

ACTION PLAN IMPLEMENTATION PROJECTS 2002-2003

PAPUA NEW GUINEA

**PROJECT 2: ESTABLISHMENT OF NATIONAL ANTI-CORRUPTION AGENCY (NACA)
AND STRENGTHENING OF THE CO-ORDINATION OFFICE**

1. Summary

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| Country: | Papua New Guinea |
| Project title: | Establishment of National Anti-Corruption Agency (NACA) and strengthening of the co-ordination office |
| Priority reform area: | Under Pillar II: Fostering inter-agency co-operation to enhance effective prevention, investigation and prosecution. |
| Implementing institutions(s) and contact person: | Police, Ombudsman Commission, Auditor Generals Office, Prime Minister & NEC. Provincial Affairs, Personnel Management, Justice & Attorney General, Finance and Treasury Departments. |
| Duration: | 6-8 months commencing in May 2002 until NACA approval and operational. |
| Budget/inputs required: | US\$ 25,000 |

2. Project Objective

The objective of the proposed project is to establish a National Anti-Corruption Agency responsible for anti-corruption tasks and for ensuring effective, sector-wide co-operation in combating corruption. This is part of capacity building efforts in State agencies to ensure effective prevention, investigation and prosecution of bribery and corruption in PNG.

3. *Rationale*

Co-operation between corruption and bribery restraining authorities has been a major problem in PNG. Recognising this problem, the Government in 2000 has established a inter-agency committee (the “Public Sector Anti-Corruption Committee”) which started to work on the establishment of a national anti-corruption body (National Anti-Corruption Agency – NACA). All the major outstanding investigations of corruption in public places were brought under the oversight of this Committee.

This measure did improve co-ordination. However, the Committee lacks the legislative foundation and powers to move ahead with its tasks. The establishment of NACA by legislation would empower it to vigorously pursue known corruption cases by combining resources and manpower and fast-track investigation and prosecution. At the same time, NACA would, in coalition with civil society groups, NGOs and the community, embark on proactive measures (education and awareness) to prevent the spread of corruption.

The work on NACA has been spearheaded by the following key State agencies: Ombudsman Commission, Police, General Auditors, Public Prosecutors, Departments of Attorney General, Personnel Management, Provincial Affairs, Finance and Treasury Departments. This work has been co-ordinated by the inter-agency Committee. In 2000, the heads of the involved agencies signed the “Statement of Alliance on Fighting Corruption”. The establishment of NACA would formalise this working arrangement and further enhance and improve the quality of this inter-agency collaboration. NACA would give legal status to the co-operative framework agreed upon informally and give further meaning to the pledge to fight corruption in public places.

Note that the Public Sector Anti-Corruption Committee now takes carriage of the Implementation of the Action Plan. In view of this, the program is crucial for the effective implementation of the Action Plan.

4. *Program Description*

- Provide office equipment and resource support to the Secretariat of the inter-agency Committee in order to facilitate the work on establishing NACA.
- Provide experts including on legal drafting to prepare draft legislation for submission to the Government.

5. *Program Components*

The program consists of two activities:

- 1) Immediate assistance to the operation of the Public Sector Anti-Corruption Committee (“inter-agency Committee”) by providing resources and technical support to the Secretariat serving the Committee.
- 2) Assist the inter-agency Committee in devising the legislation on NACA and its organisational structure. Preliminary work has been done on which further development of the project could be based.

ACTIVITY 1: ASSISTANCE TO PUBLIC SECTOR ANTI-CORRUPTION COMMITTEE

Office support: 1 Computer (PC) with internet capacity, 1 Laptop with power-point program, 1 printer, 1 scanner, 1 photocopy machine, 1 fax machine.

Furthermore, funding is required to cover operational costs and to engage one support staff (at junior clerk level), on casual employment in the Secretariat.

Objectives:

Support to the Secretariat would achieve:

- Facilitate work on establishing NACA as a State institution.
- Enhance efficiency and effectiveness in the implementation of the Action Plan.
- Provide administrative support to the key investigation and prosecution agencies as an alternative operational office facility targeting specific cases that have been brought under oversight of the inter-agency Committee.

Target Groups/Beneficiaries

- Public Sector Anti-Corruption Committee and its Secretariat.
- Representatives from Police, Ombudsman Commission, Auditor General, Prime Minister & NEC, Provincial Affairs, Personnel Management, Attorney General, Finance and Treasury Departments will contribute meaningfully to the fight against corruption.

Implementing Strategy

- Donor community to provide equipment and funding for operational and service cost for the first financial year (2002).
- PNG Government to provide office space free of rent.
- PNG Government to incorporate in its 2003 national budget all future operational and maintenance cost.
- PNG Government to provide funding for one casual employee to be engaged by the Secretariat.

ACTIVITY 2: NATIONAL ANTI-CORRUPTION AGENCY

Design organisational structure of NACA and draft legislation for submission to the Government.

Objective

To establish NACA by legislation as an anti-corruption investigation, prosecution and prevention body for the entire country.

Target Groups/Beneficiaries

People of Papua New Guinea because a corruption-free society is expected to contribute to overall development and progress.

Project Components:

- Design the structure of NACA as a State institution.
- Draft legislation/bill for Parliament.

6. *Scope/Duration*

| Period | Activity |
|---------------|--|
| May 2002 | Purchase of Office Equipment |
| June 2002 | Engage one casual support personnel |
| July 2002 | Engage expert person to work on NACA structure and drafting of legislation |
| Aug/Sept 2002 | NACA Bill to be submitted to Parliament for approval |

7. *Project Location*

Department of Prime Minister & NEC in Port Moresby.

8. *Implementing Agencies*

- Prime Minister and NEC Department (lead agency)
- Department of Police
- Ombudsman Commission of Papua New Guinea
- Public Prosecutors Office
- Auditor General Office
- Treasury and Finance Departments
- Provincial Affairs
- Personnel Management Attorney General

Co-ordinated by the Public Sector Anti-Corruption Committee

9. *Consultations*

The Australian Government has offered to provide experts for the initial phase of the project. Other donor communities are being consulted through their resident missions. See "Introduction" for information about other consultations.

10. Resources and Funding Requirements

Government of Papua New Guinea component:

- Office space free of rent.
- Salary of one casual employee.
- Take on operational and maintenance cost from 2003 onwards.

Required donor assistance:

- Equipment costs
- Cost related to hiring of technical expert

11. Estimated Cost

Initial cost of:

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|--|---------------------------|
| Equipment: | US\$ 8,000 |
| Technical person: | US\$ 10,000 |
| Operational costs including casual employee: | US\$ 5,000 for first year |
| Total: | US\$ 23,000 |

The running costs from year 2 of implementation onwards will depend on the size and structure of the NACA. This will be factored into the budget estimates of the Government from 2003 onwards.

12. Sustainability of the Program

Currently, the office responsible for overseeing the implementation of the Action Plan experiences a serious lack of office facilities. Its operational output would be considerably increased if it could dispose of an fully equipped and operational office. An adequate office space has been identified and two additional staff have been co-opted. At this stage, it is important to maintain the momentum and keep stakeholders informed all the time. Therefore, support in this area is crucial.

The establishment of NACA will absorb the Secretariat and its office into the main structure approved by Parliament and work on implementing the Action Plan will continue uninterrupted. At this stage this program is the most critical for the Initiative as it has direct relation to implementation of the Plan of Action