The Impact of COVID-19 and PNG’s Reform Agenda

ASIA’S PATH FORWARD

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INTRODUCTION

After several years of poor economic performance, including negligible economic and employment growth, and growing debt and debt servicing costs, Papua New Guinea (PNG) commenced 2020 with cautious optimism that the modest recovery which commenced in 2019 would be sustained. The gains made in 2019 were largely the result of external factors, notably improved commodity prices in 2018/19, and an absence of major disruptions as occurred in 2018, notably the major earthquake in February. Sustained economic and social enhancement will require more underlying reforms. The Government hoped this would be achieved partly through adjusting the benefit sharing arrangements of resource projects, SME development, and greater transparency in fiscal and debt management.

However, uncertainty over investment conditions, including exchange rates and limited access to foreign exchange, combined with PNG’s poor infrastructure, deterred much-needed further investment. Then the COVID-19 pandemic arrived, severely disrupting both global markets and domestic economic activity, causing the Government to announce extensive measures. These included a stimulus package, much of which could not be achieved in practice in the light of PNG’s limited capacity, followed by a Supplementary Budget to address the severely reduced government revenue and reallocate public expenditure to priority areas, including public health and support for impacted small to medium enterprises.

This paper reviews the context of PNG’s political economy and the impact of COVID-19 on PNG’s reform agenda. It concludes by offering thoughts on increasing transparency and accountability to the country, key components for a more inclusive, efficient, and effective post-COVID economic recovery.

PNG’S HISTORICAL CONTEXT AND PERFORMANCE

Papua New Guinea gained independence peacefully in September 1975 and adopted an enlightened and egalitarian Constitution following a process of extensive public consultation. A variation of the Westminster system of government was chosen entailing a single Parliamentary Chamber, together with political and administrative decentralization to reflect local priorities and needs. Most of the laws and practice of Common Law were inherited from Australia (and the UK), being already in place. Developing and implementing more radical changes would have delayed full Independence (PNG had been self-governing from 1973).

PNG commenced its path as a young nation, with the advantages of substantial, though not boundless, natural resource wealth, including extensive land, tropical forests and fertile soils in parts of the country, associated with generally low population densities (then) and almost universal household access to
land for food gardens and widespread opportunities for cash-cropping, as well as extensive marine resources (notably tuna), and considerable mineral wealth, notably gold, copper and gas.

Against that, the country lacked natural and social cohesion, being divided physically by mountainous topography and other barrier terrain and hundreds of islands, with little connecting infrastructure, and socially by over 650 languages and tribes with contrasted traditions and limited interaction. During colonial times Australian written law was restricted to limited formal sector transactions, with most governance left under customary arrangements. Following Independence, establishing a sense of national unity, and imposing a standard but essentially alien system of government (if even appropriate) would prove a challenge, especially as extensive State education had only been rolled out from the early 1960s, with secondary education only being available to a small portion of the population (largely male). Tertiary education was only accessible to a very select group, with two universities only founded in 1965. A major focus at Independence and the early years after, was upon wide access to education and health services, economic opportunities, and improved nutrition. Rural access, health, and nutrition became sadly neglected over subsequent decades, with public expenditure diverted away from rural areas, where much of the population lived.

**ECONOMIC ROLLER-COASTER IN THE 1990s**

PNG remains one of the least urbanized countries in the world, with a very low portion of the total potential workforce in formal sector employment (some 16%), while the remainder remains dependent upon subsistence and/or smallholder cash crop production or the urban informal economy, linked substantially to sales of rural produce. The deficient infrastructure and services have also failed to keep pace with population growth, and in some cases deteriorated, owing to economic disruption from the late 1980s and weakening governance and accountability, particularly following the disruptive 1995 Organic Law on Provincial and Local Level Government, which shifted control over the second tier of Government to the national Members of Parliament using deficient oversight mechanisms. Low productivity and reduced agricultural prices, combined with poor market access, deficient research and extension and growing population pressure undermined the rural economy. Rather than progressive improvement in livelihoods, PNG was suffering from the characteristics prevalent in worse performing developing countries, notably: low social indicators, including growing poverty and wealth disparity, urban drift and swelling urban settlements, associated with diminished rural income earning opportunities and deficient rural services.

