

Aid advisers in Papua New Guinea: a partial solution

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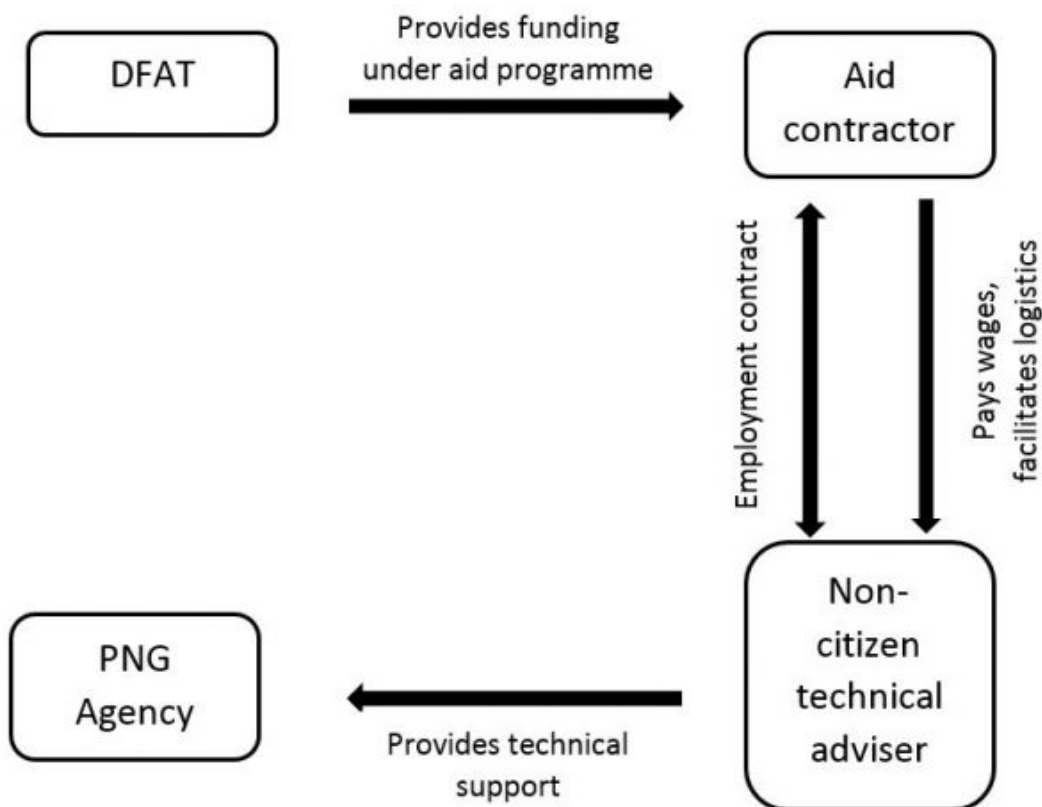
The reliance on non-citizen technical advisers is a contentious part of Australia's aid program in Papua New Guinea. It has been criticised for the significant costs associated with non-citizen technical advisers, the perceived 'boomerang' effect of this aid model, and the lack of effectiveness of advisory support. Critics often point out that there is little evidence advisers have made any real contribution to capacity building within PNG's public sector. On the other hand, it should be recognised that Australia generally only provides advisers to PNG because of a (perceived) lack of local skills and capacity and because many requests for advisers are made.

The issue was recently thrown into stark relief when Prime Minister Peter O'Neill told parliament in July 2015 that non-citizen advisers were making PNG nationals 'lazy' and did not always have the best interests of PNG at heart. The PNG government introduced a new law to impose tighter control over advisers employed by aid contractors and subsequently terminated the placements of a number of Australian advisers seconded from Australian Government Departments.

This is the first of two posts on non-citizen advisers in PNG which are based on an [Issues Paper](#) recently released at the PNG National Research Institute. This post provides some context for the events in 2016, briefly outlines the nature and implications of the new law, and introduces existing models of engaging non-citizen technical advisers in PNG. In a [subsequent post](#), we propose a new model to engage non-citizen technical advisers.

