MEDIA RELEASE

Friday 13 December 2019

WILSON THOMPSON, ML, PNG NRI COUNCIL ACTING CHAIRMAN’S ECONOMIC POLICY ANALYSIS COURSE (EPAC) GRADUATION REMARKS

SUBJECT: Independence, research activities of the PNG NRI and the EPAC

Honourable Deputy Prime Minister
Council Members
Graduands
Staff of NRI
Invited guests and the media

On behalf of the Papua New Guinea National Research Institute (PNG NRI) Council, I thank you all for coming to this important occasion and I also express our gratitude to the Deputy Prime Minister and Minister for Justice & Attorney General, Hon. Davis Steven for been here to witness this event.

The PNG NRI has a long history in the country and was established well before any of our universities, research and academic institutions.

The Australian Government established the New Guinea Research Unit through the Australian National University in the 1950’s at Badili and eventually moved to its current site at Waigani in 1963.

At Independence, the Research Unit was renamed the Institute of Applied Social and Economic Research (IASER) and had its functions, powers and objectives under the IASER Act 1975.

The Institute derives its powers and functions under the National Research Institute (Amendment) Act, 1993 to contribute to development by conducting quality, theoretical and applied research into areas such as cultural, economic, educational, environmental, political and social concern. It is mandated to generate research information for debate and discussion to aid informed decision making by the Government, private sector, civic society and the general public. This is done through publications, seminars, workshops, and conferences and special reports based on specific engagement by concerned government departments and agencies.

The PNG NRI derives its independence by virtue of its Act, through the manner in which it appoints members of the Council. The Council being the authority, recruits the staff, determines appeals and sets the terms and conditions of employment of the Institute’s staff. The vice chancellors of the two oldest universities, UPNG and Unitech, are ex-officio members of the Council. Membership of Council also consists of two members of Parliament who report directly to Parliament, a chairman, a community representative, a business representative, departmental heads for both National Planning and Personnel Management, a staff representative and the director of the Institute. The Council appoints its deputy
chairman. The Institute reports directly to the Council with limited responsibilities or directives from its Minister and departmental head.

This Independence of PNG NRI ensures that research and policy focus are determined by the needs of the people and that research outputs and recommendations are independent and without bias for the Government to accept, reject or implement where necessary in the wisdom of the Government.

The major highlights of various Research and Policy Outputs for the past few years are:-

a. **Small and Medium Enterprises (SMEs) Development**
   SME is an important policy of the Government hence PNG NRI’s research on how SMEs can be developed and nurtured to play a pivotal role in creating employment, income, and generating wealth and opportunities for the people.

b. **Management of Benefits from Natural Resources**
   PNG has many natural resources and requires prudent management and investment in real tangible development for the people. PNG NRI was engaged in discussions in creating a sound Sovereign Wealth Fund (SWF) to better manage the anticipated huge Liquified Natural Gas (LNG) revenue. The Institute recommended during the first LNG Exports in 2014 that it was critical to establish the SWF to manage the LNG revenues as the macroeconomic and governance risks involved with SWF is high. However, PNG has continue to lag behind in social and economic development, compared to several countries of similar resource endowments such as Malaysia, Chile and Botswana.

c. **Promoting Effective Public Expenditure**
   Research into public expenditure and service delivery effectiveness through public forums and discussions of research findings with policy makers, government departmental officers and the general public. Further, how do we ask the implementing agencies to do Monitoring and Evaluation exercise of their own implementation including their failures? The Institute has been critical of the Public Housing Schemes implemented by the National Housing Corporation, Department of National Planning, and the Office of Urbanization highlighting that key trunk infrastructure such as water, power, roads, and sewerage were not established. Later projects such as Edai Town, Skyview and Malolo Estates are now tenanted while almost all government housing projects have been abandoned. Let’s listen to institutions like PNG NRI who can do the Monitoring and Evaluation independently.

d. **National Land Development Program**
   The research and outcomes from this program is tailored towards unlocking customary land for sustainable development. It is intended that landowners will continue to have ownership and receive income through rentals or use their land as collateral to generate income and opportunities for themselves. The people of PNG own the land and have potential for development but these options are limited without government policy support in promoting agriculture, SMEs and housing and general business. The recent concluded National Land Summit on customary land which PNG NRI was instrumental resulted in the 19 Resolutions that was approved by the National Executive Council (NEC) for implementation.
e. National Housing Policy Implementation Taskforce

The research continues into the housing market and the implementation of the Housing and Real Estate Industry Review sanctioned by the Government through the Independent Consumer and Competition Commission. We see both legal and illegal squatter settlements emerging on the outskirts and even within cities and towns due to housing shortage and high house rental. Also there is land grabbing and corruption within government departments that allows non-nationals or people from other customary groups or provinces being granted Lease, Lease Back and Freehold titles, when it is illegal to do so.