The economic rollercoaster and the escalating fiscal, political, and social malaise of the 1990s were driven by a combination of inflated expectations over new resource projects (a characteristic of the Resource Curse) at a time when export earnings and revenue were already suffering from the forced
closure of the Bougainville mine, lower commodity prices from the late 1980s, weak expenditure control, a severe deterioration in governance, with growing corruption in infrastructure and pharmaceutical procurement and resource management (adopted from the logging industry in Sarawak), swelling but largely unproductive and unaccountable Constituency Development (or electoral) Grants and increasingly opaque State-owned enterprises and superannuation funds.

The end of the 1990s saw PNG dependent once again upon an international bail-out, but led by a reformist government, led by the late Sir Mekere Morauta. There ensued a few years of critical reforms, including to superannuation fund and financial sector governance, State of Emergency (SOE) reform and limited privatization, forest and marine management measures (albeit derailed), and preliminary efforts to address political instability and foster political party allegiance and ‘integrity’. Tackling the burgeoning electoral funds (latterly termed District or Provincial Services Improvement Funds), widely viewed by sitting Members of Parliament as crucial tickets to retain (or conversely lose) office, proved a bridge too far.

MACROECONOMIC STABILITY IN THE 2000s, REVERTING TO INSTABILITY IN THE 2010s

With a change of government in 2002, various structural adjustment initiatives were shelved, including privatization and strengthening of resource governance; however, on the back of the political and institutional reforms, strengthening commodity prices, fiscal prudence (including introduction of the Fiscal Responsibility Act 2006) and opening the mobile telephone market to limited competition, PNG experienced an extended period of relative economic growth and political stability, private investment and debt reduction.

On the downside continued low public investment, including recruitment and training of essential staff, left key public infrastructure and services deteriorating further, ageing staff, and many social indicators remaining the worst in the Pacific region and low by standards of developing countries. A scandalous exercise of land and forest grabbing (termed SABLs) covering millions of hectares, largely orchestrated by outside interests with some local collusion, was sanctioned by several Ministries and only partially restrained following a major outcry and Commission of Inquiry which commenced in 2011. The Inquiry concluded that virtually all such transactions were conducted illegally, improperly disenfranchising the landowners; yet the practice continues, using a vehicle termed Forest Clearance Authorities.

PNG sauntered through the Global Financial Crisis (from mid-2008) relatively unscathed, with limited exposure to global financial markets and relatively strong banking liquidity, and with its export commodities lightly impacted. Indeed, with its urban real estate market long restrained and prices
appreciating rapidly, the construction industry experienced a boom from the late 2000s. Formal sector work leapt from 2010 to 2013 during the USD $19 billion PNG LNG project’s construction phase, reaching a peak of 21,000 employees during 2012 (albeit largely foreigners), with some urban construction continuing during the 2010s.

However, PNG entered the last decade surprisingly ill prepared. The expectation of a bonanza from liquified natural gas (LNG) development distorted government and political thinking at the national level and amongst expectant resource project beneficiaries. Instead of setting aside or investing proceeds from earlier resource booms (in education or a sovereign wealth fund), proceeds were unduly squandered in status projects and unaccountable district grants, while efforts to enhance productivity or governance of the public sector barely progressed. Political frustration from stymied Parliamentary processes, and the urge to assume power during the forecast LNG-led resource boom, fueled political instability, including a Parliamentary coup in 2011. The political tensions were largely subdued by the 2012 National Election.

The past decade proved disappointing economically. Growth was stimulated strongly during the PNG LNG construction phase and on paper during the initial production phase, but subdued for the rest of the decade, with formal sector employment static and sometimes declining, despite fiscal stimulus initiatives funded partly from deficit financing and infrastructure tax credit arrangements. The severe drop in energy prices, embracing both oil and gas from mid-2014, subdued forecast gains from major resource developments, deferring project repayments and revenue. An El-Nino drought in 2015/16 and severe earthquake(s) in early 2018, devastating communities in the Highlands and impacting four major extractive resource projects, added disruption.

The Government announced major public expenditure plans during this period, plus governance reforms. The former commenced, including tuition free education, strengthening police capacity, upgrading transport infrastructure, notably roads around the National Capital, courtrooms, plus sports and conference facilities. The governance reforms were largely deferred until a new government gained office in 2019.

