

The background of the entire page is a photograph of a tropical landscape. In the foreground, there is a body of brownish water. On the left bank, a traditional thatched-roof hut is built on stilts. The background is filled with tall palm trees and other tropical vegetation under a blue sky with scattered white clouds.

LEADERSHIP BEYOND STATE LIMITS I:

THE POLITICAL
ECONOMY OF
SUBNATIONAL
LEADERSHIP AND
GOVERNANCE IN
SOUTH FLY DISTRICT,
WESTERN PROVINCE,
PNG

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The **Developmental Leadership Program** (DLP) is an international research collaboration supported by the Australian Government.

DLP investigates the crucial role that leaders, networks and coalitions play in achieving development outcomes.

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Cover photo:
South Fly, courtesy of the research team



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ACRONYMS

ACIAR	Australian Centre for International Agricultural Research	HIC	Health Islands Concept (World Vision)
ADRA	Adventist Development Relief Agency	IAI	Innovative Agro Industry
AGM	Annual General Meeting	JSS4D	Justice Services and Stability for Development Program
AHC	Australian High Commission	KTF	Kokoda Track Foundation
APSP	Australia PNG Subnational Program	LLG	Local Level Government
ARP	Analytical Review Paper	LPV	Limited Preferential Voting
CDD	Community Driven Development	NDOE	National Department of Education
CMCA	Community Mine Continuation Agreement	NFA	National Fisheries Authority
CMIC	Consultative Implementation and Monitoring Council	NGO	Non-Government Organisation
CPT	Community Project Team (RSDP)	OTDF	Ok Tedi Development Foundation
DA	District Administrator	OTML	Ok Tedi Mining Limited
DDA	District Development Authorities	PEA	Provincial Education Adviser
DFAT	Department of Foreign Affairs and Trade	PNG	Papua New Guinea
DLP	Developmental Leadership Program	PNGDF	PNG Defense Force
DMVA	Daru Market Vendors Association	RRRC	Reef and Rainforest Research Centre
DPLGA	Department of Provincial and Local Government Affairs	RSDP	Rural Service Delivery Program
ECPNG	Evangelical Church of PNG	SIP	Service Improvement Program
FFT	Family Farms Teams (ACIAR)	SFRP	South Fly Resilience Plan
FRPG	Fly River Provincial Government	SME	Small and Medium Enterprises
GBV	Gender Based Violence	SLIP	School Learning Improvement Plan
		SSG	Special Support Grant
		TIM	Traditional Inhabitants Meeting

TFF	Tuition Free Funds	WASH	Water Sanitation and Hygiene
UDDT	Urine Diverting Dry Toilet	WDCs	Ward Development Committees
UQ	The University of Queensland	WP	Western Province
VPC	Village Planning Committee (CMCA)		

INTRODUCTION

Arriving in many remote villages in South Fly District, the near absence of services or public expenditure is striking. It is easy to assume that these villages are ungoverned, beyond the limits of the PNG state. Yet local forms of leadership thrive, as they coalesce around external opportunities, whether via aid projects, market value chains, neighbouring states, mining or limited PNG government funding. This research explores the formal and informal governance system and how leadership supports development in remote villages that are disconnected from the state.

KEY IMPLICATIONS

- Participatory analysis should precede aid investment at the village level to understand the plurality of informal and formal governance dynamics.
- Releasing funds should be sequenced towards the end of the process to not harm this local governance system.
- Aid programming should support and incentivise a cohort of professional community development facilitators to broker between informal and formal organizations.
- Community leaders feel largely powerless in the face of patronage politics and prefer funding to arrive in 'project form', rather than more fungible forms of cash or building materials.
- Decentralized funding to support village organizations should be based

on a structured process of training, participatory planning and project management, with conditions to ensure participation and inclusion through all stages of project development.

- District-based technical staff are needed to ensure that an effective project management system responds to community decisions, with budgeting, design, procurement, and quality inspections.
- New, politically informed programs that build coalitions for change should look towards multi-levelled, gender-responsive alternatives to curb the excesses of patronage politics.

NOTE

This paper is a companion to part 2, ['Women's leadership in South Fly, Western province \(Papua New Guinea\)'](#) and to part 3, [the accompanying case studies](#). As such, pages 6-15 repeat pages 6-15 in part 2. You can also check out the shorter executive summary of the 3 papers [here](#).

THE PROJECT

The research addressed the following questions:

1. How does formal and informal leadership interact (with a particular focus on women's leadership)?
2. How do these types of leadership orientate around external funding opportunities?
3. How can village leaders and coalitions form transparent, effective and legitimate institutions, that contest and reform existing sub-national structures?
4. How can funding enter informal governance spaces, whereby it strengthens rather than undermines, informal leadership and governance structures?
5. What is the extent, scale, capabilities and aspirations of informal women's networks in South Fly, and their potential to facilitate development and reform?

This research has been published into three parts:

- Part I focuses on the political economy of subnational leadership
- [Part II](#), this paper, focuses on women's leadership and informal networks
- [Part III](#) is the set of case studies that underpins both papers.

The first two parts follow the same structure: introduction, a brief description of the method and background, followed by findings and implications for practice. Taken together, the research identifies 10 implications for how developmental leadership can be supported in the South Fly context.

METHOD

The significance of the research can be measured by its location and scale. The research took place in the PNG-Australia borderland, at the periphery of the PNG state, which is an area of historical neglect and rising geopolitical and strategic concern to both the PNG and Australian governments. These concerns have led to the growing presence of the Australian aid program.

In terms of its scale, the research focused at the local level – on communities, informal networks, village committees, Ward and Local Level Government (LLG) – building on other research that has focused more on national, provincial and district levels.² In particular, we have drawn on David Craig's pioneering 2021 work for the World Bank on the 'Political Economy and Institutional Context of Sub-National Public Financial Management and Service Delivery in PNG' which takes a similar political economy lens and makes similar observations about incentives, fund flows and institutional structures.³

Two changes occurred during the research:

- Considerable adaptation to the research design occurred due to COVID-19, leading to increased reliance on the local research officer, Baia Warapa, and research assistant, Geua Gorio. The research team also became adept at using a combination of Zoom, WhatsApp, and direct calling, to allow for the participation of the Australian-based Principal Investigator in interviews.
- In early 2022, the scope of research questions changed. Emerging findings revealed the pervasiveness of male-dominated patronage politics across all levels of the subnational governance

² For example, Howes et al., 2014.

³ Craig, 2021.

system. It seemed unrealistic to expect local leaders and structures to contest and reform this system, through their application of 'good governance' principles of transparency and legitimacy, as embodied in RQ3. RQ5 was introduced, in response to findings identifying the emerging potential of informal women's networks.

This research is based on 53 interviews, 21(40%) with women. Participants were chosen based on their established standing as leaders, according to the authors of the paper and other informants' knowledge. Most interviews (60%) were conducted in Daru, as many local level leaders either travel frequently to, or reside intermittently, there. Remaining interviews took place in seven different villages along the South Fly coastline: Mari, Bula, Berr, Buzi, Tais, Sigabaduru and Mabudawan. The leaders interviewed were drawn from all five of the Local Level Governments of South Fly District: Forecoast Kiwai, Fly Kiwai, Morehead, Oriomo Bituri and Daru Urban.

All interviews went through a free and prior informed consent process. Qualitative data was partially transcribed using otter.ai software, and then coded manually against 33 themes. All interviewees were numbered to protect their anonymity. In this paper, quotes are marked with the interviewee number and a time stamp of the recording. For example (32, 45:23) refers to interviewee number 32 at the recording timestamp of 45 mins 23 secs.

