

Anti-Corruption Policies in Asia and the Pacific *Self-Assessment Report Papua New Guinea*

Over the last decade, societies have come to realize the extent to which corruption and bribery has undermined their welfare and stability. Governments, the private sector and civil society alike have consequently declared the fight against corruption to be of highest priority.

In the Asia-Pacific region, twenty-one countries have expressed their commitment to fight corruption by endorsing an anti-corruption action plan within the framework of the ADB/OECD Anti-Corruption Initiative for Asia and the Pacific, a first-of-its-kind partnership between all stakeholders of Asian and Pacific countries. The Action Plan comprehensively promotes the regions' objectives and needs for reform to develop effective and transparent systems for public service, to strengthen anti-bribery initiatives, to promote integrity in business operations, and to support citizens' involvement.

In order to gain a comprehensive and structured overview of the endorsing countries' legal and institutional framework in place to ensure and enhance transparency in the public sector, combat bribery and promote transparency in business operations, and facilitate public involvement in the fight against corruption, endorsing countries of the Action Plan have decided to take stock of their relevant legal and institutional provisions in place.

The following report reflects the Anti-Corruption Policies that Papua New Guinea has reportedly in place as of October 2003. Organized along the topics of the Anti-Corruption Action Plan for Asia and the Pacific, it outlines the legal and institutional framework governing each of its issues, the respective implementing agencies and recent of planned reforms.

Self-assessment reports provided by the other countries that have endorsed the Anti-Corruption Action Plan for Asia-Pacific as well as a summarizing overview of the anti-corruption policies in the region are available at the Initiative's website (www1.oecd.org/daf/asiacom/stocktaking.htm). For further information about the Anti-Corruption Initiative for Asia-Pacific and its work, please refer to www1.oecd.org/daf/asiacom/.



Pillar I : Developing Effective and Transparent Systems for Public Service

Action Plan objective	Regulatory or legal framework (pls. corresponding document or legal text)	Institution in charge of implementation (i.e. ministry, department, independent internal or external oversight body etc.)	Relevant recent or planned reforms in this area, i.e. their objectives, implementation stages, outputs and timeframe.
Integrity in Public Service: Establish systems of government hiring of public officials that assure openness, equity, and efficiency and promote hiring of individuals of the highest levels of competence and integrity through:			
a) Development of systems for compensation adequate to sustain appropriate livelihood and according to the level of the economy of the country in question	Existing Pay Policy Law determines and regulates salary payment. Allows for incremental adjustments upwards based on CPI increases. SCMC approves level of salaries and benefits payable to Government employees. Existing specific legislation called Salaries and Remuneration Commission Act determines remuneration package for Politicians and Chief Executives of Government Departments and Public Bodies.	Administered by the Department of Personnel Management Committee (SCMC) headed by Secretary for personnel Management Administered by Parliament. The Speaker of Parliament is the chair of SRC	Existing legislation allowing for Performance Based Increments for government employees New legislation is being proposed as Amendment of the Public Services Management Act to allow for the Government to cap salary levels for Chief Executives Private sector already has bonus payment systems
b) Development of systems for transparent hiring and promotion to help avoid abuses of patronage, nepotism, and favouritism, help foster the creation of an independent civil service; and help promote a proper balance between political and career appointments	Legislation relating to merit based appointment Public Service Management Act covers all procedures on recruitment in the Public Sector	Public Services Commission Department of Personnel Management	New legislation recently passed by PNG Parliament gives the Public Service Commission additional powers to ensure merit based appointments Implementation of this legislation is current. Procedures and guidelines are being developed.