**RESOURCE RENTAL TAX REFORM**

The assumption that resource rents (i.e., the locally retained share of proceeds from utilization of PNG’s natural resources, largely by major, mostly foreign, commercial investors/operators) would drive the economy and fund major public expenditure (including upgrading of PNG’s poor infrastructure and deficient public health service) indicated deficient awareness of the financing cycle of resource projects. However, adverse market conditions and natural disasters also disrupted expected outcomes.
Lower and deferred resource rents to State and landowners are partly a reflection of more generous investment conditions granted to resource projects from the mid-1990s, and especially the mid-2000s. The most concessional arrangements were given to the Ramu-Nickel nickel/cobalt project, largely owned and operated by China Metallurgical, entailing a tax holiday exceeding 10 years and other major concessions, including approval for a substantial overseas workforce. PNG LNG gained relatively favorable conditions as a large ‘green field’ investment, despite oil production occurring in the vicinity since 1992.

Mining and petroleum tax fell from 40% of total tax revenue in 2007 to 7.5% in 2013, and a mere 1.1% in 2016, recovering slightly to 7.4% by 2018. Company tax plus dividends (combined) provided 22.9% of total revenue in 2013, falling to a mere 3.7% in 2016, before recovering to an estimated 10.1% in 2018; (this excludes other major contributions provided by mineral companies to the national and local economy, notably through domestic contracting and employees’ salaries, wages, and personal taxes).  

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1 In 2019 Corporate tax from extractives just overtook salaries/wages tax (PNG EITI – Inception Report 2019)
CENTRAL GOVERNMENT DEBT

With some major capital and public sector expenditure by the State, plus some ill-judged equity investments\(^2\) and deficient restraint over district grants and the public service payroll, the government entered major and sustained debt financing from 2012 through the rest of the decade, with associated debt servicing costs progressively displacing priority expenditure.\(^3\) With substantial budget deficits each year from 2012, debt had accumulated from 24% of GDP in 2011 to 40% in 2019, with debt servicing costs rising to 16% of revenue. Until 2017, most of that financing was from domestic financial institutions, but from 2018 major funding was provided from international concessional sources, and through a long sought Sovereign bond, (albeit a relatively high interest rate).

The ceiling for debt-to-GDP was initially set at 30% under the Fiscal Responsibility Act but was progressively raised and is now reset at 60% (although for 2020 the forecast is 51.5%). The debt-to-GDP

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\(^2\) Notably, the Solwara deep sea mining project with Nautilus Minerals, and the UBS loan to purchase equity in Oil Search Ltd (following the mortgaging and forfeiture of the State’s previous shares in OSL to IPIC to acquire equity in the PNGLNG project).

\(^3\) Debt, which had reached 72.3 % of GDP in 2002, was progressively reduced to 17% by 2010 and 2011 (largely owing to steady economic growth), before rising steadily to 39.8% in 2019, and, with the COVID-19 year, forecast by Treasury (in 2020 MYEFO) to jump further to 48.9% for 2020.
ratio stabilized in subsequent years with renewed economic growth, improved revenue, and expenditure control, which are all dependent upon investment-favorable policies, controlling COVID-19, and sound fiscal management and effective public expenditure, including during lead-up to the 2022 National Election. Debt servicing costs reached 19% of revenue in 2020. Their planned reduction will depend upon further displacement of higher cost commercial borrowing, and the Papua New Guinea Kina (PGK) not further weakening unduly.

**Central Government Financing surplus-deficit**

2006-2020 (2020 MYEFO, forecast - Treasury -Kina mill)

RECENT MACROECONOMIC POLICY REFORMS

2019 saw the O’Neill government toppled in a convoluted Vote of No Confidence, ostensibly over governance and accountability issues, including costly and allegedly illegal borrowing for further Oil Search shares. Paradoxically, many of the Ministers in the new Government had been members of the predecessor administration, including the new Prime Minister, James Marape, who had been Finance Minister. Many prior policies and key staff were retained, although certain new directions emphasized.
With improved commodity prices and no major natural disasters, economic growth was calculated to have recovered by 5.9% in 2019, and export earnings, foreign exchange reserves and revenue improved, albeit that public expenditure growth continued apace. 2020 was forecast for a modest 2% growth rate, but with government still requiring major financing to meet its budget. The Treasurer emphasized enhanced debt disclosure and management, with support from development partners, including IMF, World Bank, ADB, and Australia.

Investor confidence was shaky in early 2019, particularly with major policy uncertainty over resource management laws (mining, oil/gas, and lands), SME policy and a newly announced Foreign Investment Regulatory Authority (FIRA) Bill, threatening current and potential foreign investment. The new policies were partly a reaction to growing domination of small to medium enterprise, resource acquisition, and (despite restrictions) even some micro-enterprises by overseas businesses. However, with a sluggish economy, growing population and desperate need for jobs, plus increased revenue, the need for major investment from domestic and foreign sources was critical, job creation and revenue, each of which had been flat or even negative for much of the decade, this planned new legislation seemed untimely or at least poorly targeted. Applying existing laws more diligently seemed a good first step. The new FIRA law was set aside for the interim, seemingly in favor of strengthening powers under the existing Investment Promotion Authority Act.