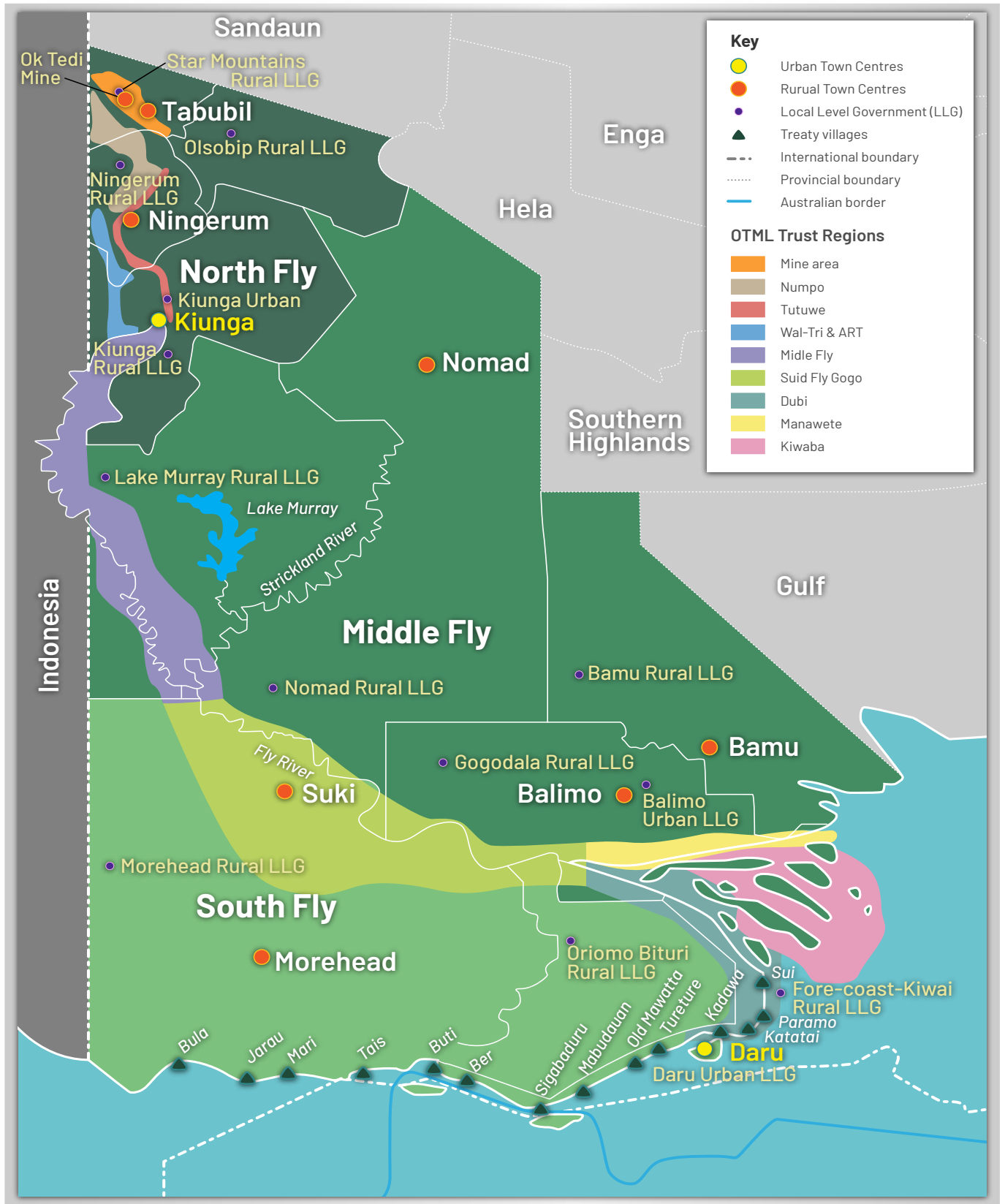


Figure 1: Map of South Fly Borderland and Western Province. Source: Australian High Commission in Port Moresby, PNG.

BACKGROUND

THE BORDERLAND GEOPOLITICAL CONTEXT

South Fly District is a unique development context, located on two sides by the Australian and Indonesian borders. It can be seen as a triangle, defined by three powerful external influences: The Torres Strait Islands of Australia; Merauke Regency of Indonesia; and the Fly River Corridor with the mining benefits and environmental impacts flowing from the Ok Tedi mine at the northern part of Western Province. Consistent with border studies,⁴ it is best understood as a borderland, a unique socioeconomic geography, requiring a focus “on people within border zones as opposed to the boundaries themselves”.⁵

Positioned at the physical limit of the PNG state, leaders in South Fly District are exasperated with the shortcoming of the PNG government, and its lack of services and funding. They instead find themselves beholden to complex and powerful external influences, which largely define their political fortunes.

The PNG border with Australia introduces a range of Australian public finances and security influences, which is unique compared to other international borders globally. Cross border disparities exist in most borderlands globally, but the extent of relative disadvantage is particularly high in South Fly. South Fly District receives very little in the way

of public expenditure or service delivery from the PNG government. They typically rely on seasonal water tanks, unsanitary pit latrines or open defecation, have no electricity, health clinics are unstaffed, and students travel long distances to school. Houses are made of bush materials, with no mosquito screens.

Although they remain disadvantaged relative to the general Australian population, the Torres Strait Islander people enjoy markedly better living conditions in comparison to the people in South Fly. Yet perversely, in South Fly the cost of basic commodities including fuel is comparable to those of the Torres Strait, due to the high cost of transportation and macroeconomic effects of the PNG resource driven economy. While most borderlands internationally enjoy the economic benefits of cross border trade, including labour mobility, Australian authorities strictly limit this to traditional bartering.

Australian Government management of the Torres Strait Treaty extends special privileges to a select number of villages. The Torres Strait Treaty governs the border, limiting rights to enter Australia to 14 Treaty Villages on the PNG side. These villages effectively form a special non-contiguous zone, formalised in 2019 with the creation of Forecoast Local Level Government (LLG). The local leaders of these Treaty Villages, Ward Councillors, have

4 Paasi, 2005.

5 Grundy-Warr and Scholfield, 2005.

more influence over the Australian border than district, provincial and even national leaders, and have direct access to Australian government political leaders and senior public servants. In the past, they have also enjoyed special funding from both the PNG government and the Australian aid program. In addition to selling their own produce, Treaty Villages act as middlemen for trade from non-Treaty villages (primarily in arts and crafts). They also purchase food and fuel in Australia and sell it back into PNG.

PNG's border with Indonesia is dominated by unregulated private market trade, and an absence of PNG public finances or services.

At the most peripheral from the PNG state, a lack of PNG government funds and services disadvantages villages along the Indonesian border. People look instead to Indonesia for opportunities. In the absence of border posts or other government services on the PNG side, all trade is unregulated and therefore technically illegal, but village leaders draw the distinction between trusted traders and illegal poachers (see ['Case studies' paper, 'Indonesian traders'](#)). Village leaders have cultivated informal and trusted relationships with Indonesian traders, some of whom have built their own houses, married locally, and contributed financially to community projects, including church upgrades. The traders supply much needed fuel and commodities, including fishing nets and motor bikes, at much cheaper prices. With their constituency so focused on fishing and economic opportunities in Indonesia, it can be difficult for village leaders to maintain authority over the trade, and poachers find ways to trade directly with individual fisherman.

Cross-border dynamics in South Fly give rise to hybrid identities and institutions.

Borderlands endure geographical and institutional distance from central powers, where transnational interactions can drive hybridisation of cultural identities and institutions that challenge traditional political allegiances.⁶ For example, the Ranger Program, which is best understood as a hybrid borderland organisation responding to three different Australian Government policy fields: Indigenous affairs, border security, and international aid.

