

DEMOCRATIC GOVERNANCE STRATEGY IN PAPUA NEW GUINEA

August 2007ⁱ

1. INTRODUCTION

AusAID has implemented a community engagement program since 2002, guided by the strategy: *Engaging Civil Society in PNG*. The program drew together some existing projects, in particular the *Community Development Scheme* (operating since 1998) and the *Electoral Support Program* (commenced in 2000), and included initiatives involving the media and the churches. A civil society scoping mission commissioned in 2005 to identify appropriate parameters for a subsequent strategy and program concluded that the existing program lacked an underlying, coherent strategy, resulting in a “broad swathe of unconnected projects”, which was bound to have limited impact.

Programmatic coherence is provided for in this Democratic Governance Strategy by focusing on two key principles:

Principle 1: *Support state and civil society to work in **partnership** in order to strengthen their complementary roles and responsibilities, thereby facilitating political stability, service delivery, and sustainable economic development.*

Principle 2: *Work at as **local** a level as possible in supporting civil society, the sub-national levels of the PNG state and, where relevant, private enterprise, to articulate demand for democratic processes and institutions, and strengthen their capacities to meet that demand and become drivers of change.*

These two principles will shape future democratic governance programs including Strongim Pipol Strongim Nesen (Empower People, Strengthen the Nation), to be commenced in 2010, and will allow synergies to emerge between the program's components, contributing to increased aid effectiveness.

The Democratic Governance Strategy has also been framed within a robust policy framework developed in response to changing social and economic conditions in PNG, key lessons from the program and emerging policy directions of both governments.

2. DEMOCRATIC GOVERNANCE AND PNG

The term *democratic governance* does not refer to the formal “democratic” system of the liberal nation-state. Rather, it embodies the notion of shared governance, in which civil society, democratically elected local government and the private sector, together with the national government (the state) participate in public matters including policy making and implementation, resolution of public problems and the allocation of public resources. It involves working directly with communities as citizens, engaging with the ways in which they can both influence development and call for accountability. This is of particular importance in PNG, a very young nation-

state grappling with the challenge of building a sense of nationhood across its 800 language groups and sharp ethnic distinctions.

For most women and men in PNG the nation state is a remote concept with limited relevance. An important part of their everyday life is governed by local customary social structures, which are part and parcel of civil society. These structures are generally based on (fictive) kinship relations and access to land, supplying a variety of customary modes of governance that define processes of decision-making, resource allocation, dispute settlement, education, etc. Papua New Guinean people all express allegiance to extended families, lineages, clans, communities or tribes, and practice a political culture of redistribution and reciprocity. The customary structures are many and diverse, and in parts of PNG they may be weak institutions, materialising only for special events such as weddings, funerals, conflicts and justice. Nevertheless, customary social structures provide the rationale for how women and men govern and organise themselves at the local level.

This means that any kind of governance strategy in PNG would do well to take into account civil society at the local level, i.e. customary social groups. It should identify and support the strengths of these groups (e.g., transparency, social sanctions against leaders who abuse their positions for personal gain), and critically engage with strategic stakeholders to address some of the democratic weaknesses of custom (e.g., gender inequality, violence).

