

## **BRIS KANDA INCORPORATED AND NEW ZEALAND FOREIGN AID: WHERE TO FROM HERE?<sup>1</sup>**

### **The Bris Kanda Incorporated**

The Bris Kanda Incorporated (BKI) used to be an active non-government organisation (NGO) that was operating well in the Morobe Province (MP), Papua New Guinea (PNG). Established in 2007 and based in the capital Lae city of the province, with activities in several districts, it was probably the single organisation that has the capacity to implement rural development programs in the entire province, supported by New Zealand tax payer.

The following quote about BKI comes from their home page which is still active: <http://www.briskanda.bris-kanda.org/>

“In the local language (pidgin), the term “Bris Kanda” stands for ‘Cane Bridge’ which originated from a type of bridge built by the local people prior to colonization. They were built from local materials using local know-how and expertise. The term is used to symbolise local resources, initiatives and collaborative efforts. It represents the idea that the people were once a self-reliant, self-sufficient, trading people, so they can be that again. The key word ‘bridge’ is a way of connecting different people together – clans, tribes, the different levels of government stakeholders and enterprise partners- to pursue development directions for the benefit of all the people in the Huon Gulf District”.

The New Zealand Foreign Aid (NZFA) can be proud of supporting this NGO from its initial establishment some 7 years ago up to the full maturity until it was closed down in June 2013, following termination of funding assistance by the New Zealand aid agency. The NZFA’s support has been mainly financially (and hence tax payers money)during the past seven years. Having supported in the satisfactory establishment of the organisation, the NZFA’s resources helped strengthen its capacity to partnership and work with rural communities, donor agencies and the government agencies. The BKI has had a good program (in all probability the only organisation in the province) to support livelihoods and income enhancement and thereby promote rural development (RD) in the MP, PNG. The province continues to require external assistance both financially and technically, in a number of areas vital for development.

During its 7 years of existence, the NGO has established working systems and methods, norms and all other details required to be successful in business. It also has employed about 10 staff members covering all important disciplines of the organisation. The original funding agreement was for 10 years and NZFA aid lived only up to 7 years, cutting short by 3 years.

### **Role and activities of BKI**

The BKI has been performing a vital role in RD in the province which has a population of 646,876 (2001) and a land mass of 33,705 square km. About 80 per

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cent of the population is rural that needs huge support in terms of basic needs such as water, health, education, housing, crop production, marketing, micro-finance, employment, etc. In addition, the province needs substantial and sustainable investments to up-grade existing infrastructure such as public water, roads, schools, energy, waste disposal, etc. Almost all of the roads both within City as well as out in rural areas are badly run-down.



A scene of Main Street in Lae City (July, 2013)

The strengthened BKI was able to provide several services for the up-liftmen of rural life particularly in Lae and Huon Gulf districts of the province. Among programs launched by BKI through donor support (in addition to NZFA) are to improve crop (both annual and perennial such as cocoa, fruits, coffee, etc.) farming, introduction of improved agronomic practices, provide strategies to improve crops marketing, provision of extension, support to fishermen and in several other areas. The author witnessed in last year several farmers and fishermen who visit NGO's office for various types of assistance, advice and resources. The farmers cannot rely on the service quality of public sector institutions in the delivery of respective services that explains their call to the NGO. The NGO had a successful program of activities targeting the small holder farming, fishing and entrepreneur sectors. With the closure of NGO, the poor farmers, fishermen and artisans are not left with means of addressing their concerns and questions with regard to technology transfer, micro finance, small-business management and other relevant areas.



A woman carrying water in Huon Gulf District (July, 2013)

BKI was well-recognised among government and donor community as a proven and dependable service provider. New Zealand tax payers can be happy about this achievement for which NZFA has provided the main lead. Several donor-assisted projects including the multi-million dollar Lae Tidal Basin Development Project (LTBDP) funded by the Asian Development Bank have had sub-contract agreements already in place with BKI until the organisation ceased operations in the province end of June this year.

The LTBDP entirely banks on BKI to deliver its program of support for the upliftment of living conditions, enhancement of livelihoods and poverty reduction of about 300 households (1,800 population) relocated from the tidal basin site to other locations within Morobe Province. With the closure of BKI and in the absence of a replacement service provider, the life of relocated people virtually remains in darkness.

Being a province deficient in credible service delivery organisations, BKI provided a key role to bridge the gap. In fact, there is no other organisation that is capable of delivering facilities and assistance to scattered farmers and fishermen within the province, in comparison to the extent which BKI provided this service before. This is yet another area that we as New Zealanders can be proud of as it is tax payer's money that helped develop and strengthen the NGO.