The Ranger Program adapted an Indigenous land and sea management program found in the Torres Strait and other remote Indigenous communities to South Fly. It pioneered a participatory building and training program, overcoming considerable logistical challenges.

It brought much overdue improvements and cash employment, initially to the 14 Treaty Villages, but now extended to 40 Wards. Since it began operating in the Treaty Villages in 2014, the Ranger Program has adapted and changed over its life, in keeping with the relative influence of these policy fields. Rangers have been – at various times – project implementers, community facilitators, biosecurity monitors, COVID-19 communicators, data collectors, emergency food aid deliverers and implementers of livelihoods projects.

South Fly District is a unique context in PNG, due to its history and proximity with Australia, as well as growing external political influences from Indonesia and Asia. One indicator of this uniqueness is that the lingua franca for the region is English, with little if any Tok Pisin spoken. There is an extensive literature on patronage politics in PNG, although considerable regional variation occurs across

6 Deleixhea, Dembinskab and Iglesiasc, 2019, p.641.

the country.⁷ As Ketan observed, “national ministers and MPs have supported candidates with millions of Kina in attempting to build patron–client relations with LLG councillors, and cement their dominance”.⁸ Patronage politics in South Fly District do not appear to be this severe, possibly due to the lack of cultural basis for Highland–style ‘big men’.⁹ While many of our findings resonate with research conducted elsewhere in PNG, generalisation of findings to other regions would require careful contextualisation.

SUBNATIONAL GOVERNANCE CHARACTERISTICS

Local government in PNG sits alongside district, provincial and national spheres of government, under a federal constitutional monarchy. Local level government (LLG) is also enshrined into the constitution and governed by two pieces of legislation from the 1990s: the Organic Law on Provincial Governments and Local-level Governments 1995 and the Local-level Governments Administration Act 1997.

The Department of Provincial and Local Government Affairs (DPLGA) within the Ministry of Inter-Government Relations has statutory responsibility for all matters relating to local government. The South Fly District Open Member is elected during the national general election, to sit on the national parliament.¹⁰ The smallest jurisdiction within a LLG is a Ward, composed of one or more villages. Ward Councillors are elected at the LLG election, which typically runs one year after the general election. Elected Ward Councillors then in turn elect

the LLG President. The Ward Councillor is the chairperson for the Ward Development Committee, alongside five associate members. At least two are supposed to be female, although this provision is seldom adhered to.

Village communities have both formal and informal institutions that collectively define their self-governance. While Ward Development Committees (WDCs) are formally legislated as the administrative interface for government service delivery and aid assistance, they represent only one part of the local governance system. Other organisations also have mandates and responsibilities to government departments and aid organisations, including school boards, village courts, and a broad range of special purpose committees, including WASH, health and agriculture (17, 16:25).

In addition, there are a range of informal organisations that typically operate under the radar of external service delivery and development assistance, including traditional clans, church fellowship groups, women’s groups (including midwifery), fisher/farmer groups, market vendors, sporting and youth groups. In Daru, there is an even broader range of informal women’s networks operating (see Paper II). Few of these groups have a physical presence, and they generally lack formal positions, elections or a bank account. The relationship between these more culturally-based and informal organisations and the WDC varies between location.

7 There is extensive literature on patronage politics in PNG including its regional variations. See Allen and Hasnain, 2010.

8 Ketan 2013, p.6.

9 Burton et al., 2011.

10 Of the 118 Members of Parliament elected in 2022 nationally, only two are women.

Where a WDC has limited capability, the loci for decision making can sit elsewhere. Each of these local organisations – either individually or in combination – constitute valid sites for working with local governance. It is the plurality of leadership and organisations that collectively define the politics and contestation that shape local governance.

Problems of corruption and misappropriation cut across political and administrative lines.

Western Province has struggled with successive convictions of past governors, and suspensions of Fly River Provincial governments. The most serious case saw both the then Provincial Administrator and Governor [simultaneously convicted in 2016](#). Incoming Governors and Open Members have removed opposing staff and promoted their supporters (08, 1:02:37; 05, 46:20).

When one District Administrator tried to prevent financial misconduct, he was first threatened with a police charge, and then subsequently lost his position (15, 11:44). Bribery payments up to 10% of the contract value can distort contracting processes, by manipulating selection boards, inflating cost estimates (05, 36:59), or not completing projects (01, 1:01:14). One Ward councillor expressed his frustration, alleging the creation of fake projects allows money to be diverted elsewhere, including then buying off people sent to do investigations:

“I really don’t know why people are not speaking up against it. It’s really obvious. ... We are going in a loop right now. The practice is now already become part of the system, you cannot take it out. [It is beyond] the effort [of any one man]. It has to be an overhaul of the system (08, 56:21).”

Reflecting back to the early 2010s during a particularly low period in Western Province governance, a former government officer recalled instances of candidates for elections

receiving support from benefactors, whom they were then beholden to if elected (05, 56:45). He also described the influence of patronage networks over the administration system, from the national capital in Waigani:

“Western Province, we are seen as very rich. And yet we make ourselves poor, because of [corrupt] practices. ... They are an organised group: there’s elements within the district administration, [and] elements within the provincial and district treasury, who are in touch with each other, so when a claim comes in, it goes in straight away. It is Waigani, coming to provincial headquarters, coming to district headquarters and right down to LLG (05, 36:59). ...In Western Province when you try to do the correct thing, you will have the greatest opposition (05, 23:19).”

Social accountability persists in village communities and sits alongside mutual and horizontal forms of local accountability that merge customary, formal, and informal institutions.

It does not neatly align with development agencies’ common perception that citizens can be empowered to hold governments to account. Monetary and individualised leadership, with links to pervasive patronage networks, strongly influence public finance allocations in South Fly. Based on interviews and authors’ personal observations, checks and balances still operate within the sociocultural realm, which can compel elected Ward Councillors to act for the community good.

‘Bossman’ leadership styles dominate patronage politics in PNG and are characterised by “tiers of competitive patron-client relationships with exclusively-defined client bases at each level, which often involves patrons and clients in gathering and distributing financial resources”. But there is also an emerging ‘trupela lida’ (true leader) style, whereby “authority is more dependent on

human and social capital than financial capital, and client bases are less exclusive".¹¹

In South Fly, many decision-making processes continue to be based on reaching consensus, and on a principle of equitable distribution across the community. For visiting development workers, public meetings remain common practice before any consultation or other business begins with households or individuals. Both 'bossman' and 'trupela' styles of leadership operate together, and most leaders deploy both styles at different times. As described by a former government administrator:

"People are still respecting cultural leadership in the communities, but what's happening now is leadership is more monetary based. Our culture is such that you take care of everybody ... whatever decision you make it impacts on the lives of people, so you make sure it is to the benefit of not just one person, but for the benefit of the entire community. Our young are ... coming back from schools and they are seeing things done differently. ... Traditional leadership is still strong [but the] monetary based leadership is now beginning to creep in and it's gradually getting to our LLG members, because they're thinking the same as our political leaders at [higher] levels (05, 27:21)."

An emerging political strategy is to take a community development approach, connecting with aid organisations working in the district. A different style of politics is emerging in South Fly with leaders who are more focused on social development and financial redistribution to a more inclusive support base than patronage politics. One Ward Councillor who the authors met was actively pursuing this agenda – working with an international NGO to implement projects in many villages across South Fly District, beyond his own. He made this his platform when he ran as a candidate for Open Member in the 2022 general election, and while unsuccessful, polled well.