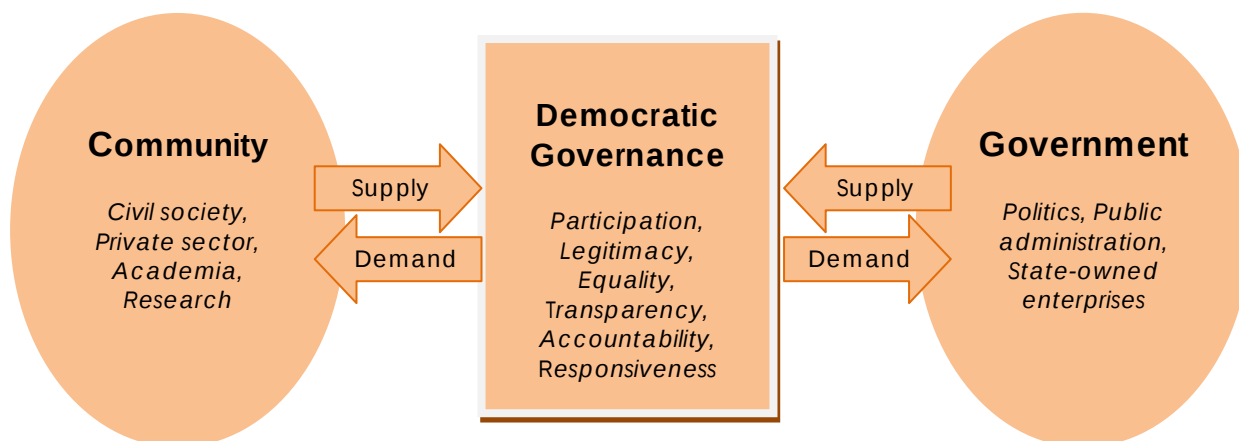
Many of the present problems of governance in PNG stem from the uneasy fit between the customary social structures and the nation-state, debilitating both kinds of institution. It is therefore crucial for a democratic governance strategy to seek new ways to foster partnerships relating civil society to the state, and vice versa. For this to happen, both partners will have to adjust their modes of governance, enabling them to benefit from each other.

3. LINKING SUPPLY AND DEMAND

The Democratic Governance Strategy recognises that both government and civil society actors have roles to play in supplying and demanding better governance.

The Democratic Governance Strategy provides for an integrated approach, supporting the linkages that enable government and civil society to complement each other. The strategy links the supply and demand sides of governance and the roles of state and non-state stakeholders, as is represented in Figure 1.

Figure 1 – Linking Supply and Demand



In development, governance strategies have typically focused *either* on technical reform of the state bureaucracy, or on the empowerment of civil society organisations.

Development support for the supply side has involved helping to strengthen institutions of government such as the electoral system, parliament and its politicians, and oversight bodies like the Ombudsman's office and Auditor-General. Support for the demand side has focused on organisations in civil society, such as churches, women's groups, non-government organisations, and advocacy institutions that are encouraged to lobby government to improve its performance.

By and large, the tendency has been for development agencies to treat support for civil society as peripheral in what is, essentially, a government-to-government partnership.

AusAID's Democratic Governance Strategy's approach in PNG involves civil society and the state both demanding and supplying better governance that includes demonstrating democratic values such as participation, legitimacy, equality, transparency, accountability and responsiveness. Support for democratic governance will facilitate relationships and constructive interactions between democratically managed social agencies – public and private, profit and not-for-profit – all which reinforce each others' competences in order to deliver services effectively and alleviate poverty.

4. STRATEGIC GOAL

The Democratic Governance Strategy goal is:

Men and women, civil society, and the state working together on issues of public interest, shaping policy, allocating resources, and enabling the exercise of rights.

By strengthening the institutions of civil society and the state, and the relations between them, the strategy aims to contribute to social and political stability, and to efficient resource allocation. These are essential conditions for the effective delivery of services and sustainable economic development.

The Democratic Governance Strategy is intended to guide AusAID's programming and support for ten years and contribute to Australian and PNG Government priorities as set out in the *Papua New Guinea-Australia Partnership for Development*, signed in 2008. The Partnership sets out mutually agreed commitments to work cooperatively towards the achievement of the Millennium Development Goals and PNG's other development priorities (described below) in order to achieve sustainable improvements in the quality of life for all Papua New Guineans including through improving access to markets and services; faster progress towards universal basic education; improved health outcomes; more effective delivery of public services, and more.

PNG's development priorities are also set out in the *Papua New Guinea – Australia Development Cooperation Strategy 2006-2010* which aims to help Papua New Guinea reduce poverty and promote sustainable development. The strategy supports the PNG Government's efforts to implement its Medium Term Development Strategy (2005 – 2010) and Medium Term Fiscal Strategy.

The Democratic Governance Strategy aligns with *Pacific 2020*, the widely consulted strategy for growth in the Pacific region published by AusAID in 2006. It also complements AusAID's 2007 position paper *Building Demand for Better Governance*, contributing to that agenda but also beyond. Figure 2 illustrates how the Democratic Governance Strategy supports key policies of both governments. There are many other laws, strategies and policies relevant to democratic governance in PNG, regarding gender, disability, decentralisation, elections, the media, and the churches. These will guide, or need to be considered in, the implementation of this strategy.