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c) Development of systems to provide appropriate oversight of discretionary decisions and of personnel with authority to make discretionary decisions	Prime Minister & NEC Act Public Services Commission Act Ombudsman Commission Act	Department of Prime Minister & NEC Public Services Commission Ombudsman Commission	PM&NEC Act empowers the Chief Secretary and the CACC to provide oversight Public Services Commission has powers to conduct reviews on decision involving appointment and removal of personnel in Public Sector Ombudsman Commission has powers to review cases of aggrieved persons.
d) Development of personnel systems that include regular and timely rotation of assignments to reduce insularity that would foster corruption	Police Forces Act No other specific legislation in this area	Department of Police	Police personnel are supposed to be rotated but financial difficulty affects implementation
Integrity in Public Service: Establish ethical and administrative codes of conduct that proscribe conflicts of interest, ensure the proper use of public resources, and promote the highest levels of professionalism and integrity through:			
a) Prohibitions or restrictions governing conflicts of interest	Leadership Code	Ombudsman Commission National Executive Council	Conflict of interest situation form important aspect breaches in the Leadership Code Removal of powers of the Minister to make appointments of members on Board of public authorities
b) Systems to promote transparency through disclosure and/or monitoring of, for example, personal assets and liabilities	Ombudsman Commission Act	Ombudsman Commission through administration of the Leadership Code	Constitutional Officer holders and CEOs of public bodies are required by law to declare assets in their possession before appointment and those acquired during the tenure of office.

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c) Sound administrative systems which ensure that contact between government officials and business services users, notably in the area of taxation, customs and other corruption-prone areas, are free from undue and improper influence	National Tenders and Supplies Act Internal Revenue Commission Act Auditor General Act	National Tenders Board Internal Revenue Commission	New changes announced by the Government on appointment of Board Members Independence guaranteed by Constitution and the specific legislations
d) Promotion of codes of conduct taking due account of the existing relevant international standards as well as each country's traditional cultural standards, and regular education, training and supervision of officials to ensure proper understanding of their responsibilities	General Orders of the Public Services Management Act	Department of Personnel Management	General Orders of the Public Services Management Act provides guidelines, rules and procedures in all areas of employment in the Public Service. It provides the Code of Conduct consistent with international standards.
e) Measures which ensure that officials report acts of corruption and which protect the safety and professional status of those who do	Public Services Management Act Public Finance Management Act Auditor Generals Act Ombudsman Commission Act Commission of Inquiry Act	Department of Personnel Management Department of Finance & Treasury Office of the Auditor General Ombudsman Commission Prime Minister & NEC	All these legislations provides avenues for reporting corrupt practices within the Public Sector Annual Audit Report for all state bodies reveal anomalies Investigation of specific breaches by Leaders, including misapplication of powers/authority Evidence provided during public inquiries reveal conflict of interest and corrupt activities



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Accountability and Transparency: Safeguard accountability of public service through effective frameworks, management practices, and auditing procedures through			
a) Measures and systems to promote fiscal transparency	National Budget Appropriation Bill Public Finance Management Act Public Accounts Committee National Economic & Fiscal Commission Act	National Planning and Treasury Department s Finance and Treasury Department National Parliament National Economic and Fiscal Commission PM & NEC Dept	Parliament approves national budget so it becomes law. Any deviation or redirection is illegal. The Medium Term Development Strategy sets the bases for PIP expenditure in the budget. Expenditure outside of the MDTs is illegal Public Accounts Committee make inquiry into the operations of State institutions National Economic and Fiscal Commission makes report on performances of government Monitors public expenditure to PM & NEC Dept under CACC arrangement has powers to inquire into operations of state institutions, coordinate policy advices to the NEC.
b) Adoption of existing relevant international standards and practices for regulation and supervision of financial institutions	Public Finance Management Act Public Services Management Act (General Orders) Bank of PNG Act Banking and Financial Institutions Regulation Act 2002	Finance and treasury Department Dept of Personnel Management	Existing financial management regimes and regulatory framework
c) Appropriate auditing procedures applicable to public administration and the public sector, and measures and systems to provide timely public reporting on performance and decision making	Auditor General Act Parliamentary Public Accounts Committee National Fiscal & Economic Commission Act	Office of the Auditor General National Parliament National Fiscal and Economic Commission	Auditor General's Annual Reports Committee Reports Commission Reports on economic situation CACC reports on institutional performances. On-going financial and expenditure review National Department Annual Report

