traffic control etc. The smiles and the joy expressed by our Aussie friends brought a great deal of happiness to the delegation.

The little that our soldiers have contributed jointly with other nations has not only restored lives but I believe has left a lasting impression with the ordinary Aussies living in the out-backs of Australia. It got me thinking about the significance of the huge amount of Australian Aid to PNG but more importantly on the governance and transparency and the manner in which Australian aid has been and is being designed, structured, managed, delivered and reported on in PNG.

It must be noted that our Prime Minister, James Marape, had offered to send one thousand soldiers, but on careful assessment, and in close consultation with the Australian Government and the appropriate authorities, it was decided that we would only send our highly qualified engineers to help provide logistical support.

A lot can be learned from the partnership between our Defence Forces in delivering assistance to those who have suffered the wrath of the wild bush fires, particularly the manner in which the support was quickly designed, developed and delivered.

In my short address I will talk about the Papua New Guinea – Australia partnership in terms of transparency and accountability, from my past experience in the PNG Public Service, and from my current observations as High Commissioner to Australia.

In fact, during my farewell function at the Gateway Hotel, before taking up my post to Australia, attended by Prime Minister O’Neill and his senior Cabinet Ministers, the Prime Minister stressed to me the need for stronger and more robust partnership arrangements in our bilateral relations with Australia.

The partnership environment

Since independence Australia has provided the largest bilateral support to PNG. The way Australian support has been negotiated and delivered has generally reflected the closeness and enduring nature of our bilateral relationship. However, there have been significant changes in the way the Australian aid has been delivered since independence:

- 1975 – early 1990s it was *budget support*
- 1990s to 2000 *jointly programmed* and focussed on priority sectors
- Early 2000s saw an increased *integration and use of our systems and processes*. During this period, the entire Australian program was coordinated and integrated into the PNG MTDP and the annual budget, through key Central Agencies as Dept of National Planning & Monitoring, Treasury, DPM, PM&NEC, J&AG and PA&LLG as well as relevant line agencies.
- Australian officials would provide quarterly *updated allocation and expenditure figures to us and we, Departmental Heads and senior officials, were regularly involved* in the prioritisation, coordination and high-level decision making and monitoring processes of the Australian program – which itself was integrated significantly within our systems and processes.
- Many of my colleague Departmental Secretaries and Deputy Secretaries over the years have experienced and observed the Australian program delivery changes and so are able to reference what has been good, and what has been difficult. **Let me elaborate with a specific example:**

- The Economic and Public Sector Program (EPSP, 2010-2015) provided governance support at both national and subnational level. The EPSP Governance Committee, which I presided over, comprised mostly our National Departmental Heads who *made all program delivery decisions*, including *program design, program budget allocation and monitoring, capacity development agreements*, and *reported annually to our Cabinet*.
- I am saddened and somewhat disappointed to note that this level of partnership and *joint engagement has been lost* in the past few years, leading to a *significant decrease in transparency in decision making* and in the prioritising of effort. My Government has attempted to address this loss of engagement through proposals at the Papua New Guinea/Australian Senior Officials' Meetings and Ministerial forums in 2015 but little seems to have been progressed from this.

I have no doubt that the reasons for the loss of engagement are many and complex, but the result for many of my colleagues, who have been involved in Australian aid for many years, is *frustration, confusion and a loss of effective and transparent engagement*.

The present

The key changes as I observe and have experienced in the way current Australian assistance is being delivered are:

- A significant degree of strategic planning and programming and *decision making for resourcing is taking place outside of our Government circles*, sadly without justification for the expenditure. PNG managers and leaders have been left out.
- There has been a significant *decrease in the use of PNG government systems, procedures and processes*
- There has been a significant *decrease in the coordination of Australian support*. There was a time when all assistance was coordinated and prioritised through DNPM. The shift of these controls to the Office of the Chief Secretary in the Department of PM&NEC has left a lot of agency heads disenchanted. It has provided the Australian High Commissioner direct access to the Chief Secretary and, even the Prime Minister, where decisions have been made unilaterally, without the involvement of other key Central Agencies and line agencies.
- Consequently, there has been a **lack of interest by key Central Agency Heads and other Agency Heads in setting priorities, coordinating and program decision making**.
- I have also witnessed a worrying trend with the emergence of Australian funded facilities and management contractors with *little explanation to PNG on how programming priorities and decisions are made*. There appears to be no transparent procurement process in the engagement of these

management contractors and our Government is now demanding for an open transparent procurement process, with a level playing field, where PNG companies also bid. I believe our Prime Minister's strong push to "**take back PNG**", must be seen in this context, where he wants to see more PNG content.

- The so-called Papua New Guinea Facility (PGF), was set up to allow key Central Agency Heads to provide leadership and articulate our Government's priorities in the various sectors we were to preside over. For example; Treasury (Economic), J&AG (Law and Order & Justice), DPM (Leadership & Governance). We would field requests from different agencies and consider them against priorities of our Government and either approve or reject, thinking that the approved ones would get straight forward funding support from the PGF. That was not to be the case because, DFAT would always intervene and reject the approval for reasons unknown to us. We came to regard the PGF as a mere "window dressing".
- Consequently, there has been a *significant decrease in transparency and accountability* of what is actually being delivered.
- *We have no understanding* of what is working and what is not.