Figure 2 – The Policy Framework



5. STRATEGIC PRINCIPLES

Two key principles will guide the planning and implementation of democratic governance programs and activities supported by AusAID in PNG: promoting partnership and working at as local a level as possible. These principles effectively address some of the gaps in AusAID's former civil society program and reinforce its strengths. They are of specific priority for success of the democratic governance strategy, and they complement the more general principles that guide Australian aid activity, such as economic and environmental sustainability, stakeholder ownership, gender equality, and capacity development.

Principle 1: Support state and civil society to work in **partnership** in order to strengthen their complementary roles and responsibilities, thereby facilitating political stability, service delivery, and sustainable economic development.

Traditionally, support for the role of civil society in governance has focused on its advocacy and lobbying roles. However, the findings of recent analyses indicate a need to move beyond this sort of support, to fostering deeper partnerships that highlight mutual interests. Such partnerships offer far greater potential for strengthening the roles that civil society can play in governance.

Partnership means that the state and civil society complement each other on both the demand and the supply side of democratic governance. By stressing only the demand side of civil society and the supply side of the state one loses sight of the significance of such partnership. Civil society watchdogs (demand) are important in the short term in mitigating the worst excesses of poor governance by the state but, in the long run, government reforms will only become sustainable if both civil society and government adjust their systems to each other (supply). The role civil society plays in providing services must also be in partnership with government rather than in parallel if impacts are to be sustained.

Democratic partnerships are necessary at both national and local levels, where civil society and the state mutually reinforce their capacities for practicing and promoting democratic principles such as interactive decision-making, participation, gender equality, accountability and transparency. Given PNG's cultural diversity, distinct systems of local democracy can be strengthened to manage current local affairs and justice, helping the state to redress the problems of instability and conflict.

Principle 2: Work at as **local** a level as possible in supporting civil society, the sub-national levels of the PNG state and, where relevant, private enterprise, to articulate demand for democratic processes and institutions, and strengthen their capacities to meet that demand and become drivers of change.

This principle stresses the importance of working at as local a level as possible, building on some of the positive outcomes of the *Community Development Scheme*. The main reasons to give priority to working at the local level of civil society and the state are twofold. In the first place, in a country as diverse as PNG, local systems of governance in civil society and the state are more responsive to the needs of the population and usually have more legitimacy than national institutions. Secondly, operating locally generally increases the effectiveness of aid interventions because strategies and programs are more likely to be appropriate to the local context and potential for local ownership is greater.

6. THEMATIC PRIORITIES

(a) Peace-Building

Activities supported as part of the democratic governance strategy will take a proactive role in supporting peace-building. This goes beyond the fundamental need to ensure aid-related activities do no harm, i.e. that they operate with genuine understanding of and sensitivity to the local context and potential effects of any intervention on existing dynamics. Violence, conflict and crime undermine social cohesion and therefore development efforts. Ultimately, active support for peace-building contributes to nation-building and cohesion, improves the enabling environment for poverty reduction and for economic growth, and strengthens aid effectiveness.

In practical terms, this means that program and activity planning and design must give specific attention to opportunities for mainstreaming of peace-building, as well as potential for targeted activities (examples might include conflict resolution training in key communities; or support for key agencies).

(b) Gender equality

Gender roles are still tightly prescribed in PNG and attempts to alter them are generally met with great resistance. Although there are significant differences in the gender roles that are accepted in different social groups, it is reasonable to generalise that domestic and sexual violence are widespread and that, throughout the country, women have minimal participation in dispute resolution, be it in village courts or informal dispute resolution procedures such as mediation.

Activities supported as part of the democratic governance strategy must actively mainstream gender in design, implementation, and monitoring and evaluation. The latter requires particular attention, especially when working with NGOs, churches and other CSOs. Attempts to assess the gender impacts of past support for development activities involving non-government bodies have found that little if any targeted monitoring and evaluation has been done. As a consequence, while it is possible to draw conclusions about the extent to which issues of gender equality have been promoted, it is not possible to ascertain whether or how these have translated into behaviour change or notable changes in women's status. Activities supported as part of the Democratic Governance Strategy should be required to develop performance assessment frameworks that address outcomes as well as outputs, and these should include gender outcomes.

