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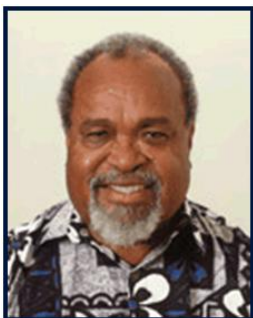
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## FORWARD



After three decades of political independence, it is time for all of us to take time out, a step back, have a long hard look at ourselves, reflect on our journey as a young sovereign nation so far, and then more importantly offer practical solutions for a better way forward for the next 40 years for ourselves, our children and our grand children.

It was with this in mind that my Government decided in December 2007 to task the National Planning Committee (NPC) to find a better way forward for Papua New Guinea. The NPC under the leadership of the Deputy Prime Minister Hon. Sir Dr. Puka Temu started work in January 2008 and consulted widely with all heads of Government departments and agencies and all Provincial Administrators, to design a better and brighter future for Papua New Guinea.

I am very proud to report that we now have a solid foundation on which to design the road map that will take us and our people to real prosperity, peace and unity. What makes me even more proud is the fact that the framework for and the “*National Strategic Plan: 2010-2050*” is a truly “*homegrown product*” developed by our own national professionals in the country. Having our own learned sons and daughters design the future of our beautiful country for our children and our grand children was a deliberate and conscientious decision of my Government. My fellow citizens, I believe that the “*National Strategic Plan: 2010-2050*” provides each and every one of us a golden opportunity to truly be masters of our own destiny, a key outcome we wanted when we were granted political independence in 1975.

The challenge is daunting and requires lots of hard work. However, I take heart and am comforted by the fact that throughout human history, individuals, communities and nations with much less resources and blessings than Papua New Guinea have achieved even greater things. I therefore appeal to all good citizens of our beautiful country that we should not only use the hard lessons from the last three decades but also build on our past achievements and successes to build a “*Smart, Fair and Happy Papua New Guinea*” for ourselves, our children and our grand children.

**Rt. Hon. Grand Chief Sir Michael T. Somare**  
**Prime Minister**

**THE NATIONAL STRATEGIC PLAN – LOOKING FORWARD**

**Professor David Kavanamur**  
**Chairman, National Strategic Plan Task Force**

## EXECUTIVE SUMMARY

The work on the National Strategic Plan started in December 2007 when the NEC acting on advice from the NPC appointed a three-person team to develop a framework for a long term strategy. In 2008, the NPC Technical Advisory Team consulted with all heads of Government Departments and Agencies, all Provincial Administrators, executives of most political parties and the private sector.

The result was a framework with a vision, mission, strategic direction and five key result areas which was endorsed by the NEC on 1<sup>st</sup> September 2008 and then by all the Governors on the 4<sup>th</sup> September 2008 at the first ever Leaders Summit held at the Papua New Guinea Institute of Public Administration in Port Moresby. The Plan targets a 40 year period from 2010 to 2050 to ensure that the significant revenue projections from the LNG and Mining projects are managed so that we develop and build a solid and sustainable economic foundation based on the renewable sectors.

The leaders in endorsing the National Strategic Plan framework also appointed the National Strategic Plan Task Force comprising of 12 eminent Papua New Guineans to work with the NPC Technical Advisory Team to test the vision, mission, key result areas and the strategic direction. The Taskforce undertook an intensive and comprehensive consultation process where most of the 89 Districts to gauge the views of and invite input from the people.

The “*National Strategic Plan: 2010 – 2050*” vision is that; “*Papua New Guinea will be a Smart, Fair and Happy Country by 2050*”. Based on the District consultations, our people believe that the best way to achieve this is by “*Creating opportunities for personal and national advancement through smart innovative ideas, quality services plus fair and equitable distribution of benefits*”. Seven Key Result Areas will support the Plan and these are: “*Strategic Planning, Institutions and Systems Strengthening and Alignment, Human Development and People Empowerment, Wealth Creation, Security and Global Relations, Environmental Sustainable Development and, Church and Development*”. The “*Agriculture, Forestry, Fisheries and Eco-Tourism*” sectors will provide the economic foundation for the National Strategic Plan: 2010 - 2050.

**Dr. Vele Pat Ila’ava**

**Leader, Technical Advisory Team to the NPC**

## ACKNOWLEDGEMENTS

As we prepare to launch the “*National Strategic Plan: 2010-2050*”, we acknowledge and express our deepest appreciation to our founding fathers many of whom are not around today. The late Sir John Guise, the late Sir Paulas Arek, the late Sir Tei Abal, the late Mr. Toliman, the late Sir Maori Kiki and of course, our Prime Minister Grand Chief Rt. Hon. Sir Michael Somare, Rt. Hon. Sir Julius Chan, Sir John Kaputin, Mr. John Momis and Mr. Bernard Narokobi, just to mention a few.



They had vision and courage. They took the first steps towards the birth of our Nation and they shall have a permanent place in our Nation’s History. They were the ones that conceived the vision so deeply enshrined in our National Constitution.

