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Press Release

## **Corruption threatens meaningful and sustainable development in PNG**

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Transparency International's (TI) 2009 Corruption Perceptions Index (CPI) was launched in PNG today (Thursday 19 November). The CPI is an international ranking of countries by perceived levels of corruption drawing information and statistics from a basket of in-country survey's undertaken during each year, this years CPI has ranked Papua New Guinea (PNG) 154 out of 180 countries surveyed.

The CPI measures the perceived levels of public sector corruption in a given country and is a composite index, drawing on 13 different expert and business surveys. The 2009 edition scores 180 countries, the same number as the 2008 CPI. Information about PNG was sourced from 5 surveys.

Internationally, PNG is ranked among the 130 most corrupt countries in the world with scores below five on a scale from **0** (*perceived to be highly corrupt*) **10** (*perceived to have low levels of corruption*) with no real indications of improvement in governance.

This is a major cause for concern and TIPNG is calling on the Government to take strong action now to address corruption and instill good governance practices.

According to the CPI survey, New Zealand, Denmark, Singapore and Sweden are top most ranked with scores of 9.2 to 9.4 whilst Somalia, Iraq, Sudan, Afghanistan and Myanmar rank at the bottom with scores under 1.5 out of 10. PNG's score of 2.1 is virtually unchanged since 2006 when it rose to 2.4.

An interesting observation is that PNG's score of 2.1 compared to countries within the Pacific region shows minimal improvement in the reduction of corruption in the country. Other Pacific Island countries such as Samoa rank at 4.5 the least corrupt, Kiribati 3.8, Solomon Islands 2.8 with a recently formed government and Tonga 3.0 out of 10 points.

While there are many factors which determine the ratings, the above results illustrate that political will and commitment in our nearest neighboring countries contributes drastically in reducing corruption than in PNG.

Given the outcome TIPNG says there is a need for our government to get serious in fighting corruption and protecting public interest and resources. We have had huge sums of money defrauded through bogus claims over the years.

Now that the government has passed the 2010 budget the government must protect the budget by demonstrating genuine commitment through rebuilding and enhancing of governance systems, enforcing and upholding its mandated processes.

The CPI is not the judgment by (TIPNG) or the TI Movement but is rather a gathering together of information by a number of surveys that provided the data on PNG. In the case of PNG, the survey results were assessed by ADB Country Performance Assessment (2008), Bertelsmann Transformation Index (BTI 2009), Economist Intelligence Unit (EIU 2009), Global Insight (2009) and the World Bank. Not all of these are reporting on every country and there

has to be a minimum of at least three such surveys available before a country can be included.

The CPI shows PNG to be comparatively worse off than most of the rest of the world however TIPNG says that Stemming corruption requires strong oversight through parliaments, law enforcement, independent media and a vibrant civil society and that is what we require in order to reduce corruption in the country.

PNG's lack of improved ranking in the CPI can be attributed to the lack of real action by Governments, including the current one to deal with issues and spread of corruption. Evidence of the lack of political will to tackle corruption has been demonstrated in the way the Government has handled some very controversial issues such as the Moti Affair, the Taiwan "Dollar for Diplomacy" scandal, the Singapore US dollar account held in the name of a politician, the on and off nature of the finance inquiry and the list goes on.

With such leadership our communities will continue to suffer with limited to no health services, poor education for our growing number of children and we will be unable to earn enough money to pay for our daily basic food and services.

TIPNG says that in order to improve PNG's score the government needs to consider strengthening its institutions. There must be strong oversight by parliaments, a well performing judiciary and anti-corruption agencies that vigorously uphold and enforce the laws of the land.

Nationally, institutions of oversight and legal frameworks that actually enforce best practices coupled with smarter, more effective regulation must be supported to ensure lower levels of corruption. This will lead to a much needed increase of trust in public institutions, sustained economic growth and more effective development assistance. Most importantly, it will alleviate the enormous scale of human suffering in the country which is performing very poorly in the Corruption Perceptions Index.

Papua New Guinea is a resource rich country, and yet we find ourselves almost at the bottom of the ladder according to the world CIP social indicator because of corruption.