The Marape Government took office strongly critical of prevailing, newly approved and pending major resource project agreements in mining and particularly LNG. Its rallying cry ‘Take Back PNG’ vowed improved beneficial ownership arrangements for State and landowners. The slogan gained extensive public accolades; however, by late 2019 there was growing skepticism as, apart from freezing several major pending resource projects expected to stimulate a struggling economy, renegotiation had not apparently progressed, nor had controversial land, forestry, public procurement, or appointments been addressed.

The delays in negotiations have impacted other investors cautiously watching developments. The Papua LNG development project, which was hastily concluded by the former government, has been stalled, partly as one of its consortium investors ExxonMobil negotiates its terms of usage for the P’nyang gas field. Come the start of 2020, economic and fiscal prospects seemed encouraging, with generally sound commodity prices and prospects for improved production. However, investor confidence remained fragile and major new resource projects on hold.

**IMPACT OF COVID-19**

The COVID-19 outbreak in PNG has caused confusion, including for scientists. Early closure of international borders seemingly forestalled a surge in cases and enabled the country’s long neglected
health service to undertake some awareness and preparation for testing, controls, and potential treatment. The initial lockdown in April and subsequent curfew tested institutional capacity and the social response and economic impact. With the severe shortfall in revenue, burgeoning debt and debt-servicing costs (debt-to-GDP ratio of 51%, and debt servicing reaching PGK 2.3 billion, 13% of 2019 expenditure), and without wide financial inclusion, reliable data or social protection systems in place, interventions to safeguard businesses, jobs, and household welfare, as applied in developed countries, would be constrained in PNG.

Initially PNG saw very few cases of COVID-19. A few were detected in several locations around the country, largely from domestic transmission, but almost all subsequently recovered or tested negative. This may have reflected the low rate of testing, successful control measures, and/or a malign strain. When cases increased in late July, it was feared numbers would multiply, especially in dense urban settlements. Infections had burgeoned in Indonesia, as in some other tropical countries, so the earlier notion of relative immunity in warm climates was scuppered.

In August, numbers grew but soon flattened, with 532 confirmed cases, from 23,777 tests and 7 deaths across the country by 26 September. Infection has been recorded in 13 of the 22 provinces, but largely in the National Capital District (NCD) and Western Province, Ok Tedi mine, with extensive testing. This may reflect low testing rates across PNG and perhaps reluctance to be tested, but there have been no apparent spikes in illness around the country. As in much of Africa, the prevalence and impact remain remarkably low, especially considering the high prevalence of other health conditions. This low rate of COVID-19 reflects the young demography of PNG, but various other factors have been suggested, which remain speculative with no assurance of continued low rates in future.

**Macroeconomic Impacts**

PNG has suffered less health and economic impacts to date from the pandemic than some of its neighbors, both those experiencing higher morbidity and mortality rates or more exposed to severely impacted industries, like tourism. Nevertheless, COVID-19 has had a major effect on the country. The severe fall in oil and LNG prices, and, less severely, vegetable oil and copper prices, hit export earnings and subsequent government revenue, which was only partially offset by the strong appreciation of the gold price, reaching over USD $2,000/oz by August. Some agricultural commodity prices remained relatively firm, as global demand for products, such as coffee and cocoa, remained steady during the pandemic. Civil aviation and hospitality, from cruise ships to restaurants, were badly impacted from March and more severely during the lockdowns and SOE period which commenced at the start of April. These are substantial employers, especially in some provinces.
The revised Treasury estimate is for an 3.8% economic contraction for 2020. There are big variations between regions and sectors, with agriculture and retail faring better, but the extractives, and particularly mining/hydrocarbons dragging down economic performance. The mining contraction resulted substantially from the non-renewal in April of the mining license over the country's second largest goldmine at Porgera. This apparent ‘own-goal’ has impacted not only the investors and operator, but also some 3,500 employees, contractors, landowners and the State with forfeited jobs and revenue, during premium gold prices. Constructive and informed dialogue would have been preferable during a year when COVID-19 hit the economy, employment, and revenue. Early resolution would make the Treasurer’s task easier, including for the thousands affected by the mine closure.