I acknowledge and thank every citizen, our friends and our development partners who contributed in one way or another towards this plan. The concepts and strategic direction in the framework were rigorously tested during a three months comprehensive public consultation program in which most of the 89 districts were visited. The Plan therefore is the formalizing of many citizens dreams and aspirations of building a better Papua New Guinea for ourselves and our future generations. I therefore believe very strongly that the “*National Strategic Plan: 2010 – 2050*” is really and truly the “*People’s Plan*”.

I wish to pay special tribute to the NPC Technical Advisory Team and the National Strategic Plan Task Force for their valuable and enormous contributions. Their “*National Strategic Plan: 2010 – 2050*” is testament of their loyalty and total commitment to building a bigger, better and brighter future for Papua New Guinea.

Thank you and God bless you all.

**Hon. Sir Dr. Puka I. Temu CMG, KBE, MP**  
**Deputy Prime Minister**



## 1. WHY THE NATIONAL STRATEGIC PLAN?

### 1.1. Development Principles and Performance

1.1.1. “*Papua New Guinea’s Eight Point Improvement Plan*” was a statement of intention by the founding fathers of our nation to build a peaceful and harmonious country as well as to prosper and empower our people.

1.1.2. The Plan was aimed at achieving four key outcomes:

- 1.1.2.1. The people of Papua New Guinea to play a greater role in the economy;
- 1.1.2.2. Equality among people and areas;
- 1.1.2.3. Much greater attention to rural development; and
- 1.1.2.4. Self-reliance.

1.1.3. Overall, PNG performed poorly in development and nation building. After three decades of political independence, majority of our people are still not actively and meaningfully participating in our economy, opportunities and benefits are not distributed equally and fairly, basic services especially in the rural areas have deteriorated and in many places are now lacking, and our people and our economy are not self-reliant. In fact, the dreams and aspirations in the “*Eight Point Improvement Plan*” are still valid today as they were in 1975.



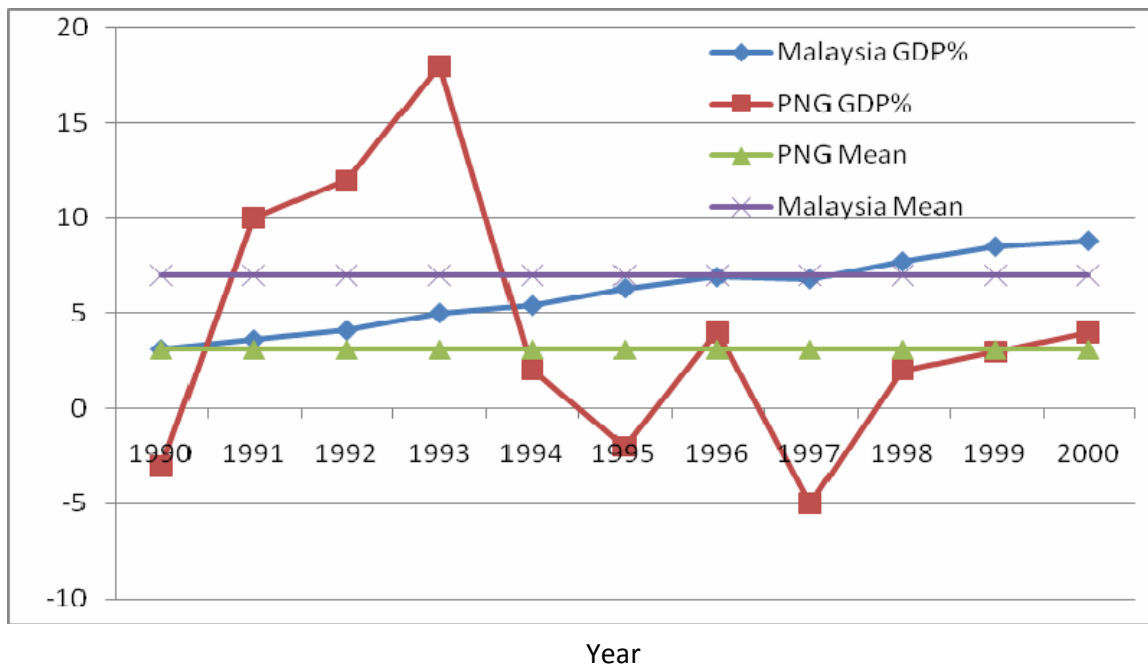
#### ***Proud to be Papua New Guineans***

*These two girls from Demang in Upper Dagle in Kerowagi were proudly declaring their true colours among the very big crowd of people that turned up to witness the handing over of a new ambulance to the Demang Health Centre by the MP for Kerowagi Guma Wau. The girls were cheering with the crowd in appreciation for the new vehicle because for too long, their people had to walk long distances or if they were lucky, by PMV to the Mingende Rural Hospital or Kundiawa Provincial Hospital. If they get sick now, and are referred, they will travel in an ambulance.*

*Picture & words: Peter Korug  
Post Courier, 24<sup>th</sup> August 2009*

**Plate 1.** Proud to be Papua New Guinean.

1.1.4. When we compare our economic and development performance from 1990 to 2000 with Malaysia, it confirms the conclusion that PNG could have done better. During this period, the Malaysian economy underwent structural transformation and growing at an average of 7% per annum despite the economy experiencing a financial crisis in 1997 and 1998. At the same time the per capita income increased at an average rate of 7.8% per annum and doubled by year 2000. Over the same period, the PNG economy recorded an average GDP growth rate of 3.1% with negative growth experienced in year 1990, 1995 and 1997.