11 Craig, 2021, p.ii.

FORMATIVE EXPERIENCES	F	M	
1. Education (primary or higher)	50-100%	50-100%	
2. Church related activities	50-100%	18-32%	
3. Employment	50-100%	18-32%	
4. Formal organisations	18-32%	50-100%	
5. Informal village committees / position holders	0-14%	50-100%	
6. Informal women's networks	18-32%	0-14%	
7. Community and/or youth development support	18-32%	18-32%	
8. Cultural or family background or standing	18-32%	18-32%	
9. Sporting activity including coaching	18-32%	0-14%	
10. Speaking confidently	0-14%	0-14%	
11. Family support, especially partners	0-14%	0-14%	
12. SME activity	0-14%	0-14%	
13. Women health including midwifery	0-14%	0-14%	
LEGEND	50-100% Strongly indicated	18-32% Sometimes indicated	0-14% Occasionally indicated

Table 1: Most valued formative experiences among leaders

INDIVIDUAL LEADERSHIP CHARACTERISTICS

All leaders who participated in the study were asked to describe their personal story of how they became leaders. The following table summarises the experiences these leaders most valued, with F meaning women leaders and M meaning men.

Women and men have many similar formative experiences in their leadership careers.

Education to at least primary school level was highly valued overall, and by all men spoken to (see Table 1). Church related activities and employment were also strongly valued, but more so by women than men. The 'cultural/family background of leaders' was equally valued by women and men, as were their activities in supporting 'community or youth development'. Sporting activity, including coaching, was valued higher by women. Ability

to speak confidently, family support and SME activity were valued by both, but not strongly.

Informal networks are particularly important for women leaders.

Experience of formal organisations and positions (e.g. LLGs, village courts, village recorder) was valued higher by men, which is unsurprising given that women are generally excluded. This also applied to informal village committees and community organisations (e.g. church, agricultural committees), which are also male dominated. Informal organisations open to women are largely limited to small women's group and networks. This aligns with [experiences from elsewhere in the Indo-Pacific](#), where informal networks and organisations tend to continue privileging men unless women build their own. Often established privately, behind the scenes with little public visibility, informal networks can help women to gain access to spaces otherwise closed to them.¹²

12 Nazneen et al., 2019.

ELECTORAL DYNAMICS

For the first time in 30 years, a sitting Open Member in South Fly was re-elected during the 2022 General Election. Western Province has tended to follow the nationwide trend, with an increasing number of candidates standing for election, and a steep decline in voter share by the winner.¹³ Over the five elections since the Organic Law reforms of 1995, the current sitting Member of South Fly District was the first to be returned to office in 2022.

This high turnover is partly a function of the sheer number of candidates. In the 2017 general election, there were 52 candidates competing for a little over 24,000 votes, with the winning incumbent securing only 6% of the primary votes, rising to 18% with preferences. This is also a function of the small size of villages dispersed over large distances, high costs of transportation, the sheer number of tribal groups, and the lack of political unity within tribal groups, which combine to make it difficult for candidates to establish a broad base. As a former Open Member recalled:

“In South Fly, [there are] seven tribes to deal with here ...in a big very sparsely populated [area]. You’ve got to move, and you can walk for three days to get to the next village, and what is supposed to be is not a village, but a hamlet [of 50 people]. This is the difficulty of South Fly, ... the facts of South Fly. (19, 55:22)”

People in South Fly vote along traditional clan lines, within or across multiple villages, but not in larger blocks along large tribal grouping. With incumbents winning with only 10% or less of the vote, it would make sense for one tribal group to agree on a single candidate and to then block vote along tribal lines, as commonly occurs elsewhere in PNG.¹⁴ However, a former district administrator explained that tribal groupings in South Fly are not cohesive polities:

“Although its Agob, its broken into different dialects. It [covers] a broad area that goes from the coast to the Fly River in the North. And the differences within that Agob speaking group is also very big. The people in the North will not see [the] same way as people living in the South, they will not work together. (15, 50:10)”

Instead, multiple candidates run each general election from each tribe, splitting the vote. At times multiple candidates nominate from a single village or Ward, as a former open member described:

“The late _____ was a recognized leader from the Agob tribe. The people locked in for him, so they gave him a big base. Everybody else was told not to contest unless he ran and won. Now, after his passing, everybody from there wants to run. Right now, there’s about 14 of them who want to run. (19, 11:04)”

¹³ Craig, 2021, p.iii.

¹⁴ Harris, 2007; Hayley and Zubrinich, 2018.

Ward Councillors stand a better chance of being re-elected as they only need to establish a followership for their own Ward, not across the whole LLG. Ward boundaries seldom cross tribal or language boundaries. As one long serving Ward Councillor reflected, his clan was critical to his constituency, but he needed broader community support to be re-elected, and people do vote across clan lines in the community interest (01, 26:27; 08, 16:42).

Vote buying is common during campaigns, through handouts of cash, smoke, or commodities. A former Open Member handed out cash during his campaigns, which landed him in court, but he succeeded in taking office nonetheless (10, 23:12).

Some people are lured. ... I've heard people at the village level saying that 'this man gave us smoke, so he would make a better person and he will share, later on when he becomes elected'. [This occurs] just from small gifts, like smoke, or otherwise, use of money or sugar. (14, 1:05:47)

But in many cases vote buying is not a successful strategy. As a former government administrator observed:

"In the last election, money was thrown [around] left, right and centre to solicit support. [Even people] not from the province, their only [strategy] was to dish out 1000s of kina to the local community. But, to their surprise, the people did not vote for them, they just wanted the money. (05, 56:45)"

Campaign managers develop elaborate campaign strategies under the LPV (Limited Preferential Voting) system, where second and third votes are redistributed. One strategy deployed is to support a 'primary' candidate alongside a number of 'supporting' candidates who are not expected to win, but will pick up votes in niche areas. Voters of the 'supporting' candidates are then encouraged to select the 'primary' as their second preference (09, 51:52).

The small share of votes and high turnover creates perverse incentives, but leaders do not necessarily act upon them. Given the small voter share needed to win an election, potential Members could cultivate a small support base, including vote buying and promises of material disbursements once elected. An incumbent might be tempted to maximise their return and profit from their single term, disregarding any downward accountability to constituents due to the low chance of being re-elected.

However, many leaders do seek to expand their supporter base and deliver on projects during their term, in the hope of being re-elected. Significantly, most past and current Members continue to run in future elections, in the hope that they may again be returned. As explained by one former district administrator:

"To retain a seat is really difficult unless you deliver. [When] people see your honesty, in delivering services to your people. That's when people say, 'that's a man we would like to hold onto'. (15, 50:10)"

ELECTORAL PERFORMANCE AND CONSTITUENCY

Ward Councillors typically run for election campaigns, and rely strongly on their character, standing and prior performance in their communities. Performance is measured according to church related activities, volunteering on village committees, and other forms of community service. After failing on his first attempt, one Ward Councillor heightened his effort to improve his performance and standing in his village:

“Well, first, the people were not very confident in me that I should be a leader. Later I showed myself again ... I can do something different for the community. And I start showing my interest involving [myself] in all activities that was taking place in the community, with the people. That’s where people [saw] ‘he is also a leader, and we try him’. When I stood for the next election, they voted for me. (03, 10:10)”

There are many structural and procedural problems with WDCs. In some cases, the WDC does not meet, the Ward Councillor operates unilaterally (10,18:23), they move to Daru (37, 35:35), the WDC meets without the Member, or it divides into factions who meet separately (36, 24:13). As one senior figure in the district administration lamented:

“They get voted in and don’t remain in the village. Some of them are here on Daru. We are wondering what they are doing and telling the people why they keep on voting for them when they cannot be there to lead the people. ... There is misappropriation or misapplication of funding at different levels. (18, 35:43)”

Serious structural problems at the district and provincial levels mean few resources reach the Local Level Government (LLG) or village Wards. Subnational finances in PNG rely on funding under the Services Improvement Program (SIP), which are allocated by District Open Members (DSIP), and occasionally by the Governor (PSIP).¹⁵ While LLGs also notionally have had access via the LLGSIP, MPs’ allocations are variable and at times nothing reaches the LLG level. If funds are appropriated, the LLGSIP are usually paid only a fraction, or are paid too late in the year for them to spend it.¹⁶

There is widespread disgruntlement among LLGs in South Fly, with accusations of SIP funding going missing at the provincial and district levels. A considerable proportion of allocated funds can be misappropriated on external ‘administration’ costs, including accommodation, travel allowances, meals and meeting costs. In the years where there is a budget allocation, Ward Councillors advised

15 The proportion of SIP fund to total budget spending in PNG is reportedly the highest in the World (Howes et al., 2014).