Of the many lessons learned about addressing gender issues in development activities in PNG, one that particularly needs to be highlighted in seeking to strengthen democratic governance is the need to garner men's support of women's activities regardless of whether they are reinforcing or challenging norms. Often in PNG, men are supportive of activities that improve women's skills or confidence where they reinforce 'traditional' gender roles, but actively resist gender activities that explicitly seek to alter gender roles. In the first instance, the priority must be to minimise any potential violent backlash against women, but activities supported as part of the Democratic Governance Strategy must seek to move beyond this, to actively engaging with men as well as women on gender equality.

Thus, in addition to mainstreaming efforts, targeted support specifically aimed at improving gender equality will need to be provided within the Democratic Governance Program. For instance, activities involving customary social groups, churches, etc will need to be accompanied by gender training so as to minimise the potentially negative outcomes of strengthening institutions and processes that are known to discriminate against women.

(c) Civic education and capacity development

The third critical thematic priority in terms of cross-cutting issues is the need to support civic education, and capacity building more generally, in as wide a range of interventions as possible. There are existing government and donor-supported programs that target capacity development (such as the *Provincial Performance Improvement Initiative*), and programs in support of the democratic governance strategy will need to coordinate closely with these – in part to avoid duplication, but importantly too to examine possibilities to develop tailored activities within these other programs that could support the strengthening of democratic governance in PNG. At the same time, most such activities tend to focus on capacity within public administration. There is a role for activities within the democratic governance strategy that target individual citizens, helping to build capacity and leadership in democratic governance.

7. PROGRAM DIRECTIONS

In broad terms, future operational interventions in support of the democratic governance strategy will be programmed on the basis of long term timeframes. Coverage will be nationwide. The accompanying text box illustrates the broad range of stakeholders that will need to be considered and consulted, some of whom will also become active partners in the design and implementation of democratic governance activities within this strategy.

KEY STAKEHOLDERS AND POTENTIAL PARTNERS

- ✓ Customary social groups
- ✓ Churches and church agencies
- ✓ Selected civil society organisations (e.g., women's groups)
- ✓ Trade and labour unions, producer federations, cooperatives and credit unions
- ✓ Business and professional associations
- ✓ Think-tanks, research institutes and policy centres.
- ✓ Selected non-government organisations (local or international)
- ✓ Public and private centres for capacity building
- ✓ Media
- ✓ Advocacy organisations
- ✓ Private sector, especially the community development arms of extractive industries
- ✓ Selected sub-national government institutions (e.g., district administrations, local-level governments, wards, health centres, school districts)
- ✓ Selected national level government institutions (e.g., National Broadcasting Commission, Electoral Commission, national parliament)

A central design objective for future activities must be to introduce greater coherence and integration to both planning and implementation. A more holistic approach will enable synergies to be identified and exploited more easily, it will likely yield administrative and other efficiencies benefiting participating PNG agencies

and, over the life of the strategy, it should strengthen the overall impact of democratic governance interventions.

In determining specific locations and activities for support, it is desirable that a mapping exercise be undertaken to ascertain where support for democratic governance is already being provided. This should be done with the resource companies that are actively engaged with communities in PNG, as well as with established non-government and civil society organisations and other donor partners. Active effort to stimulate dialogue with sector programs (including within AusAID) will also be beneficial, potentially amplifying impact in strengthening democratic governance.

Operationally, support for the democratic governance strategy is expected to involve three elements, along the lines described below. Each will be inclusive, will actively work to build capacity, and will address communities as having both supply and demand roles in relation to improving governance. Both will also take account of the priorities summarised in Section 8 below. There will be a focus on ensuring consistency of approaches and sharing of experiences and expertise across all elements of Australia's aid program in PNG.

