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The PNG Promoting Effective Public Expenditure (PEPE) project, of which this report is a part, aims to better understand how Papua New Guinea allocates its public funds and how these funds are provided to and used by those responsible for delivering basic services.

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The National Research Institute is Papua New Guinea's leading think tank on public policy and development-related issues. The Development Policy Centre is a think tank for aid and development based at Crawford School of Public Policy, The Australian National University.

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A LOST DECADE?

SERVICE DELIVERY AND REFORMS IN PAPUA NEW GUINEA 2002-2012

Has Papua New Guinea been able to translate its booming mineral wealth into services for ordinary people?

To answer this question, the PNG Promoting Effective Public Expenditure (PEPE) project surveyed 360 primary schools and health clinics across eight provinces. Many of the same facilities were also surveyed in 2002.

This document gives a brief summary of the key findings.

THE NATIONAL RESEARCH INSTITUTE

DEVELOPMENT POLICY CENTRE

This report presents the **results** of a 2012 survey of 360 primary schools and primary health care clinics across eight provinces, from the nation's capital to its most inaccessible regions. Many of the same facilities were also surveyed in 2002.

The study finds that PNG's primary schools have expanded rapidly over the last decade, but that fewer services are now provided by its health clinics.

Comparison of the two surveys suggests that in 2012 the average school in PNG had 58 per cent more children enrolled (144 per cent more girls), 22 per cent more teachers and 21 per cent more classrooms than in 2002. The average school also had more textbooks, and better quality classrooms and teacher houses, but larger class sizes.

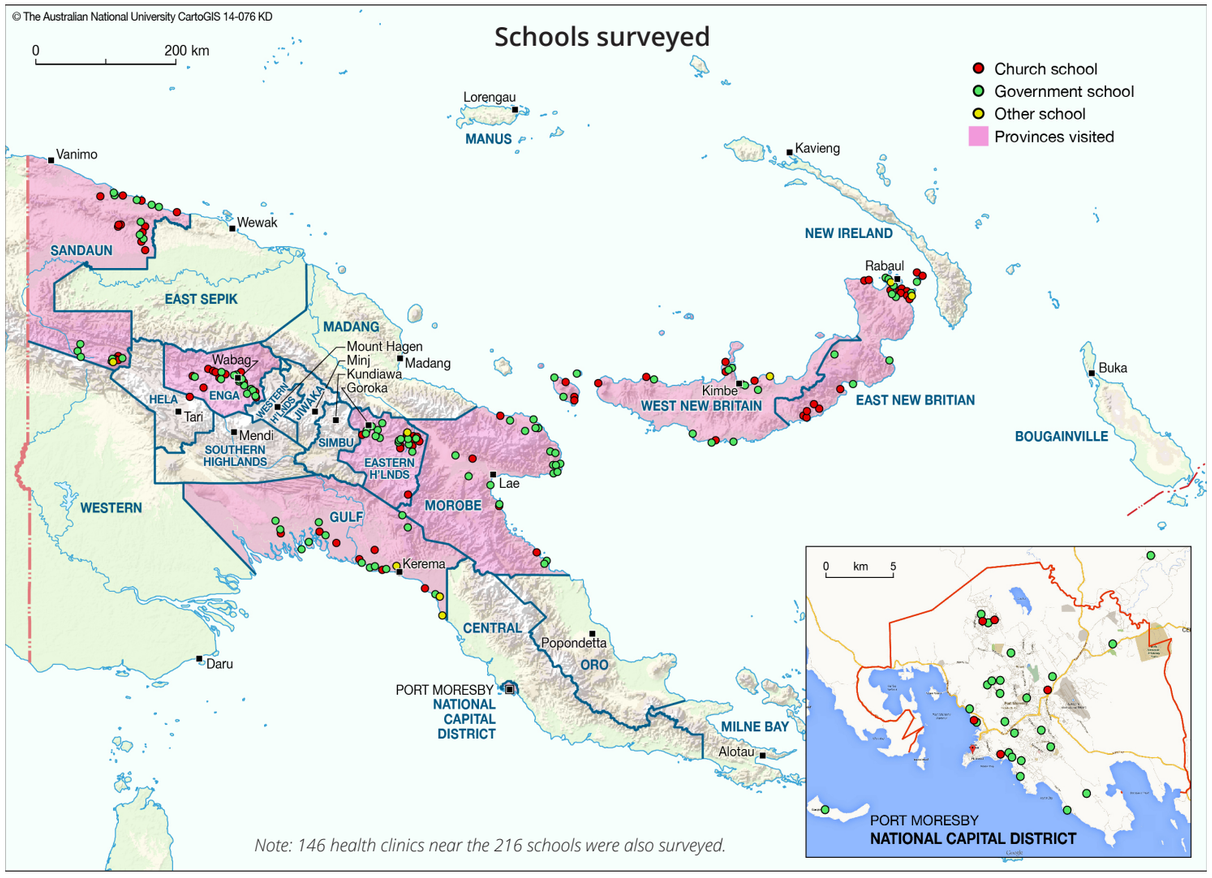
On the other hand, when it comes to primary health care, comparison of the two surveys suggests that in 2012 the average health clinic (health centre or aid post) saw 19 per cent fewer patients on a typical day and had 10 per cent lower drug availability than in 2002, while staff levels were unchanged.