16 Craig, 2021, p.19.

that the actual amount disbursed was typically in the range of K5000 -10,000 (01, 32:28). There can be little transparency and even less accountability back to the village community. A range of observers of the LLG system across PNG have reached similar conclusions.¹⁷ As David Craig concluded, for the majority of rural LLGs, “the result is only a shell of local government with a narrow and fraught relation to local people”. One former Ward Councillor shared his frustration:

“I have decided that I will do it from my own pockets to help the community. People now need money, to do everything. No money, no work. But if there is money, people are happy to do the job. (07, 45:35)”

The difficulty of implementing projects can undermine local leaders, due to the unpredictable timing and final amount of money that arrives. Communities measure Ward Councillors’ performance against the number and size of projects that deliver. Understanding how funds flow down through the system, who along the chain gets to stop and start it, and how much of it is consumed in transit, is a subject of great conjecture among leaders. It becomes fraught for a leader to commit to something, when this ends up being partially completed or not even started (18, 38:27). A half-finished and unusable building is an enduring monument to their failure, worse than one that is not built at all. One long-standing Ward Councillor described his approach to dealing with these problems:

“There are a lot of challenges [with] information [that I share with] the people [and then that] information changes within the system of government. When the actual project or whatever does not eventuate in that certain time, then I have to go formally to the floor of the ward meeting, and apologize and explain it properly, so people have the fair understanding. (02: 45:42)”

When funds don’t arrive, or are less than budgeted, the elected Ward Councillor can struggle to explain the shortfall:

“... people expect change or they want to see development. During the time I served, our problem was financial crisis. To bring in things into the community level was very, very, hard. Only [those] leaders [who could] really fight to bring something to the community will [succeed], but those who cannot, they will not see anything. ... I was doing something, but people thought that I was not doing anything. (07, 12:29)”

They can also fall victim to false accusations of corruption. One incoming Ward Councillor successfully accused his predecessor during his campaign, although he subsequently admitted his error when the funds finally arrived. In the words of the former discredited Ward Councillor:

“There are still many people who don’t understand, even though you give them the acquittals on how the money was spent. [I was not re-elected] because people thought that we will be given [a large] grant under ... the Treaty funds, but the money was taken back by the government. People thought I hid or had stolen the money. But then after they realized that the money was taken back by the government and given back again

17 Hegarty, 2009; Barter, 2004; Craig, 2021, p.vii

under what they call 'carryover funds'. The new member who took over, he has since executed that money. (01, 28:52)"

Constituents increasingly understand they may not be able to trust candidates' campaigning promises and deals. As one female village leader recalled about a former Open Member:

"He told [the community] so many times that when you give me your block vote [I promise I will deliver], and they always give him [their] block vote, and he never done anything good. So what he was doing, it was really educating us [to not vote for candidates who make false promises]. (33,17:19)"

Similarly, a long serving Ward Councillor reflected on how he had led his community to block vote for prior Open Members, to little return:

"Under the sun, God is witnessing, no support, though I ... served them on the golden plate. In return, they gave my people a toilet pan. That's the only word I can mention to you [that came] from these political arrangements. (20, 37:00)"

Leaders are starting to recognise the downsides of making promises during campaigns, due to the risks of then becoming locked into a never-ending cycle of satisfying the demands of their supporters. One prior district administrator recalled the political decline of one Open Member, who made many promises to villages in isolation of the administration and before funding was secured (10, 19:47). One prominent long-standing leader reflected on the pitfalls of making promises:

"... people don't understand what good leadership is - their promises, their bribes, promises to pull voters to vote for them. It has been happening not only at the local level government, but at the national government and Open Member for South Fly. Actually, I don't deal with promises. I tell my communities that if I am elected, I will do my best to bring something that I [can't] tell you [now]. ... You must make sure that that whatever you promised, you must take it back to the people. So in my leadership, I don't promise. I will only say I will I work for you. ... Many leaders in Western Province, they promise people. Promises are not a good tool, a good system, because you're killing the relationship between you and the voter. [It puts you under] a lot of pressure. You become a bad leader. [In the end] you don't return anything back, back to your voters, those who you promised. (12, 24:02)"

FACTS AND DEALS

Patronage politics is present at the LLG level, with Ward Councillors making resourcing pacts during District Open Member campaigns. Ward Councillors pragmatically accept the need to support candidates for Open Member, in expectation that they will receive increased allocations should their incumbent be successful. Doing deals with incumbent Open Members carries repercussions (14, 1:08:20).

A serving Ward Councillor may switch allegiance to another candidate before the next general election if the Open Member they endorsed does not deliver a project during their term. If they retain their allegiance, an opposing candidate for Ward Councillor at an LLG election can contest their position by “locking in with another candidate” (19, 23:09). This works both ways, with a returning Open Member cancelling planned projects in villages when a Ward Councillor switched their allegiance (38, 57:50). This political dynamic feeds into the sequencing of LLG elections, one year after general elections, greatly raising the political capital of an incumbent Ward Councillor if they picked the winning Open Member. In the words of one past Ward Councillor:

“... another thing that I want to do if elected again as a Ward [Member], I must be connected. I must set myself before I am elected [and] be connected to who is going to be the South Fly member because that’s the money man that the whole South Fly will be going for, and you must be connected to him, to [join] his campaign. (07, 1:11:24)”

Elected leaders reward their supporters, both during their campaigns and their subsequent terms. This comes in different forms, including cash, materials, and educational support for students (40, 33:06). A strong characteristic of the campaign and term of a past Open Member was the promises he made to his supporters mostly along the Pahoturi River. After being elected, he followed through with preferential disbursements during his term, which came in the form of iron sheets and more cash payments to villages. In the words of one former district administrator:

“From the honest point of view, it’s wrong, but when you look at it, during the count ... when it came to Pahoturi, [they really won him the election]. So he wanted to reward them. ... And in terms of development, we shouldn’t apply that, but in politics, they must reward their voters. So that’s what he did (15, 24:42).”

The preceding Open Member had actually secured the iron sheets to distribute them to his support base in the Morehead area (19, 20:05). [He was charged with misappropriation of funding](#) intended for health worker housing. The incoming Member was able to take advantage of the windfall of stockpiled sheets, redirecting them to his own support base on the Pahoturi River (13, 20:05).

The villages happily installed the sheets for walling, rainwater harvesting, sheds and fire pit shelters, or stored them for new houses in the future. The funding amount was small, considering that the total amount of [DSIP funding for the South Fly District was reported](#)

[to be almost K27 million](#) over the four-year period 2013–16. But in a relative sense these villages were favoured compared to neighbouring villages, and it did not take much money to satisfy them.

Distribution of benefits made during campaigns often bypasses the Ward Member and WDC. In one village, support for one candidate for Open Member was divided. After he was elected, funds for small community projects bypassed the WDC and went directly to his supporters. These funds were then mismanaged (38, 54:16).