### **Role of NZFA: What is right and what has gone wrong?**

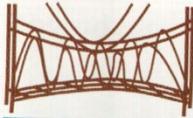
The role of NZFA in the establishment and operational support to the BKI is seen mainly as a funder and occasional support by way of equipment required for the program of development spearheaded by the NGO. As in the case of many other NGOs, BKI also had its weaknesses. A meeting the author had with the top-officials of BKI last year revealed that there were several gaps in NZFA's program of assistance. It was providing funds without having in place a proper mechanism to ensure the effective utilization of NZ tax payer's money, including professional progress reporting and monitoring. Among other deficiencies of the NGO are lack of accountability, transparency in funds, reporting and monitoring deficiencies, missing

deadlines, lack of skilled persons to plan and conduct project monitoring, deliver micro-finance assistance and several others. The baseline survey that was assigned to NGO by LTBDP should have completed last year. The BKI has not delivered this study report in spite of several requests made by the client. According to author's judgment, it is unsure whether the NGO could have ever completed the study in a professional manner due to the weaknesses mentioned above.



Closed Office of Bris Kanda in Lae City

The arrangements to identify, mobilise and monitor individual consultants deployed by NGO were ineffective. The deficiencies obviously may have impacted the performance of the NGO.



# Bris Kanda News

Rural Enterprise Development Programme for the Huon Gulf District  
Funded by New Zealand Aid

Issue Number 3 2009

**To all our valuable readers out there!**

**Welcome once again to 3rd Edition of our Newsletter.**

Apart from our ongoing - Cocoa and Inland Fish Farming Development Updates, we will feature a Special Edition on the Status of Enterprise Prospecting, Establishment and Management Services performed by our Rural Business Development Officers.

Highlights of other upcoming activities can be viewed on our **What's New** Section (page 7).

Thank you and we wish you all a pleasant reading!



*Noine Zebuye of Siu village in Morobe LLG demonstrating chupon management to the cocoa block owner.*

## INDUSTRY DEVELOPMENT PLAN

Our main activity for 2009 will focus on the development of Industry Development Plans (IDPs) for Cocoa and Fish Farming.

The IDPs will be used as the strategy to increase production and improve the quality of cocoa and fish in 2009 and beyond. Our first IDP workshop conducted in March this year was attended by 40 participants from the Huon Gulf District representing "leading" co-operatives in both sub-sectors and supporting strategic partners from; (Cocoa Board of PNG, National Fisheries Authority, Co-operative Society Unit; Department of Commerce and Industry, Provincial Women's Unit, Huon District and Local Level Affiliate Chairs).

The workshop was aimed at putting in more realistic activities and timelines so the Draft IDPs can be distributed for District-wide consultation. The objective of the workshop was to progress the development of IDPs with the involvement of our strategic partners. It is important

that players in each sub-sectors are party to the plan so that these plans are owned and driven by them.

The major outcome from the workshop resulted in enabling the participants to appreciate the various problems that need to be resolved if they are to achieve planned targets; also in identifying problems in the value chain of each sub-sector, finding solutions and setting timelines to act on the problems.

Derived from the IDP workshop; five to seven (5-7) sub-sector nominees were expected to represent an Industry Working Group (IWG) which will then form the team for the next workshop.

The IWG has since met and produced two (2) draft documents and have submitted to the strategic partners for further comments.

The workshop was facilitated by Alan Griffith of MACA and assisted by Lukis Romaso, General Manager of Bris Kanda.



*We make the decision and decide what you need, we don't provide funding. What we do is provide the links.*

A newsletter produced by Bris Kanda Inc

The above areas should have been diagnosed and acted upon on a timely basis through NZFA's assistance. There is no evidence that NZFA has supported the NGO in the above areas. If there was, such assistance appears to have been marginal. One effective strategy to address this gap should have been by way of providing technical assistance of a NZ based short-term specialist working with BKI. The NZFA in the past has mobilized specialists but not in the areas stated above.

Without proper diagnosis of weaknesses, the NZFA has apparently chosen to continue with its resource injections funded through NZ tax payer's money during the past 7 years. The results through un-supervised funding regime as it appears now are weak level of sustainability of operations and forcing local people to be less self-reliance.

## **Termination of NZFA's Assistance and Consequences**

The episode came to an end when NZFA has decided to cease funding support to the NGO after 30 June 2013. The decision saw the closure of Lae-based and NZ tax payer-supported organisation in the past 7 years. The operations were ceased, office closed down, its staff discontinued and all resources are currently being handed over to the Morobe Provincial Administration which was required as per the rules of the NGO itself and perhaps of the donors as well.

Having worked with BKI and other donors in the MP, it is the opinion of the author that funding cessation is the devils approach to solve a problem. It is sad that funding seal off to BKI has effectively closed the door for potential support by donors to poor farmers, fishermen and artisans that make up the bulk of province population. It also means waste of NZ tax payer's contributions during the past 7 years of support to the NGO.