The experience with COVID-19, but more particularly the market response and government measures has imposed major economic and social disruption, job, and income losses. With only about 15% of the eligible workforce in the formal sector and the informal economy largely unbanked, the only way to sustain livelihoods and household welfare is through sustaining economic activity, while maintaining health protocols and restricting international travel. Poor internet access has restrained the development of online banking (including the mobile wallet) and e-commerce, which took off elsewhere during the pandemic. Addressing key constraints, including access, price and limited competition and outlets (including agents), should trigger e-banking and e-commerce taking off, as well as education and other services.

**Implications for Resource Rentals**

Reviewing arrangements and standards for natural resource projects in PNG is overdue, including benefit sharing arrangements between developers, the State, and landowners. The low resource sector revenue since 2016 demonstrates the need for some rebalancing of benefits and risks between developers and the State. A debate continues over State equity participation, versus other potential benefit sharing arrangements. The political aspiration favors increased equity, with associated costs and conflicting regulatory responsibilities unduly overlooked.

The process of reviewing resource rent should be done thoroughly but swiftly to ensure minimal negative impact on the PNG people. The Porgera mine closure in April is a prime example in which protracted negotiations and closure resulted in severe negative economic impact, (estimated at just over PGK 1 billion of lost financial contributions, including PGK 368 million of taxes, if suspended for a
year). In addition to the loss of approximately 2,800 jobs, it added to tax revenue losses, which Governor of the Bank of PNG noted in the September 2020 Monetary Policy Statement as having “contributed to negative economic growth”.

**Central Government Debt and the Pandemic**

The new Government in 2019 gave emphasis to debt transparency and bringing debt within manageable levels. However, 2020 was budgeted to entail a further major deficit of PGK 4.6 billion, to be 73% funded from overseas borrowings, prior to (intended) reduced deficits in subsequent years.

The Pandemic and the Government’s restrictions severely impacted revenue, while interventions and the stimulus package, reflected in the Supplementary Budget 2020, raised the forecast deficit for 2020 to PGK 6.6 billion, despite major cuts applied to projects and public sector operations. The Government secured highly concessional funding under the COVID-19 Global response from the IMF and other international sources, with PGK 4.6 billion secured from external borrowing (USD $400 million from Australia, $364 million from IMF and $500 million from ADB sources) and PGK 2 billion envisaged from domestic commercial borrowing. With the weakening of the Kina against the US Dollar, rising debt level in Kina terms, and with domestic borrowing at commercial rates of around 8%, the growing debt and debt servicing costs (forecast at PGK 2.25 billion for 2021, or 13% of total other expenditure) are placing a big burden on a Government already providing severely deficient public goods, including infrastructure and essential services.

The combination of poor access and communications, inadequate public infrastructure and services, lack of foreign exchange (which already impose major handicaps to business and investment), and increased diversion of revenue and foreign exchange to debt servicing impose a vicious cycle that restrains economic recovery. Economic recovery will be restrained unless other major factors set in to stimulate investment and growth, such as improved commodity prices and other enhanced investment conditions.

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NEED FOR OPEN GOVERNMENT AND RELATED REFORMS

In a Colloquium conducted in 2016 assessing public policy over PNG’s first 40 years of Independence5, the fundamental conclusion was that failure of economic and social development stemmed largely from inadequate application of due process and rule of law needed for a functioning State. So, while PNG has achieved remarkable success remaining largely unified and democratic, progress on economic, social, and political development has been patchy and disappointing. The review concluded that with more consistent adherence to agreed rules and systems adapted to PNG’s needs, economic, social, and political progress would improve markedly and more equitably.

Over recent years public awareness has grown on the impact of deficient government systems, limited openness and accountability, and underrepresentation of minority groups, such as the absence of women in both Legislature and Executive. Women have only recently started securing more equal educational opportunities while still disproportionately facing threats, violence, and social injustice. Pressure from the public for change is growing, not confrontationally, but firmly and subtly. In the 2020 Bougainville election four women gained seats, three for women’s regional seats and one for an open seat; Bougainville’s lower level of government, the Councils of Chiefs, also requires alternate chairing by men and women. Gender equity and women's needs require serious attention and elevation as a core development priority. It should start with legislating 22 reserved seats for women in the National Parliament, as applied elsewhere where women have long been politically disadvantaged.