In another village that gave their collective support to the same Open Member candidate, the largesse from the same Open Member was divided equally between households, again bypassing the Member and WDC. Resources that were hard won by the Member through his participation in patronage politics had to be equally distributed across all community households. One former Ward Councillor recounted the hard pressure he faced:

“In our village, [when you end up] winning money like that, then you start sharing it. [You can try to argue] for the Ward, but then the community will ... say, that it’s not ward development money, that it’s for the community. If you don’t agree ... they will start belting you up. (07, 19:49)”

Pacts strongly dominate the election of LLG President and other office bearers. Pacts form around groups of villages, as occurred with Oriomo Bituri LLG elections, with a group of Wards in vicinity of Wipm forming a block, leading to the election of the President from Kibuli village (02, 1:01:39). The pact then continued after the election, with those Wards getting preferential allocations from the LLG budget over those who stood against the President (08. 26:49 & 36:54).

Deals are also done by Ward Councillors giving their allegiance, on the condition that this will be reciprocated at the next election. Existing

Ward Councillors who are returned can form strong pacts, against the newly elected Members. The returnees agree on who will be President in advance of the first LLG meeting, surprising the new Members (03, 19:50, 23:27). The President then appoints the Members who supported him as officer bearers of the LLG. As described by one Ward Councillor:

“I call it ‘my turn, my turn’ politics. So, it’s like a tag team where if one area gets the [LLG] Presidency, or the [Open Member] parliament seat, the others will tell you, no, you had your turn. (08, 17:50)”

The Ward Councillor typically appoints WDC members, often drawing on their supporters. The Local Level Government Administration Act 1997 sets out that the WDC should be composed of five associate members (two of whom should be female) but gives no stipulations as to their portfolios or experience. It also gives the option for WDCs to be either community elected or appointed by the elected Ward Councillor. Clearly, the latter practice is the norm, with elected Ward Councillor often rewarding their campaign committee by giving them positions on the WDC. As recounted by one Ward Councillor:

“I had confidence in them that they would also do the work for me in my office, the WDC office, I trusted them, was confident in them, so now they’re working along with me. (03, 12:05)”

A positive legacy of the World Bank RSDP program (see ‘Case studies’ paper, ‘RSDP’) is Community Project Teams trained in project management. One village lamented the lost potential to manage other projects in the village, when the Ward Councillor appointed his supporters to the WDC instead:

“We got our project team [to manage projects]. That’s the powerful team in the community, a trained team. So when the current leadership [in the WDC] was formed, we should have pushed our community project team into the current WDC. ... But all the members of the WDC [were appointed by the Member] through favouritism. (37, 26:29 & 288:04)”

Village leaders were opposed to this practice and preferred a more participatory approach based on performance. Some Ward Councillors did defer to a community nomination and selection process, as described by one village community leader:

In each village, we have local knowledge of who is honest. We know who is who, and we try to pick people not [through] favouritism, but [rather through] their performances in the village. (38 ,58,26)

FUNDING VILLAGE GOVERNANCE

Most community leaders argue against funding arriving directly into communities, preferring instead that it arrive in 'project form'. WDCs have a poor track record of handling money. Many WDCs do not have their own bank accounts and without it, government funding is often deposited in the Ward Councillor's bank account, or carried as cash.

Reflecting on problems that had emerged with the alleged misappropriation of the Treaty Funds ([see case study in Part III](#)), one Village Recorder in a Treaty Village felt that his community "was not fit enough to manage village finances", making the case instead for them to be writing proposals for development projects (34, 13:44). A former Treaty Village Ward Councillor argued the funding should only arrive in "materials form", acknowledging his own weakness that "money is temptation" (27, 33:12 & 44:11).

Others wanted to avoid a repeat of conflict that cash had caused within their villages, "we tried it", and that they instead wanted materials only (29, 32:37; 30, 17:49). Although materials were seen as less fungible than cash, they too could be subject to misappropriation and cashed out. Many leaders instead preferred a form of externally facilitated project management support, which they called 'project form', as one village chairman argued:

"... it was not handled well because they cashed [it out]. They did not handle or do accurate quotations for projects to come to the community. ... If money comes to this community from AusAid or Treaty, I suggest it not be [cash or materials] in their hands, but in 'project form' to us. (28, 35:32 & 36:36)"

A former Open Member echoed similar sentiments:

"I wouldn't give money to the people, too many issues. ... There's good [Ward Councillors] in the system and then [there are] community road projects or waterway clearances [that are completed]. [They keep a] list of who worked on the project, the number of days, and the poor people they expect their money. In a lot of cases, they get their money, the cheques get raised in the Member's name, and they use a bit of it here, and then take a look at the rest, and people are short paid. (19, 38:21)"

District administrators argued for their increased involvement in project management of funding, rather than decentralised payments to LLGs or WDCs. As argued by one former DA:

“We shouldn’t be giving [the Ward Committees] funding, once they see money, their hands will grow sticky. The funding [should instead be] held in the district, get the communities to come in with their projects, we go through them with a committee, we see that it’s okay, and it’s implementable. ... Meaning that we get materials, and items for a project and we sift it from here. They can identify carpenters if they want from a community level, or we can get the workers from within the towns, [using] mini tenders. (15, 34:41)”

LLGs and WDCs also distrust district administration’s capacity to manage funds. The idea of establishing the District Development Authorities in 2014 was to bypass district administrations, including red tape and bureaucratic bottlenecks, although patronage politics have since dominated these too. It seems that no level of the governance system trusts the other to perform effectively with public finance management in South Fly District.¹⁸

A World Bank project demonstrates the difficulty implementing aid programs and managing procurement risk through the LLG system. Although leaders want things to arrive in project form, there are considerable challenges. The Rural Service Delivery Project (RSDP), operated by the World Bank in South Fly District since 2013 via the Department of Provincial and Local Government Affairs (DPLGA), provides direct transfers into LLG bank accounts, to build small scale, mostly infrastructure projects in target villages. Project selection occurred through ward-level participatory planning processes, although villages did not always get their first choice. RSDP then comprehensively appraised and project

managed to final delivery, through an exhaustive process of managing procurement risk to World Bank standards.

Although it worked through the LLG system, the RSDP established special village committees to manage project finances and implementation. Bank accounts were established, and procurement was tightly controlled by the RSDP project management structure within DPLGA and the WP Provincial Administration. The struggles and delays in implementation have been attributed to a range of factors,¹⁹ including lack of counterpart funding, local internal LLG politics, and capped project budgets with insufficient funds to complete projects due to unanticipated material and transport costs ([see ‘Case studies’ paper](#)).

The problem is in the administration, not the design, of the public finance management system. The Department of Finance oversees the government’s public finance system, under the Public Finance Management Act and the Organic Law on Provincial and Local-level Governments. But there are many problems with systems not being followed or bypassed entirely. One former district administrator lamented the disconnect between the administrative and political domains of subnational governance, where the administration undertook good planning that went unimplemented (10, 26:31).

A former government administrator expressed his frustrations with the system:

18 Banga, 2018; Craig, 2021.

19 World Bank, 2021.

“What we are not doing is checking where the funding is going because, either we don’t know how to check the finances, or we don’t [want to] know whether they’re complying with the requirements or not. It’s just not there. (05, 36:59)”

These sentiments were echoed by a current district administrator, who drew particular attention to the lack of financial reports:

“The system is all set up. If the organization is very well set up, you will see that more money coming through, all the way down ... Where we are a bit slack is the standard reporting system, which is very weak. So blockages are coming, whereby money is being spent, but there is not proper reporting coming back, as stipulated in the Finances Management Act. (10, 14:24)”

School boards are a successful precedent for how village committees are funded, which works through the existing PNG system. Under provincial education, village school boards operate with controls to limit misappropriation. Visiting school inspectors provide training and extension work ([see ‘Case studies’ paper, ‘School boards’](#)). A former Provincial Education Advisor saw the opportunity to extend their approach to the LLG system, offering the same training and resources to the WDCs and other village level committees (14, 42:13). Village church groups have similar processes in place, with their own church accounts for offerings and funding (13, 29:18). The same financial and administrative arrangements could be implemented through the WDCs.