On the importance of economic and public policy analysis and policy formulation, we have seen how the scarce government resources at times are allocated based on decisions either due to popular demand, political situations or on poor data and analysis.

With no offence, the disciplinary forces and law and order agencies seek so much resources but these must be considered within the economic capacity and cost benefit analysis of the program. We cannot continue to fund prisoners who do not work to contribute for their food or learn any skills while in jail.

The agriculture sector has been given so much funding over the last 15 years but there is not even an increase in production and change in the Gross Domestic Product figures. That should ring alarm bells as there seems to be no marginal increase or even proportionate increase in outputs based on the significant increase in inputs.

So, has the Government done adequate research and analysis on the various Agriculture policies and programs to commit significant financial and technical resources? Even the World Bank which has provided loans to the Agriculture sector is reporting stagnant production figures.

Have we done the research and policy analysis correctly and projected the outcomes correctly?

The Diploma in Economic Policy Analysis was introduced to address some of these issues raised. PNG NRI introduced the course 1989. It is now 30 years since its inception. Whether the Institute has achieved its objectives of the EPAC Program and whether the Government has benefitted from it is the question we must ask PNG NRI to look beyond.

The EPAC Program in the first ten years was basically for Economics graduates who needed research skills to analyse policies from the perspective of economics. The next ten years was mostly targeted at those involved in economics, administration and finance sector. In the last ten years, the course content expanded to include agriculture, education, health, land and housing sector policies targeting all departments and agencies.

In the last five years, PNG NRI and the Australian Government arranged special sponsorship for the media and communications, political parties, Ministerial staff, and the Office of the Registry of Political Parties and Candidates.
It is important that all government sector planners, researchers, policy officers attend the EPAC Program. PNG NRI will continue to engage with all government agencies, departments and commodity boards, through seminars and workshops, and the EPAC course.

The PNG NRI Council is considering running two courses in a year. The Council is also considering introducing short courses in Research Skills and Methods, Natural Resources Policy, and Social and Population Studies. It is important to note that PNG NRI is primarily a research institution and does not wish to challenge our universities but wants to engage with the communities and the working population to teach research based policy options and alternatives.

On that note, let us appreciate that the Social and Law and Order Sector (SLOS) under the leadership of our Deputy Prime Minister is engaging with PNG NRI to audit all government policies going back to 1975. This will help us to understand which policies are implemented, partly implemented or not implemented and the reasons.

Some of those polices would be the 1997 ICAC Bill that has never been debated and the Death Penalty (method of execution), and the many law and order summit and their outcomes that fill our bookshelves. We had so many Agriculture summits and policies but the figures are not telling us a good story which means that the policies must be actually dissected to show us what has happened and what has been the outcomes so far.

The Marape-Steven Government sees the importance of PNG NRI as a research institute and a think tank. The Prime Minister’s visit to PNG NRI in August 2019 and the Deputy Prime Minister’s presence today at the 2019 EPAC Graduation shows them engaging with PNG NRI and other similar organisations to ensure we all see positive outcomes for our people.

To the graduands, I must commend you all for undertaking this program. It was eight weeks used for the betterment of the country and for you to apply the knowledge and skills and the network you have acquired. We want to see better articulated policy papers and research documents that show clearly the past and present policies, outcomes, costs and benefits and also how and why we should adopt new policies.

On behalf of the PNG NRI Council, I commend the PNG NRI Management and staff for achieving the 30 years milestone in running the Diploma in Economic Policy Analysis course. Congratulations to the 49 graduands of the 29th EPAC graduation for successfully completing the EPAC Program.

God Bless you all!

Authorized for release by:

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