Most advisers funded by the Australian aid programme are employed by third-party aid contractors, which are commercial companies. The contractors pay the wages, accommodation, transport, security and other costs associated with the engagement. While funding comes from the Australian aid budget, the contractors manage the individual advisers who are placed in PNG government departments to provide technical assistance and capacity building. Under this arrangement, there is no legal relationship between the adviser and their PNG Agency head. The only legal relationship is between the adviser and the contractor via their employment contract (see Figure 1).

Figure 1: Model of Australian non-citizen technical advisers employed by aid contractors



Another group of advisers in PNG are Australian federal public servants who are deployed under the [Strongim Gavman Program](#) (SGP)[1]. It is a whole-of-government engagement program involving senior Australian officials from Australian Government Agencies placed in counterpart PNG Government Agencies to provide policy and strategic advice and capacity development. SGP advisers continue to be employed and paid as Australian public servants and report to the SGP Team Leader, who ensures duty or care and reporting to the home agency.

Over time, the Australian aid programme in PNG has become heavily reliant non-citizen technical advisers. At the time of the [2010 Review of the PNG-Australia Development Cooperation Treaty \(1999\)](#), it was estimated that 62% of Australia's assistance to PNG was allocated towards technical assistance in the form of 360 non-citizen technical advisers, more than double the global average (p. 22). The dominance of technical assistance was identified in the Review as the "most controversial aspect" of Australia's aid program to PNG.

On 30 July 2015, the Prime Minister of PNG, Peter O'Neill told Parliament that the engagement of advisers has led to two things: "firstly, [it] is making our nationals quite lazy. They are not able to take ownership of decisions and are over dependent on consultants and advisers. ... Sometimes the advice given to the Government are [sic] not in the best interest of the nation". In a surprise move, the Prime Minister then announced that the Government had decided that the contracts of all foreign consultants and advisers would end by December 31, 2015.

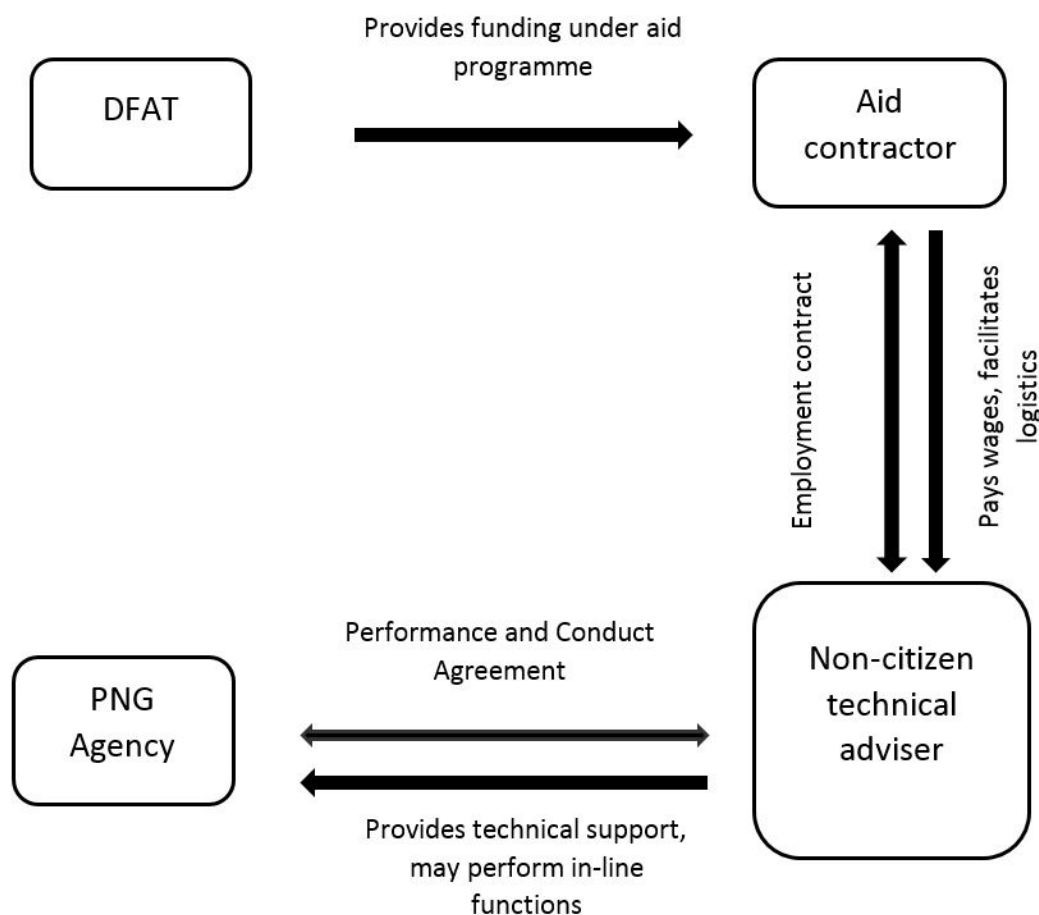
In September 2015, Peter O'Neill said that he wanted to ensure that non-citizen advisers showed loyalty to PNG. The PNG Government then indicated it would expel "foreign government employees" from the public service and announced a new Regulation dealing with non-citizen technical advisers. Of the 33 Australian Commonwealth public servants deployed in advisory roles in the PNG government under the SGP in 2015, 15 adviser positions in Central Government Agencies ended on 31 December 2015.[2]