Among the donors faced with a dilemma of aid delivery is LTBDP as there does not exist a mechanism to implement its million Dollar worth livelihoods development and income enhancement grant assistance targeted to the relocated households. The LTBDP that is expanding the port to make it the largest in the country was working with the NGO in the past 2-3 years. It has an on-going program that includes livelihoods development, income generation, crops diversification, promotion of improved agronomic practices, micro-finance and community organisation strengthening and fishing, until the closure of NGO. The funds by way of grant assistance from another donor are committed already. With the closure of BKI operations, the project does not have an alternative mechanism to implement its livelihoods enhancement, poverty reduction and other programs. This is a huge concern as the current level of living and poverty condition among households relocated from the tidal basin are high and keep growing.

If the grant funds under the LTBDP cannot be utilized in the next 8-10 months, it is certain that the committed resources will be taken back by the donor. This means the withdrawal of NZFA's assistance to BKI has effectively prevented the implementation of livelihoods improvement and poverty reduction programs funded through other donor agencies. By all means, our tax payer cannot be comfortable about this.

There are several other donor-funded projects in the province that will be negatively impacted too due to the absence of a service provider which can deliver their own aid programs to the province.

In a meeting with the National Agricultural Research Institute (NARI), the author noted that key staffs of the organisation were taken by a surprise to learn that BKI has left the institutional landscape in the province. According to the top-officials of NARI, the closure of BKI is a huge gap that cannot be easily replaced. It has taken years of hard work and support that developed and strengthened BKI until its closure this year. The officials were thankful to NZ citizens for providing the support

to help establish and strengthen BKI. In the meantime, they are worried at the absence of an organisation to fill the gap created by the departure of BKI. A similar comment was also shared by the deputy administrator of the Morobe Provincial Administration who came to know about the closure of BKI by an accident. He said that it is far too easy to destroy a performing organisation but much difficult and harder to nurture and develop the same up to the level BKI has achieved during NZFA's support.

As already stated earlier, the author has observed lack of capacity of BKI in several areas. The NZFA should have explored appropriate strategies to support and strengthen BKI's operations before their sudden decision to cut off funds. One among other strategies is to provide some short-term TA inputs focussing mainly on the efficiency and organisational issues that affected decision making and functioning of the NGO. Whatever reasons for NZFA's to close off funding are, it does not appear to be in the right direction. The decision tells us that tax payer's money in the past several years are wasted too. The lack of sustainability of NZFA's program of assistance is clear in its decision to paralyse a well-developed NGO that was performing with a basket of activities. The cessation of support has closed off opportunities for other donors to come in and help develop this province that continues to require development assistance in the coming years. Moreover, there is a greater risk of diverting funds from RD to other areas or not to expect any future funding commitments by other donors for RD as there is no mechanism to ensure proper utilization of funds.

The author believes that there may have been good reasons for NZFA to terminate its funding to BKI. However, the issue which should be raised and answered is whether there was sufficient analysis of their decision? NZFA's decision may have saved some money but the long-term and negative consequences attributable to their decision appear to be huge.

It is inevitable that NZFA's decision to terminate funding to BKI has produced several impacts some of which are summarised below:

- Up-rooting of a well-established service provider in Morobe province (it is easy to up-root much difficult to cultivate) supported by NZ tax payer
- Potential diversion of funds earmarked by other donors from poverty reduction and livelihoods improvement to other areas. The possibility for not committing future donor assistance to RD is also not ruled out
- Donor unwillingness to support livelihoods improvement, income generation and employment creation activities in the province as there does not exist an experienced local service provider
- Reduced capacity of national agency's contribution to RD due to absence of service delivery organisation
- Increased poverty and greater hardships to local population
- Withdrawal of funds committed by other donors to the province
- Contribution to local unemployment
- Closure of opportunities for local employees capacity enhancement.

The decision by NZFA also raises the fundamental question of sustainability of actions, mechanisms and processes funded through New Zealand tax payer's money. If NZFA saw the need to cease funding, it should have phased out its funding program in such a way to ensure local capacity building and funds generation that would have supported the continuation of the organisation and not its closure. An effective funding agency would have taken a phased-out action before applying funding breaks and thereby ensure its sustainability and not the closure.

In conclusion, it is to be highlighted that the action by NZFA in supporting BKI in Morobe Province, PNG has both positive and negative consequences. The establishment of BKI and the continued support during the past 7 years are positive. However, the sudden cessation of funding assistance has proven to be catastrophic that essentially has wasted NZ tax payer's money in the past 7 years. The closure of BKI has created more problems for and greater dependency of host country people compared to the little benefits the country realised through NZFA's assistance to BKI. A more realistic approach would have been to choose the phase-out path and thereby to seek other methods of supporting the NGO including generation of its own funding programs. The placement of a NZ based specialist to work on some key-areas of operation of the NGO and thereby to conduct proper diagnosis of weaknesses on a timely basis may have been more appropriate. The BKI story questions us about the sustainability of NZFA's program of assistance, a good lesson for the NZ tax payer.