(a) Strongim Pipol Strongim Nesen

In support of the Democratic Governance Strategy, AusAID has designed a new democratic governance program, the *Strongim Pipol Strongim Nesen*. SPSN is an umbrella program that will allow a program approach to be applied to management of the range of democratic governance activities and stakeholder interests.

At the local level the program will facilitate practices such as participatory planning and community sports which, if carefully handled, can foster partnerships and bridge social divides within and between groups and institutions. Such activities will complement the civic (and electoral) education efforts that are provided to inform the public about the rights and duties of government and citizenship, to increase local capacities of mediation, and to foster democratic institutions.

Importantly, the SPSN will include capacity to support small-scale interventions that directly improve services such as public health care and education as a means to strengthen the different modes of governance at the local level. Experience in PNG as well as elsewhere shows that demand for better governance is often generated by a demand for better service delivery. Improving service delivery can therefore provide an entry point to building demand for better governance.

The DGP will coordinate with other sector programs and activities that provide complementary support (such as the *Strongim Gavman Program*, the *Public Sector Workforce Development Program*, the *Provincial Performance Improvement Initiative* and *Sub-National Strategy*, the leadership program, and the economic and public sector reform program).

(b) National Partnerships

In addition to the *Strongim Pipol Strongim Nesen* program described above, AusAID will identify and support a select number of existing and new key national partners to strengthen and extend the scope and influence of their work with communities. The intent over time is to build a critical mass of individuals and groups involved in the promotion and practice of democratic governance. These partners will be chosen for their operational or strategic influence on community-driven development, capacity building, networking, service delivery, fostering a supportive enabling environment, and/or community-government linkages. These partnerships must be very selective, based on where there is clear mutual interest in a deepened relationship. Clearly, the most appropriate delivery model(s) for these partnerships will need to be assessed once the specific partners have been identified. However, it is likely that management of the partnership will need to be undertaken directly, within AusAID.

(c) Mainstreaming

Although the *Strongim Pipol Strongim Nesen* and National Partnerships will provide some expertise and information for engaging across sectors and for linkages at the sub-national level, there will be a vital role for AusAID itself to identify such opportunities, both within its own aid program in PNG and in relation to government programs or the activities of other development partners.

Figure 3 – Strategy Implementation



AusAID's in-country personnel (currently the Democratic Governance Unit within the Australian High Commission), with specialist advisory expertise as needed, will take the lead role in identifying and coordinating to ensure such opportunities for cross-program engagement are recognised and exploited. For example, there is a need to examine whether the Unit should engage directly with PNG national government agencies on partnering constructively with civil society, or whether this can be managed more effectively by working through the sectoral programs that are already operating in partnership with these agencies (such as in health, education and law and justice). Either way, mechanisms to foster such linkages will be critical to enabling civil society to perform effectively in both the demand for and supply of improved governance. Over time, such mainstreaming should result in more integrated partnerships across all sectors of PNG society.

8. KEY ISSUES FOR IMPLEMENTATION

Building on the lessons learned from past efforts to strengthen civil society in PNG, programs and activities within the Democratic Governance Strategy will take specific account of the following issues that influence effective implementation.

- **Support and partner with institutions that show interest in and commitment to democratic governance.** Select and work in those provinces, districts, wards, etc. where customary social groups, churches, state agencies, etc. show willingness to form partnerships and to implement democratic reforms.
- **Pay attention to conflict prevention and resolution, and peace building.** Local situations of both political stability and conflict can be opportunities to implement development activities. Where conflict generates the stakeholders' demand for conflict resolution a window opens for the program to strengthen local governance systems whilst taking into account democratic principles such as participation, equality and partnership. Activities such as participatory planning and funding for small local projects (for service delivery and economic development) can bridge the divide between customary groups such as clans and communities, providing a kind of peace dividend.
- **Promote local mechanisms for peace building and restorative justice,** including conflict prevention and resolution. Conflicts normally concern economic resources such as land, mining, logging, and oil and gas extraction. Thus, tackling these kinds of conflict potentially addresses a key impediment to economic growth in PNG.
- **Work with both strong and weak organisations.** Commitment and the potential to become a sustainable partner in democratic governance (depending on social network, democratic credentials or financial viability) are more important criteria within the Democratic Governance Strategy than current institutional strength. Weak but promising institutions will be provided with organisational strengthening support.
- **Provide modest performance-based incentives.** This will include the process of selecting partnerships with stakeholders that demonstrate commitment and drive

to strengthen democratic governance. In addition, small community grants will be made available for small projects to customary groups and formal institutions that constructively engage in participatory planning processes and civic education promoting democratic governance. The same scheme can support a peace dividend in conflict situations.