There is wide variation in performance between provinces. The percentage of community representatives responding that most children in their community went to school rose from 37 to 90 in East New Britain between 2002 and 2012, but fell from 63 to 37 in Gulf Province.

In summary, the results show that development progress in PNG is neither inevitable nor impossible. The last decade was by no means completely lost. Important progress was made by PNG's primary schools, but not by its health clinics.

Did you know?

- The average health clinic sees fewer patients and has a lower level of drug availability than ten years ago.
- 41 per cent of clinics received no external funding or in-kind support in 2012.
- 29 per cent relied only on user fees to cover operational costs.
- Only 20 per cent of health clinics have beds with mattresses.
- 75 per cent of health workers contribute to the cost of health care delivery from their own pocket.
- Church-run health clinics are better funded and equipped, and deliver more services.



Note: 146 health clinics near the 216 schools were also surveyed.

Four factors explain the differences in performance between sectors, provinces and facilities.

- **Financing:** There has been a significant increase in education funding over the last decade, and that funding is reaching the schools. By contrast, many health clinics are starved of external support. 41 per cent reported receiving none in 2012. Because of this, many clinics are simply not undertaking basic functions. For example, 82 per cent reported not undertaking regular health patrols. The regression analysis confirms the importance of revenue for activity levels and, for schools, for infrastructure quality.
- **Local oversight and supervision:** PNG's schools have well-established local governance arrangements. Nearly all have a functioning Boards of Management (BoMs) and P&C Committees. Health clinics have no equivalent to a BoM, and Village Health Committees are less widespread and less active than school P&C Committees. Schools are also more closely supervised by officials than health clinics. The regression analysis shows that schools with closer supervision and better community oversight perform better.
- **Agency:** Just over one-third of both schools and clinics in our sample are church-run. In general, church-run clinics receive more funding, and perform more services. The regression analysis confirms that teachers at church-run schools spend more time teaching, and that as a result children are more likely to attend church-run schools.
- **The workforce:** The number of school teachers is growing, but retired health workers are too often not being replaced. Only 10 per cent of teachers, but almost half of PNG's health workers feel that they are not receiving pay consistent with their position. These are structural issues beyond the control of individual facilities but that no doubt influence performance.

A series of case studies will now be undertaken to provide the basis for more detailed policy **recommendations**. A number do, however, emerge from this analysis.

Did you know?

- The average primary school now has 294 students enrolled, up from 186 ten years ago.
- The number of enrolled girls at PNG's primary schools has increased by 144 per cent.
- The average school now has one-and-a-half classrooms more than in 2002, but one third of classrooms need rebuilding.
- There are a third more teachers working at PNG's primary schools than ten years ago.
- The number of female primary school Head Teachers has more than doubled over the last ten years.

The primary health care system is in such a dire state that a sequenced approach is needed to its repair: the first priority should be to get the bigger district-level health facilities working.

The governance of health clinics needs to be improved, through a combination of better local oversight and more intensive supervision. Serious consideration should be given to establishing BoMs for health centres. And the health workforce needs to be rejuvenated.

The recent decision to abolish health user fees will likely lead to further deterioration of primary health care. User fees were the only resource 29 per cent of clinics had to cover non-staff costs in 2012. If the government wants to improve primary health care, it will have to fund it better. It also needs to ensure that this funding reaches all clinics. Whether this is done by direct funding or by better in-kind support requires further research.

For schools, more attention and resourcing needs to be given to supervision to ensure that all schools are regularly inspected. BoMs and P&C Committees should be further empowered. More teachers need to be hired to reverse the increase in class sizes.

Given the superior performance of church-run schools and especially health clinics, existing partnerships with church education and health service providers should be expanded.

Finally, regular monitoring through surveys such as this one is invaluable. The survey should be repeated, say, in five years' time.