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d) Appropriate transparent procedures for public procurement that promote fair competition and deter corrupt activity, and adequate simplified administration procedures	Public Tenders & Supplies Board Act ICCC Act 2002	National Tenders Board Independent Consumer and Competition Commission	Proposal by the Government to change procedures for appointment of Board members Full implementation of the ICC Act including setting up of the regulatory organisation. Funding secured in 2004 budget
e) Enhancing institutions for public scrutiny and oversight	Ombudsmen Commission Act Auditor General Act Judiciary	Ombudsman Commission Office of the Auditor General	Administration of Leadership Code Audit Reports
f) Systems for information availability including on issues such as application processing procedures, funding of political parties and electoral campaigns and expenditure	Electoral Commission Act Organic Law on Integrity of Political Parties and Candidates	PNG Electoral Commission Registrar of Political Parties	Administer election laws, rules and guidelines Regulates performance and funding of political parties and candidates Proposed law to extend Grace Period for Government is pending Parliament vote during this session
g) Simplification of the regulatory environment by abolishing overlapping, ambiguous or excessive regulations that burden business	Public Sector Reform Management Unit of PM&NEC	PSRMU within PM&NEC Dept	Review Reports recommending changes within Public Sector organisations.

Pillar II: Strengthening Anti-bribery Actions and Promoting Integrity in Business Operations

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Effective Prevention, Investigation and Prosecution: Take effective measures to actively combat bribery by			
a) Ensuring the existence of legislation with dissuasive sanctions which effectively and actively combat the offence of bribery of public officials	No specific mechanism in place as yet Ombudsman Commission Act (Leadership Code) Criminal Code (Fraud and Anti-corruption Squad of Police Public Prosecutor Act	Ombudsman Commission Police Department Office of the Public Prosecutor	Proposal to set up ICAC Establishment of NACA will assist in this area. Documentation completed and ready to be submitted to Government Capacity building program in Ombudsman Commission and Police investigation and prosecution function. Capacity building program for public prosecutors
b) Ensuring the existence and effective enforcement of anti-money laundering legislation that provide for substantial criminal penalties for the laundering of the proceeds of corruption and crime consistent with the law of each country	No specific legislations Criminal Code IRC Act	Dept of Attorney General Police IRC	Draft legislation now before the Government for approval PNG effectively co-opted in the regional conference on money laundering and terrorism
c) Ensuring the existence and enforcement of rules to ensure that bribery offences are thoroughly investigated and prosecuted by competent authorities; these authorities should be empowered to order that bank, financial or commercial records be made available or be seized and that bank secrecy be	No specific legislation as yet Ombudsman Commission Auditor General	Ombudsman Commission Office of the Auditor General	Proposal to establish NACA. Documentation completed and ready to be submitted to Government On-going Institutional strengthening and Capacity building program funded by AusAID for Ombudsman Commission Similar project funded by ADB for Auditor Generals Office



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<p>lifted</p>			
<p>d) Strengthening of investigative and prosecutorial capacities by fostering inter-agency co-operation, by ensuring that investigation and prosecution are free from improper influence and have effective means for gathering evidence, by protecting those persons helping the authorities in combating corruption, and by providing appropriate training and financial resources</p>	<p>None in place at the moment</p>		<p>Establishment of NACA will address this area Proposal for ICAC is being suggested by certain sector of the community, including some politicians</p>
<p>d) Strengthening bi- and multilateral co-operation in investigations and other legal proceedings by developing systems which – in accordance with domestic legislation – enhance (i) effective exchange of information and evidence, (ii) extradition where expedient, and (iii) co-operation in searching and discovering of forfeitable assets as well as prompt international seizure and repatriation of these forfeitable assets</p>	<p>None in place at the moment</p>	<p>Department of Attorney General Police will be the implementing agency</p>	<p>Draft legislation now being circulated for comments and input from State agencies.</p>