Provincial education has followed standard PNG government financial systems. The PNG National Research Institute and the Australian National University (ANU)

undertook a national survey of schools in 2014, reaching the same conclusion, that PNG government services could learn from the school board model. Other ANU researchers have shown the effectiveness of school boards in managing funds.²⁰ But what is possible through support by a GoPNG line agency like the NDoE may not translate to the LLG system under the District Development Authorities where patronage networks strongly influence allocations.

When funds do reach the village level, local politics quickly reorientates around the money. In the absence of PNG government services and funding, it is easy for materials and finances surrounding aid projects to capture the attention of local leaders. Although the funding they receive is small and intermittent, when Ward Counsellors do receive funding, this often drives tension with other community leaders. According to a community leader with a background in accounting:

“Looking at local level government law, [it’s the community] leaders who are supposed to be making decisions. But now that has changed in South Fly. It’s the Ward Councillors who dictate money. They don’t stay by decisions. They come with physical money [cash] for projects, [but then] some money might go missing somehow (38, 57:50).”

Different groups and leaders rise to prominence, based on relationships that they form with their constituent base in their communities and from external leaders and funders. Many of these aid organisations create their own new local organisational structures, which can easily become more influential than the WDCs and other existing organisations. Informal groups are particularly vulnerable and supporting them

20 Howes et al, 2014; Walton, Davda and Kanaparo, 2017.

requires careful risk assessment as to do so can attract external political pressures and exacerbate internal politics.

At times, development assistance can be a positive force, facilitating the career of leaders and especially women who are acting in the public good with demonstrated transparency and social accountability and joining up new coalitions for reform. But it can also exacerbate conflict, division and patronage. It is important for service providers and development workers to understand that there are inevitable political winners and losers from their efforts. In the words of one female aid worker who is from and lives in South Fly:

“It is very, it is very hard because the problem with working in these informal systems is money ... once you put money into the equation, people’s behaviours change. And to an extent the decision-making process, also changes. And it is, look it is, really difficult! (13, 13:39)”

Local organisations are vulnerable to displacement due to lack of resources.

The most striking example of this is the Ok Tedi arrangements in North Fly, where the Community Mine Continuation Agreement (CMCA) Trustees (who decide on allocations of development projects) and clan leaders (who receive benefits on behalf of their clans) have come to overshadow the legislated local government structures of Ward Councillors. It is also evident in the project delivery committees established, and trained by the World Bank to oversee RSDP, who then went on to question the authority of the WDC (37, 26:29).

Sequencing of aid assistance is important to not undermine informal processes. Given its known negative effects, money should not be introduced into informal decision-making until the end of a process. The configuration of local governance arrangements needs to be understood and this can be done through interviews with local leaders, including informal and traditional organisations that are not easily visible to outsiders. It is important to ensure that the rules around money and how it is allocated are clearly agreed.

“... mobilize people in the first instance so you actually understand ... do they really want support, do they really want to help, how can they help, without [you] putting any money into it. In the first instance getting people to identify what their strengths are, what their skills are, what they can bring. Give them an opportunity to say something about themselves. [So they can say] this is what I can do, this is what I can’t do, this is where my heart is, ... [You need to do this] before the money comes in. (13, 32:06)”

EXTERNAL FACILITATORS AND PROJECT MANAGEMENT

Trained community development facilitators are needed to bridge between informal and formal systems of governance, and to help outsiders understand the relative readiness of communities to receive funding, to do no harm. Navigating the hybridity of informal and formal organisations in the local village requires skilled facilitation, to map their respective mandate and membership, which will be differently configured in every village. As described by a very experienced local aid worker in Daru:

“You need somebody who can bridge that gap ... somebody who has a genuine understanding and [commitment] to help people ... to make their own decisions ... to guide them, not to discourage them. ... [To] say OK, you’ve got this [money], what projects do you want to do You [need] somebody ... who has the experience to bring other ideas in. ... [Especially] within the informal sector because people don’t have experience outside of their village, they don’t understand how else things could be. (13-2, 13:39)”

There are existing extension workers within PNG government agencies with the experience to do this facilitation work, but they require additional training, which is hindered by lack of funding. The [DFAT-supported Justice Services and Stability for Development \(JSS4D\) program provides a strong precedent](#) for how aid assistance can provide targeted support

for transportation and training of extension workers for village courts. There are also existing facilitators within NGO and church outreach programs, for a train-the-trainer approach.

Training of village leaders should be formalised and integrated into the LLG system. Community members expect their leaders to have a good understanding of the LLG system and judge their performance according to how well they navigate the subnational system. There is widespread concern among village leaders about their capacity and confidence to lead, and many were seeking training (24, 32:36; 26, 39:51). In the words of one village recorder:

“There should be more people coming in and giving advice [and training] to us as leaders, how to lead people. We are leaders, who are managing thousands of people in our communities. But as a leader, we feel lonely. We have no strength, enough strength to manage people. (33, 3:08)”

Participants of training conducted by the Ranger Program regarded the training well (40, 21:33). This training has recently been expanded, with the involvement of DPLGA and District Administration and LLG staff, to strengthen WDC capacity and embed economic development within Ward Development Plans. Many leaders signalled training in project management skills, including budget and financial management, as an area for additional support (27, 37:58;

35, 22:02). Some stipulated that additional training should be formalised as part of a post-election induction (12, 49:04), and others even suggested it should be a prerequisite before qualifying to run for office (39, 14:15 & 31:42). The experience of CMCA communities is that VPC training was critical to the successful delivery of projects, in contrast to the lack of training WDCs received (09, 36:22).

External facilitators and brokers can displace local leadership and governance.

This can be observed as an unintended effect from the Ranger Program ([see 'Case studies' paper, 'The Ranger Program'](#)). The rangers themselves have come to fill both community leader and aid worker roles, and at times they inadvertently compete with the WDCs. Rangers are recruited from their home villages, usually through a community nomination process, after which they gain increased status. Women rangers are breaking gender stereotypes, learning and applying skills such as carpentry, plumbing and mechanics.

While the intention has been to integrate the rangers into local governance systems and strengthen the capacity of WDCs, they can end up competing with other local leaders. Rangers have greater access to resources and funds than WDC members, they receive a daily stipend, wear a uniform and safety boots, and they travel in ranger boats built to Australian safety standards. They are uniquely placed to broker outside assistance, and so can develop a track record of delivering community

projects, which is so crucial to their standing as community leaders and inescapably politicises their roles.

People look for similar qualities in both visiting aid workers and their own leaders.

Desirable qualities include openness to community, listening and understanding their problems, transparency, outside knowledge, channelling resources and delivering projects (40, 35:20). Being clear about what they will bring, do and not do to manage expectations is also important (01, 57:23). One leader described the bond that must develop:

“[When] the community and the [visiting] workers bond together, it makes it a lot easier for them to understand the community, and the community to understand them. When they outline what their purpose is - if it's project delivery, if it's service delivery, or the other - they will understand each other ... If it doesn't suit the community, then the community says no. So, the bond is the one thing... (38, 1:00:19)”

Another community leader described poor behaviour as the opposite of this:

“They come, they bring us to one place, and we call up a meeting. And then sometimes the words they say, they will do this for you, and they will do this for you. When they go out, they do nothing. (37, 42:00)”

'GOOD ENOUGH' GOVERNANCE

It would be political naïveté to hope for social accountability alone to prevail over vested patronage networks at higher levels of the subnational governance system.