But of course, the world is changing...and we must adjust our bilateral relationship with Australia to meet different demands and expectations in the delivery of the Partnership. Some of these demands include:

- *Increased Chinese engagement* and support to PNG is changing Australian motivations and how support is allocated.
- GoPNG systems and processes seem a little disorganised and appear weak. We acknowledge that, but that should not encourage the Australian program to be channelled through parallel systems, because *it increases the risks of further weakening our own systems. Rather we must work at ways to strengthen our governance systems. Our Government has recognised this and is now focussed on reforming these areas to promote more transparent and visible use of development cooperation and foreign aid and international relations and trade.*
- Senior GoPNG officials *don't always have the resources or the time* to consider and fully understand what is happening outside of GoPNG systems....
- It has become apparent that the Australian partnership has been focussing more on the political and economic fronts rather than on development principles. While this is important in establishing the personal touch at the political level, this encourages political leaders to drive service delivery and I

suspect this has in many ways impacted on how development aid has been delivered. This has off course encouraged Australian DFAT (AHC) officials to by pass bureaucrats and go directly to political leaders.

- I would fully encourage a greater level of economic cooperation through improved trade with improved opportunities for our commodities into the Australian markets and schemes for labour mobility, to help us move from aid to trade.
- For Papua New Guineans, it's essential that we experience and engage ourselves as *equal partners* in the governance of any development assistance. The days of being a passive aid-recipient are long gone.

For me being equal partners means:

- *Joint agreements* in the design, budgeting and prioritisation of programs
- *Open Consultation in the identification and preparation of program initiatives* before any changes are made to the delivery of support
- *Joint participation* in the design and finalisation of programs
- *Joint decision making* in the governance and planning of all assistance
- *Joint management* in the delivery of programs
- *Joint involvement in the monitoring, review and evaluation of programs and being fully aware of the results and impact.*
- *Progressive management and oversight* of programs by Papua New Guineans, rather than international experts.

It is essential therefore that we constantly review our bilateral and multilateral relationship arrangements for the maximum benefit of Papua New Guineans. This forum is but one excellent example and I would encourage the organizers to bring these open forums to PNG.

But bilateral agreements that build expectations on deliverables that to be achieved, must be managed within a *genuine joint partnership, built on TRUST.*

In my experience, both as a Departmental Secretary and in my current role, a preoccupation with program efficiency sometimes comes at a cost of effectiveness because of the loss of transparency and the lack of recognition and ownership of, not only our systems and processes, but our values and ethics.

It is not necessarily what, or where Australian support is being provided – I have no doubt that there are a lot of good things happening on the ground, I am concerned about *how the support is being delivered*.

We have been cognizant of this for years, but it was only in early 2016 when our Government approved a Joint Understanding on Public Sector Partnerships. I know this was accepted by the Australian High Commission at the time, and it went to a subsequent Ministerial Forum with Australia. The Joint Understanding was our attempt to re-establish agreed management, coordination and decision-making arrangements, the governance of partnership programs, based on the considerable past experience of my senior Papua New Guinean government colleagues.

Included in the Joint Understanding, was a proposal to establish a Papua New Guinean Technical Advisory Facility to better oversight and coordinate the considerable levels of international experts being provided in the Public Sector. The proposed Facility was to be jointly managed in a true equal partnership way.

But facilities are now a common part of the Australian partnership with PNG. Regrettably, they lack the equal partnership approach I have outlined, and so lack transparency and accountability for our Government.

The future

While I acknowledge that the environment for development assistance has changed considerably over the years, it is essential we learn from the experience of the past in order to prepare for the future. We should draw on program evaluation reports, listen to the experience of my Papua New Guinean colleagues, who have been consistently involved over the many years of Australian support. This experience demonstrates that transparency and accountability in the delivery of the Australian support would be greatly improved if there were:

Joint agreements in the design, budgeting and prioritisation of programs,

Consultation in the identification and preparation of programs

Joint participation in the design of programs

Joint decision making in the governance and management of programs

Joint accountability in the monitoring, review and evaluation of programs, and

Progressive management and oversight of programs by Papua New Guineans, rather than international experts

Conclusion

Before I conclude, I want to emphasise that Papua New Guineans, including myself, acknowledge the majority of Australian support has been well received. While the paradigm that drives transparency in the Australian Partnership with Papua New Guinea is changing, **the issues and challenges for PNG remain the same.**

We are mostly concerned with improving services of our economic and social sectors, through values and ethics leadership and governance. At a time in which Australian personnel, policies and delivery mechanisms are changing, we should learn from the past experiences in order to shape the future, especially in terms of the management of transparency and accountability of the Papua New Guinea – Australia partnership.

Ours is one that must be built on LOVE and TRUST, which have been won through blood sweat and tears through our comradeship n battlefields.

Thank you for your attention, I look forward to the discussions in this forum.