

Distr.: General  
7 December 2021

English only

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**Ninth session**

Sharm el-Sheikh, Egypt, 13–17 December 2021

**Statement submitted by the UNCAC Coalition, a  
non-governmental organization not in consultative status  
with the Economic and Social Council\***

The following document is being circulated in accordance with paragraph 1 (i) of resolution 4/6 of the Conference of the States Parties to the United Nations Convention against Corruption and rule 17, paragraph 3 (b), of the rules of procedure for the Conference.

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\* The present document is processed in the form in which it was received.





26.11.2021

**Papua New Guinea: Civil Society Report  
by Transparency International Papua New Guinea  
An input to the UNCAC Implementation Review Mechanism:  
Fourth year of review of UNCAC Chapter II**

The following submission summarizes a civil society shadow report from July 2021 that reviewed Papua New Guinea's (PNG) implementation and enforcement of selected articles in United Nations Convention against Corruption (UNCAC) Chapter II (Preventive Measures). The report was supported by the UNCAC Coalition and is intended as a contribution to the UNCAC peer-review process of PNG covering UNCAC Chapters II and IV. The full report is available on the UNCAC Coalition's website.<sup>1</sup>

The overall findings of the report indicate that PNG is only partially compliant with its obligations under UNCAC Chapter II. Although laws and relevant agencies have been established to carry out these obligations, improvement is needed in areas where these laws are inadequate and where UNCAC provisions are not strictly enforced.

**Assessment of the review process**

Did the government disclose information about the country focal point?	Yes	In 2019 the focal points were located within the Department of Justice and Attorney General and Department of Prime Minister and National Executive Council.
Was the review schedule publicly known?	Yes	The schedule was communicated in September 2019 to members of the National Anti-Corruption Strategy Taskforce.
Was civil society consulted in the preparation of the self-assessment checklist?	Yes	TIPNG was consulted and in October 2019 made a submission to the government focal points.
Was the self-assessment checklist published online or provided to civil society?	No	Once feedback was submitted, the self-assessment checklist was not published online or shared.
Did the government agree to a country visit?	N/A	Unclear*

<sup>1</sup> <https://uncaccoalition.org/new-civil-society-report-on-papua-new-guinea-highlights-main-impediments-for-implementing-uncac-chapter-ii/>.

Was a country visit undertaken?	N/A	*
Was civil society invited to provide input to the official reviewers?	N/A	*
Was the private sector invited to provide input to the official reviewers?	N/A	*
Has the government committed to publishing the full country report?	No	

### Main findings and Recommendations (R)

#### Preventive policies and bodies

Aimed at implementing certain preventive measures, a National Anti-Corruption Plan of Action was established in 2011, as part of the National Anti-Corruption Strategy 2010-2030. This includes the promotion of honest leadership and strengthening transparency and public exposure of corruption. The strategy and plan remain minimally implemented and enforced and no evaluation on the effectiveness of these preventive measures has been conducted thus far.

National anti-corruption bodies are underfunded, including the recently established Independent Commission against Corruption. The National Fraud and Anti-Corruption Directorate (NFACD) seemingly suffers from political interference. In 2016, the NFACD was allegedly shut down by the former Prime Minister after a warrant was issued for his arrest. Penalties administered by the Ombudsman Commission (OCPNG) are perceived as having insufficient deterrents, not exceeding K1000 (US\$277). There is also a lack of regular statistical information on the number of corruption cases that have been successfully resolved.

**R:** *The National Anti-Corruption Strategy Taskforce must hold regular meetings; State agencies should develop an internal anti-corruption strategy; and wide consultation is required to ensure a thorough regulatory framework to accompany the Organic Law on the Independent Commission Against Corruption.*

#### Public sector employment

The Public Services Commission is in charge of receiving complaints regarding wrongdoings in public sector employment. However, its review process does not provide for whistle-blower protection as complainants are required to disclose their full identity on the complaints form. Alongside the Department of Personnel Management, it is underfunded, and both receive financial support from international agencies. Recent surveys found that over 80% of respondents in four different provinces in PNG perceived corruption to be common in the public sector with 60% agreeing that it would be difficult to get things done if bribes were not paid.