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Corporate Responsibility and Accountability : Take effective measures to promote corporation responsibility and accountability on the basis of existing relevant international standards through			
a) Promotion of good corporate governance which would provide for adequate internal company controls such as codes of conduct, the establishment of channels for communication, the protection of employees reporting corruption, and staff training	No specific legislation at the moment Companies have their own Codes consistent with business ethics and professional conducts	ICCC	Need legislation Effective enforcement remains a problem area ICCC is new decision. It has yet to be fully established. Capacity building for ICCCC
b) The existence and the effective enforcement of legislation to eliminate any indirect support of bribery such as tax deductibility of bribes	None at the moment IRC Act	Internal Revenue Commission	Tax avoidance is a serious offence in PNG Effective implementation is a problem Capacity building for IRC
c) The existence and thorough implementation of legislation requiring transparent company accounts and providing for effective, proportionate and dissuasive penalties for omissions and falsifications for the purpose of bribing a public official, or hiding such bribery, in respect of the books, records, accounts and financial statements of companies	None at the moment Criminal Code	Police Department	New legislation required in this area. ICAC was proposed. ICAC like institution would have wider powers to address corruption related issues in this area.

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d) Review of laws and regulations governing public licenses, government procurement contracts or other public undertakings, so that access to public sector contracts could be denied as a sanction for bribery of public officials	National Supply & Tenders Board Act	Tenders Board Department of Finance & treasury	Proposal to review procedures of appointment of Board Members. Current initiative of the Government announced by Minister for Finance and Treasury

Pillar III: Supporting Active Public Involvement

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Public Discussion of Corruption: Take effective measures to encourage public discussion of the issue of corruption through			
a) Initiation of public awareness campaigns at different levels	Consultative Implementation Monitoring Committee(CIMC) Ombudsman Commission Act	CIMC Secretariat Ombudsman Commission	CIMC which is a policy forum has membership co-opted from Government, Business houses and civil society organisations Ombudsman Commission has on-going Outreach program for public awareness and education on Leadership Code, integrity of public offices and leadership in general



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b) Support of non-governmental organisations that promote integrity and combat corruption by, for example, raising awareness of corruption and its costs, mobilising citizen support for clean government, and documenting and reporting cases of corruption	No specific Government program Ombudsman Commission Act covers some aspect of it.	Ombudsman Commission	As above Transparency International (PNG) Community Coalition Against Corruption led by Media Council of PNG Church Anti-corruption Advocacy Groups This program is on-going
c) Preparation and/or implementation of education programs aimed at creating an anti-corruption culture	None as yet	Department of Education	No formal decision TI (PNG) proposal to include values of good citizenship in the National Education Curriculum. Still a proposal at this stage
Access to information: Ensure that general public and the media have freedom to receive and impart public information and in particular information on corruption matters in accordance with domestic law and in a manner that would not compromise the operational effectiveness of the administration or, in any other way, be detrimental to the interest of governmental agencies and individuals, through			
a) Establishment of public reporting requirements for justice and other governmental agencies that include disclosure about efforts to promote integrity and accountability and combat corruption	None as yet Only Court decisions are published Government documents still regarded as confidential- not for public consumption	Department of Attorney General	Action required in this area Policy discussion is continuing but is difficult
b) Implementation of measures providing for a meaningful public right of access to appropriate information	None as yet	Department of Attorney General	Draft legislation on Freedom of Information Public demand for legislation on Freedom of Information. No affirmative response from Government

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Public participation: Encourage public participation in anti-corruption activities, in particular through			
a) Co-operative relationships with civil society groups such as chambers of commerce, professional associations, NGOs, labour unions, housing associations, the media, and other organisations	CIMC provides the venue to some extent but is restrictive in membership of NGO reps No formal structure in place as yet		Action required in this area Discussion on formalising this partnership is ongoing
b) Protection of whistleblowers	No legislation		Action required in this area Policy discussion already commenced on this area
c) Involvement of NGOs in monitoring of public sector programmes and activities	No formal structure to ensure this.		Action required in this area. There is no formal structure in place to facilitate this. Policy discussion has been ongoing