The *Public Employment (Engagement of Non-Citizen Technical Advisers) Regulation 2015* came into effect

on 1 January 2016. The Regulation specifically dealt with non-citizen technical advisers who are employed by aid contractors and placed as advisers within the National Public Service. Following input from stakeholders, including DFAT, a [new Regulation](#) came into effect on 1 September 2016 which simplifies the arrangements and removed many of the impediments that had been identified in the previous Regulation.

A [Performance and Conduct Agreement](#) is the centrepiece of the Regulation, which for the first time creates a legal link between the non-citizen technical adviser and their PNG Agency Head. The *Agreement* requires non-citizen technical advisers to comply with a Code of Conduct, be accountable to their Agency Heads for their work performance, and develop the capacity of their PNG counterparts (see Figure 2).

Figure 2: Model of Australian non-citizen technical advisers employed under new Regulation



Under the Regulation, which describes its purpose as being “to protect Papua New Guinea’s sovereignty”, employees of foreign governments cannot be engaged as technical advisers. They can only be engaged as short-term advisers in the PNG National Public Service under “Institutional Partnership Arrangements” (IPA). These are formal agreements concluded between a PNG Government Agency and a similar Agency from another country aimed at providing specialised capacity building assistance.

The Regulation addresses the difficult issue of in-line functions versus advisory roles of technical advisers by officially recognising that non-citizen technical advisers may perform in-line functions. Previously they were assumed to only provide advice to their PNG counterparts while in reality some were performing in-line functions. This means that they may also be delegated powers and responsibilities (including supervisory roles) that are necessary to perform these in-line functions.

In our [next blog](#), we argue that the new Regulation is a partial solution to the contentious issues of non-

citizen technical advisers in PNG, and propose a model under which non-citizen technical advisers would be employed by the PNG Government.

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This is the first post in a two-part series; read the second post [here](#). Read the full NRI Issues Paper on which this two-part blog post is based [here](#).

Notes:

[1] *The SGP started in 2004 as the Enhanced Cooperation Programme (ECP) and was renamed the SGP in 2009.*

[2] *One exception was made for an APEC adviser in Treasury who was permitted to stay due to the importance the PNG Government places on preparations for hosting the year-long programme of APEC meetings culminating in the November Leaders' Summit in 2018.*