Leaders are not yet forming coalitions or lobby groups for systemic transparency or corruption problems of patronage politics, as has been observed in other country contexts.

²¹ People were aware of the potential of such action, but generally expressed their powerlessness to act in the face of pervasive structural obstacles within the subnational governance system (31, 34:31; 35, 18:58). This is most evident in the constituency funds under the SIP (Service Improvement Program) at the MP's discretion to allocate.

Over the medium term, it cannot be assumed that village or ward level governance will have a reforming effect when there continues to be a lack of political will for national reform. Nor is it possible to isolate or protect village governance from the intrusion of patronage politics when money is involved - this can make the situation worse. As the patronage systems 'follow the money', aid finances can attract patronage networks into areas where there previously had been no interest.

"... the perception that the communities have is that money influences the decision-making process of the formal system, and that sometimes ... decisions are made, not in the interest of

community at the formal level. Then you will have people further down within the LLGs, who will then say well, if they can make those decisions up there, I can do the same with money here (13, 26:08)."

Formal and informal organisations can still collectively provide checks and balances, contestability and politics for 'good enough' governance and leadership at a community level. WDCs represent only one part of the local governance system, and do not yet provide a uniformly recognised standard as recipients of funding and aid support. Other bodies with formal governance responsibilities (including school boards, village courts, and special purpose committees), and informal organisations (including church fellowship groups, traditional clans, women's midwifery groups, and banana boat cooperatives) may be better organised than the WDC and worthy of support. It is this political plurality that defines local decision making and leadership, and the configuration of informal and formal organisations varies highly by place.

Rather than idealistic notions of 'good' governance where empowered citizens collectively hold their governments to account, a more pragmatic notion is 'good enough' governance. ²² As Menocal concludes, ²³ this calls for recognition of three things: i) promoting more inclusive societies is not a linear process; ii) there are multiple paths

21 Nazneen, 2019.

22 Grindle, 2002.

23 Menocal, 2017.

to institutional performance better found through 'best fit' than 'best practice'; and iii) incrementally building on reforms that are politically and institutionally feasible is pragmatic.

Women's networks based around Daru appear to be acting as catalysts for women's leadership. Women are more actively involved in community development and local level politics than what is immediately visible

([see Paper II](#)), and their influence seems to be increasing. There may be an opportunity to improve communication between these networks and to expand their reach into rural areas to promote a 'coalition of change' among women. While the effect of this is speculative and risks must be managed, it will almost certainly be disruptive to male dominated patronage systems. This potential is explored further in Paper II.

IMPLICATIONS FOR PRACTICE

Given the extent of regional variation across PNG, aid investment at the village level should be preceded with a participatory analysis to understand the local governance context across informal and formal organisations. WDCs are the formally legislated local level planning organizations but there is a plurality of other community, service delivery and church organizations that make up local governance systems. Sequencing of aid assistance to the end is important to not undermine informal processes.

A ‘do no harm’ principle is essential, including sequencing of disbursements of any money to the end of the process. While there is considerable opportunity to strengthen informal organisations, there is also potential to instrumentalise and politicise them. This is particularly the case for women’s networks, most of whom have a strong cultural basis and operate quietly in the background behind male-dominated public decision-making processes. Grants and funding may well be needed, but other forms of support – such as capacity building, land access, economic opportunities, proposal writing and support for coalition building – are also key.

Aid programming should support and incentivise a cadre of professional community development facilitators who are able to broker between informal and formal organisations. Facilitators are best placed outside their own community to minimize competition with local leaders.

Despite being a federal monarchy, with an inclusive constitution and legislation, powerful patronage and resourcing pacts permeate the local public finance system. Delivering projects is key to the political careers of leaders, but they can feel powerless in the face of patronage politics and misappropriation where little if any funding reaches their village. In the absence of PNG government funding and services, other forms of assistance have become important, including aid projects, mining benefits, domestic markets, or cross border trade and mobility. Regardless of the intent or character of these external influences, there is an inadvertent political economy to how they affect local leadership. When funds do reach a village, local politics quickly reorientates around the money, displacing endogenous governance systems.

At best, external funds can strengthen capacity and collaboration, at worst, they destabilise and incite conflict. To avoid these problems, village leaders expressed preference for funding to arrive in tangible ‘project’ form, instead of more fungible forms like cash or even materials.

Funding of local-level projects should be based on a structured process of training and planning, with conditions placed on application and selection processes, and strong project management support. The experience of School Boards shows that this support can be provided through the government system, where Education Departmental staff and procedures insulated allocations. But what is possible with support of a GoPNG line agency like the NDoE may not translate to the LLG system under the District Development Authorities where patronage networks strongly influence allocations. Support from an aid agency might be welcomed, including institutional incentives and capacity building allowing a clear exit strategy. In preparation of a project selection round, leaders and entrepreneurs from different organisations could undergo training in planning and proposal writing. Projects could be awarded subject to conditions that promote leadership and governance, with inclusiveness of women and their political structures, and a participatory plan. Selection criteria could include past performance, completed training, collaboration between local and higher-level organisations, and in-kind contributions.

District-based technical staff are needed to ensure correct budgeting, design, procurement, and final inspection of projects.

The experience of decentralised financing through both the CMCA and RSDP in South Fly strongly underscores the need for district technical staff who form the backbone of a project management system that wraps around community priority setting and participation. Technical tasks can include design appraisals, project documentation, procurement, inspections and performance reporting. Consistent with the principal of subsidiarity, as many functions as feasible

should be devolved to the community level, but with the remainder held by district-level technical staff.

While still local to the district, technical staff should be external to the village for two reasons: to ensure that key funding decisions are not politicised, and because of improved economies of scale when technical tasks operate at higher levels. The World Vision Health Island Concept (HIC) is an example of a participatory planning process preceding successful technical programming in WASH (rainwater harvesting and pit toilets). Community members develop visions of a healthy community and then assist with construction, including major changes to their village layout, thoroughfares, and drainage. The community remain involved through the process and young people and women are championed as change agents. Technical design, procurement, programming and supervision through to completion are handled by technical staff based in Daru.²⁴

24 Yeung & Selep, 2016; See et al., 2022.

Aid funding and programming should innovate on ways to support 'coalitions for change'.

The findings from the research challenge notions commonly held by aid agencies of social accountability and community cohesion, whereby empowered citizens rise to hold their leaders and governments to account. Communities and their organisations on their own cannot be expected to reform patronage politics, but they can be a part of the solution to mitigate its worst excesses. Existing local capabilities (e.g. women's networks) that might challenge dysfunctional patronage systems could be better connected to higher local, district and national levels, with more targeted resources reaching them.

Drawing on existing strengths, aid agencies and churches could play a role in supporting politically and institutionally realistic reforms, including joining-up coalitions towards multileveled brokered and gender responsive alternatives. A guiding reform principal of national significance could be to ensure more resourcing and tangible outcomes accrue at a village level. As the political economy of subnational governance largely follows the money, funding effective [coalitions in politically informed ways has the potential to challenge entrenched power relationships and patronage systems. Using the 'coalitions for change' approach pioneered in the Philippines](https://asiafoundation.org/publication/coalitions-in-politically-informed-ways-has-the-potential-to-challenge-entrenched-power-relationships-and-patronage-systems-using-the-coalitions-for-change-approach-pioneered-in-the-philippines/),²⁵ DFAT has recently launched its new Building Community Engagement in PNG (BCEP) program, with a mandate to explore such opportunities. These attempts should be carefully monitored and adapted.

25 <https://asiafoundation.org/publication/coalitions-for-change/>

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