Rural development lacks

By OMAE KOAKE

VITAL frontline service delivery to meet rural needs, especially in the countryside, is stagnating, poor and not much is there to show in terms of real progressive development for more than a decade.

Promoting Effective Public Expenditure (PPEP) project survey report released by National Research Institute (NRI) and the Australian National University (ANU) during the 2013 National Budget Forum this week at the NRI revealed that there is a sad state of rural development status due to many pockets of communities in the countryside.

During presentations of the report, Andrew Mako of NRI and Colin Wilkies of ANU highlighted that the survey took them to scenes of the remotest communities of the country and witnessed concrete evidence of vital services like education (schools/classrooms/teachers), health (hospitals/doctor/staff) and transport infrastructure (roads/bridges/waterways) totally unresponsive and lacking in capacity.

The combined survey team visited 215 schools and 170 health facilities in 19 districts across eight provinces - Goff, NCD, Eaga, Fais, East New Britain, Central, Western and East New Britain.

It revealed that services available in these areas were low capacity and the public services were non-existent and even the public servants were not in the game.

"Most of these vital services were closed since the last survey a decade ago, road conditions are poor while the provision of real community development are deviated elsewhere or minimised in the process," Mako and Wilkies observed.

Despite these challenges, the study indicated that these were inspiring examples in many provinces of retired and retrained public servants, especially teachers and health workers who continue to help communities sustain these vital services in the absence of public servants who are able to serve or have gone away to seek greener pastures.

The study also showed that there is need for more engagement with the communities and churches to monitor service delivery especially in rural areas.

While these are initial impressions and findings, the NRI/ANU team said data will be analysed over the next six months and the results presented at next ANU/NRI Budget Forum in August/September.

Budget implementation to be monitored

By OMAE KOAKE

The Department of Finance, in the process of setting up evidence- based policy guidelines to enhance the monitoring, reporting and evaluating of the implementation of the National Budget is to step up leakages, eradicate corruption and eliminate wastages of development funds.

During the 2013 Budget Forum at the National Research Institute (NRI) this week, the Minister for Finance, James Marape assured his audience in seeing that the budget is implemented as expected within lawful implementation policy guidelines.

He said that the country for many years had no budget monitoring and evaluation policy and thus, the national budget funds were hugely mismanaged and enabling the development progress to be stagnated.

The Department of Finance is currently a subcommittee of the National Planning Minister to establish monitoring indicators and data collection mechanisms to ensure the government on the impacts of budget implementation and the need to exchange and improve the delivery process according to the development plans.

Thus, Mr. Marape highlighted the importance of having in place evidence-based policy mechanism in an effort to collect and analyse data, a culture that would guide the nations in the right direction.

"Collecting evidence on the performance of the budget implementation is a key tool and a legal requirement stipulated under the Public Finance Management Act (PFMA) and it is needed that quarterly budget reviews are not the avenue for Departmental Heads, Agency CEOs and the Provincial Administrators to seek additional funds but instead for setting of new targets for the budget implementation process," he said.

"This serves to measure the spending agencies' financial performance against physical achievement in terms of goods and services delivery to our people because many agencies and administrations do not take this reporting requirement seriously. These old ways of doing things will have to change and persons will be held accountable for their performances," he added.

He intends to place on regular basis to the media and reports on agency performance in budget implementation while agencies heads fail to deliver will face sanction and obtain public disgrace as a way forward to embracing transparency in the budget implementation process.

He expressed that we are a nation in transition and if start building a decent development culture now, we will not fail in future but progress to prosperity.

We must build implementation capacity: Marape

By OMAE KOAKE

"We must build budget implementation capacity at the provincial and district levels, as we desire to implement national budgets successfully in the country," The National Finance Minister, James Marape highlighted this sentiment in his address to the Budget Forum stating that the country lacks budget implementation capacity at the lower government levels, for the last 20 years PNG has never implemented national budgets sufficiently.

Mr. Marape emphasised the importance of changing the way we do things here in the country now and to wait for a latter date as we will still be doing the same thing all over again and remain the same forever without much development progress for the betterment of our people.

"The bulk of our population residing 60% live in the rural areas as we know and they need to be fed, clothed, educated, for their children, hospital for the sick and good roads for connections for enhanced economic growth and improving their lifestyles thus, appropriate implementation of the National Budget is of utmost importance," he said.

The government coalition, the O'Neil-Dios government this time wants to throw money down to the provincial and local level government because these are the levels of government that come closer to the needs of our people on a daily basis as well as perform vital roles in mobilizing the people for development.

He said that the task of the government is simply channeling the money down to these lower levels of governments whilst only stepping in to make sure the development funds are used according to the established implementation policies and stick to targeted outcomes are achieved.

Moreover, Mr. Marape told the Budget Forum that he plans to set up within his department an "Implementation Unit" which will propose this unit to be empowered as a core unit of inspection 'task forces' who will be given the teeth to bite, means and ways to crack down that all public funds tied to the development budget are used only following the parameters of the budget.

Study: 2013 Budget more expenditure based

By OMAE KOAKE

A RECENT joint research study into the 2013 National Budget has observed that the national budget continues to depict the tradition of rapid expansion of government expenditure seen over the last decade.

The study collaboratively organised by PNG's National Research Institute (NRI) and the Australian National University (ANU) states that the growth of the expenditure had benefited key sectors such as education and health 96% especially reaching where the much rehabilitation and spending has markedly increased.

But Professor Stephen Howes, Director of the ANU's Development Policy Centre when presenting his views argued that frontline service delivery (health, education, law and order etc) was underfunded and although there were significant increase this year, the trend appears temporary and the underfunding could well worsens in the future.

He said that one obvious indicator of the situation is the number of teacher per student and under reasonable assumptions, this figure may have already fallen to 80% of its level a decade ago and will fall to as low as almost 50% by 2017.

In his budget commentary at the NRI this week, Prof Howes highlighted the following indications are:

- The development (project) budget continues to expand at the expense of the recurrent budget which funds frontline service delivery. In the last decade, the share of the total budget taken up by the development budget has risen from 30% to 45% and is projected to continue and reach almost 50% by 2017 which is very high by international standards.

In a constrained fiscal environment, this implies that recurrent funding for frontline service delivery is projected to fall.

- The biggest change in 2013 Budget is in the devoted funding budget to the Local Level Governments which increases from about 3% of the overall budget to a massive 15% and while the increase is welcomed, the increase in funding is nearing the development budget and this will result in more projects rather than recurrent funding for service delivery.

- The design of the Sovereign Wealth Fund will direct the flow of dividends from the LNG project into development rather than recurrent funding.

The evidence from the study is consistent with the squeezing of funding for the frontline service delivery and the surveyors witnessed many examples of DSW projects meant to assist schools and public funds which are incomplete or even cannot be used due to staff constraints," Prof Howes observed.

He noted that this is an important and exciting time for Papua New Guinea as the National Budget committed new reforms and initiatives while the monitoring implementation of the budget will remain