- **Encourage contributions from customary groups and institutions.** Taxes are the most obvious way to foster demand for accountable and transparent public finances, since people want value for their tax kinas. However, taxes are a distant future for most people in PNG. In the meantime, service providers and development programs should include contributions from the groups and institutions that receive funds, promoting popular ownership and institutional accountability.
- **Work with the extractive industries.** Where possible, develop local partnerships with companies working in industries such as mining, and oil and gas extraction. They can play a constructive role in conflict situations and in wider development initiatives for democratic governance and economic growth.
- **Support local private enterprise.** Private enterprise can play an important role in promoting democratic governance. The media is a case in point, as private radio stations in PNG seem to have a wider audience than the state sponsored radio.
- **Invest seriously in supporting the media from the outset.** Complex development endeavours in pursuit of democratic governance necessarily include long-term processes such as civic education and participatory planning. Media offers an effective means of generating positive outcomes relatively quickly, thus providing some 'early wins' to help foster the interest of people and government.

9. MANAGING RISKS AND ASSESSING PERFORMANCE

The Democratic Governance Strategy is high risk. Civil society and local government are generally considered to be nebulous and risky partners and, in a fragmented country like PNG, they are even more complex and unpredictable. At the same time, support is relatively low-cost and the grassroots nature of civil society means it has strong potential to drive political change from within, delivering high returns over the long term. Some of the key risks to be addressed in program design and managed over the life of the strategy include:

- **Frustrated expectations** – where capacities to articulate demand are built and not responded to;
- **Antagonism between the state and civil society** – where government institutions might not always react appropriately when civil society voices legitimate concerns, or where civil society does not recognise the need of partnership with the state;
- **AusAID's relationship with the government of PNG** – where the bilateral relationship is adversely affected by AusAID's support for a vociferous civil society;
- **Ownership and control** – where maintaining a balance of shared ownership of the program takes up all the time and effort of the program;
- **Political capture** – where program activities are used to fund or support electoral grandstanding by individuals and groups;

- **Absorptive capacity** – where the institutional capacities of state and/or civil society are limited, and providing higher levels of funding could undermine rather than enhance performance, quality and outcomes, or even the institutions themselves;
- **Programmatic ambition** – where its focus on the local level marginalises the program’s engagement with crucial stakeholders at the national level, or vice versa;
- **Lack of donor coherence** – where unsustainable levels of resources are pumped into state and civil society institutions with limited coordination, or where donor policies are in contradiction;
- **Limited pool of human resources** – where competition for the right skills results in personnel being impossible to secure;
- **Perpetuation of gender inequality** – where the general complexity of the program and its inclusion of male dominated customary groups hamper sufficient attention to gender issues or impact negatively on gender equality; and
- **Peace by dividends** – where the pursuit of peace is no longer a sufficient incentive to participate in conflict resolution, demanding additional provisions of donor funding.

As noted in Section 4, the Democratic Governance Strategy and its associated programs will contribute both directly and indirectly to the country strategy and the Partnership. These will be subject to regular reporting on performance. In addition, the *Strongim Pipol Strongim Nesen* program will have a performance framework and process to ensure there is regular and effective monitoring and assessment at the activity and program level.

In addition to these processes, regular performance information will be produced in relation to the strategy as a whole, equivalent to sector performance reporting. Given that activity or program-level assessments alone are unlikely to provide the information needed to determine whether and to what extent the Democratic Governance Strategy has been achieved, periodic independent sector level analyses or impact studies will be commissioned. Joint PNG government – civil society assessments of the strength of the relationship between government and civil society in different areas and on different issues will also be undertaken.

ⁱ This strategy was updated in 2009 to include new and emerging policy considerations.