Despite the pandemic, significant progress occurred during 2020 on governance reforms, although it remains premature to conclude they will be sustained during the forthcoming period of political instability leading into the 2022 National Election. Valuable State and civil society partnerships mechanisms have progressed, some nurtured through Consultative Implementation Monitoring Council (CIMC), which provides a platform for government-civil society dialogue and reform, and Transparency International PNG (TIPNG). These include the Open Government Partnership (OGP), which is co-chaired by Government and CSOs with the aim of advancing fiscal transparency, civil society participation, freedom of information. The Extractive Industries Transparency Initiative (EITI) is another, which is now in its 7th year of reporting. The EITI is currently reinforcing reporting requirements

5 PNG at 40: Learning from the Past and Engaging with the Future, Institute of National Affairs 2016
and adding beneficial ownership, subnational transfers, and contract transparency, plus gender and environmental standards in 2021.

Fiscal transparency, entailing greater awareness and accountability over resource rentals, including the future functioning of a transparent and well managed sovereign wealth fund, are considered critical components for economic stability and sustainable resource and debt management. It is noteworthy that the Government has announced various legislation to improve governance, long sought by reformers, for early tabling in Parliament, commencing with Whistle-blowers’ legislation, passed in February, to be followed by Rights to Information and the long-heralded Anti-Corruption (ICAC) Organic Law. To address ‘systemic and systematic’ corruption undermining the State of Papua New Guinea, and its institutions, ICAC will need adequate independence, powers, human and financial resources, and strong institutional and public support. Legislation for Rights to Information and to empower EITI processes have slipped back to 2021, but in September the National Court made a landmark ruling supporting freedom of information under the Constitution over mining contract transparency.

Parliament has established a Public Sector Reform Committee to review deteriorating governance and service delivery and propose remedial measures. The country has established countless public sector institutions with regulatory and service delivery functions, but many are widely ineffective, sometimes duplicative, costly, and lacking accountability. The Committee realises its implementation capacity is limited, so is targeting strategic measures for maximum impact.

CONCLUSION

As the country quietly celebrated its 45 years of Independence in September, the relative calm and isolation of the pandemic period provided some opportunity for national introspection and refocusing on priorities looking forward for the next 45 years. The country is facing political, economic, and fiscal challenges, including over its unity, following Bougainville’s historic 2019 vote for Independence, and other provinces seeking greater autonomy, and as the country gains greater international exposure.

The pandemic in 2020 highlighted the inadequacy, risks and inconsistency of economic activity, formal employment, government revenue and foreign exchange earnings and food security that were brought on by weak economic performance over recent years, low resource sector revenue, especially during 2016-2018, and recent natural disasters (including from climate change). The need for review and reform of resource management, benefit sharing arrangements and governance mechanisms continue to be highlighted by CSOs and have included demanding accountability over COVID-19 expenditure and SOE revenue and transfers. These efforts have led to Government acknowledgement on some issues, including land-use planning and forest legislation consultations during 2020. While sustained
reforms and accountability are not the hallmark of government during the lead-up to elections, the public has every reason to demand it, particularly with the prevailing tight budget scenario and high public debt. Businesses will also require suitable and consistent investment conditions, including to generate urgently needed jobs and revenue.

National politics remains largely driven by tribal loyalties, monetary rewards, and patronage, which will require wide public awareness and determination to set aside. However, with improving telecommunications and a sizeable young population, including increasingly empowered women, demanding greater say in the country’s future, the momentum for reform is stronger than hitherto, with greater resistance against backsliding over political and governance reforms.

The need for sustained vigilance and avoiding complacency with respect to COVID-19 also remains critical, particularly in the light of more contagious and potentially more lethal mutations of the virus spreading worldwide. Entry restrictions may have been the critical factor to date in restraining viral spread in PNG, but the country remains little prepared if a full-blown outbreak occurs, particularly before any widespread vaccination program can be implemented.
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Paul Barker, from the UK, came to Papua New Guinea in January 1978 and was based in the Highlands for five years with the Primary Industry Department. He headed the economics, marketing and statistics branch of the Primary Industry/Agriculture and Livestock Department until 1988, when he was appointed special economic sector adviser in the Prime Minister’s Department, a post he filled until mid-2004. He was a technical adviser with the European Delegation in the Solomon Islands until January 2006, and then appointed Executive Director of the Institute of National Affairs, an independent policy think tank based in Port Moresby, which addresses a wide range of economic and social issues affecting the country (and manages CIMC, which facilitates government-private sector and civil society dialogue in PNG). Over the years, he has chaired and sat on the board of various agricultural commodity boards and statutory authorities such as the National Cultural Commission, the Higher Education Board, the Business Council, and the Research and Conservation Foundation of PNG.