**R:** *Ensure that sanctions under the Leadership Code and the Organic Law on Duties and Responsibilities of Leaders are proportionate and compel reporting by public officials.*

#### Political financing

The Integrity of Political Parties and Candidates Commission, which was established under the constitution and following the acceptance of a dedicated organic law, is undergoing amendments to ensure disclosure of contributions and donations. Deficiencies include the non-disclosure of contributions made by state-owned enterprises and funds that political parties raise during fundraising events and programs, as well the allocation of funding to political parties which is made according to the number of party members in Parliament.

**R:** *Amend the Organic Law on the Integrity of Political Parties and Candidates to ensure it is constitutional and followed.*

**Codes of conduct, conflicts of interest, and asset declarations**

Laws are in place to establish codes of conduct for leaders and the requirements for conflicts of interest to be declared. The OCPNG publishes investigative reports that implicate members of parliament. However, some leaders are suspected to be given favourable treatment and are subject to more lenient penalties as opposed to citizens who commit crimes under the Criminal Code Act. In addition, leaders are not given sufficient training to ensure they are aware of codes of conduct and their applicability.

**Whistle-blower protection**

PNG recently enacted a Whistleblower Act to protect all employees who make disclosures from occupational detriment. The legislation, however, is not comprehensive enough as it does not extend beyond employer-employee relationships, nor does it allow for anonymous disclosures or mandatory whistle-blower mechanisms to be in place for all organizations. Furthermore, the legislation does not establish an independent body to whom disclosures can be made.

*R: Amend the whistle-blower legislation to ensure its effectiveness, going beyond the traditional employer-employee relationship and instating anonymous reporting channels.*

**Public procurement**

PNG passed the National Procurement Act (NPA) 2018 which signified the reform of public procurement management. The NPA provided for the establishment of the National Procurement Commission (NPC) responsible for undertaking procurement on behalf of the State and statutory bodies. The NPC has published and made accessible procurement procedures and has established offices in various provinces of the country to allow for greater efficiency in its work. The NPC facilitates tenders, but there are still gaps that can be exploited by political actors. The NPC is also perceived to be underfunded and understaffed. Seemingly, sufficient checks are not in place to ensure that the beneficial ownership of bidding firms is disclosed, and proactive disclosure of procurement information to the public is limited.

*R: Operationalize PNG's e-procurement system with reference to global standards; provide the NPC with sufficient financial and human resources.*

**Management of public finances**

A significant and annually recurring challenge for the Department of Finance is the miskeeping of accounting books and reporting accounts. Financial statements are only submitted for audit 15-16 months after the end of the year. While national budgeting documents are published by the Department of Treasury and are publicly accessible online, there is a distinct lack of civil society and citizen involvement in the process of budget forming.

*R: Strengthen accounting standards, according to international best practice, and involve civil society in the budget process.*

**Access to information**

Although the government has recognized the need for a Freedom of Information (FOI) Act and steps are being taken in drafting legislation, there is no FOI act in place yet. The media and local communities have suffered tremendously due to this absence. Over-the-counter accessibility of public documents and overall responsiveness is poor across agencies. So far, only piecemeal measures have been adopted to promote an institutional culture of transparent communication between government and civil society and PNG is now a member of the Open Government Partnership (OGP) and the Extractive Industries Transparency Initiative (EITI). The OCPNG has the power to request information in the public interest from State agencies, but these powers have not been systematically utilized.

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*R: Support is required for the national chapters of EITI and OGP to achieve their broad objectives and specifically to enact a Freedom of Information law.*

**Judiciary**

The Judicial and Legal Services Commission undertakes reviews of different aspects of judicial conduct, except for the high court of justice. Judges and Magistrates of the Courts are subject to codes of conduct. However, judicial corruption seemingly exists, with low levels of enforcement and prosecution leading to perceived impunity. The judiciary also has a low rate of case disposition, creating a corruption risk.

**Private sector transparency**

The Investment Promotion Authority has a publicly accessible and easily searchable company registry. However, when registering a company, there is no requirement for information on beneficial ownership. A key area where corruption is rife is in the forestry industry. Although indigenous communities are recognized as forest custodians and granted total land rights under the Constitution of PNG, widespread government corruption has enabled the illegal timber trade to continue uncontrolled.

*R: Create a legal basis for beneficial ownership data to be collected in a central and publicly accessible online register.*

**Anti-money-laundering**

A legal framework for Anti-Money-Laundering and financing of terrorism is in place. In 2015 the Financial Analysis and Supervision Unit was established under a dedicated Act. However, the public has access to very limited information on the unit's work.