**Figure 1.** Development performance of PNG from 1990 to 2000 based on GDP and GDP Growth.

## 1.2. Lessons Learnt since 1975

1.2.1. We have learnt many valuable lessons in nation building since 1975. The first lesson is that Papua New Guinea needs a National Strategic Plan to guide, monitor and evaluate medium term development plans over a longer period.

1.2.2. The second lesson is that our people must have the noble values and a positive attitude so that they become powerful forces for development and nation building.

- 1.2.3. The third lesson is that we must set minimum standards for our institutions and systems so that their integrity is not compromised to ensure they continue to deliver high quality service to all citizens at all times.



**Plate 2.** Sick patients being air-lifted from a rural area by Defence Force staff.

- 1.2.4. The fourth lesson is that having natural resources is not the difference between happy and prosperous nations.
- 1.2.5. The fifth lesson is that race or skin colour is not the difference between happy and prosperous nations.

### **1.3. Development Mentality**

- 1.3.1. Development thinking and planning between 1974 and 1985 was based on the mentality of “*State leading the growth of income as a means for development*”. Between 1986 and 1990, the Government made a major shift in development thinking when it adopted the mentality of “*State facilitating the growth of income as a means for development*”. Central to this development mentality was that “*economic growth is the means to sustained growth*”. Subsequent development plans since then have embraced this philosophy.
- 1.3.2. After three decades of political independence, we are reviewing our systems, institutions and policies because our people are demanding a better result for the

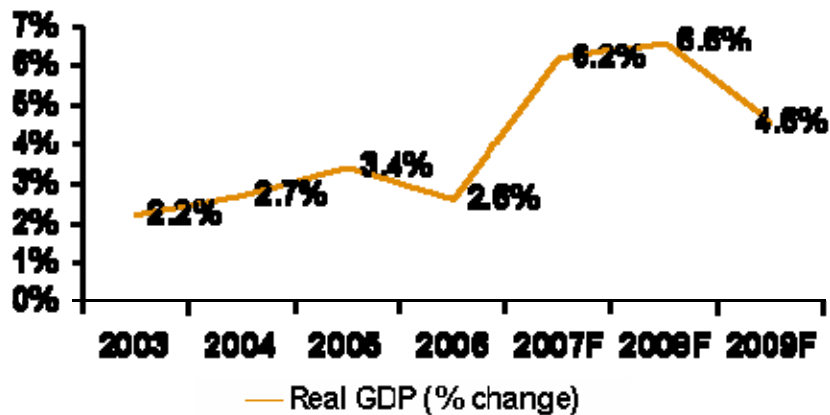
future. In development thinking, we believe two major changes are critical if we are to deliver a better result and these are:

- 1.3.2.1. We must have a “*long term strategy*” to guide and support our current medium term development strategies;
- 1.3.2.2. Our policies, institutions and systems must shift from the current “*scarcity mentality*” to the positive “*abundance mentality*”.

## 2. OPERATING ENVIRONMENT

### 2.1. Current Situation

2.1.1. Papua New Guinea's economy recorded five years of consecutive growth since 2003 (Figure 3). In 2007, the economic growth was estimated at around 6.2%, with preliminary forecast for the 2008 real GDP growth increasing to 6.6%. Growth in the economy was a result of most sectors picking up riding largely on the back of high commodity prices. Favourable economic and political climates since 2003 enabled the Government to dramatically reduce debt levels from 72% GDP in 2002 to 35% of GDP in 2007. This remarkable growth performance was more than twice the population growth resulting in a significant improvement in average per capita GDP.



**Figure 2.** Real GDP growth rate from 2003 to 2006 and forecasted from 2007 to 2009.

2.1.2. Currently, our gross domestic product (GDP) is estimated at a little over US\$8 billion with the mining, oil and gas sectors contributing about 80% of the export revenue. Some 80% of the population is outside of the formal economy. Majority of these people live in the rural areas and depend heavily on the land and sea largely through subsistence farming. The challenge still is how the huge macro-economic gains are transferred fairly and equally to majority of our citizens who live in the rural areas.



**Plate 3.** Village people selling their arts and crafts to tourists (Pictures from TPA Website).

2.1.3. In the face of global financial market turmoil, economic growth in the United States was projected at 1.9% in 2008, 2.1% in Europe and 2% in Japan (PNG's 2008 National Budget). The emerging market countries, particularly China and India, were the main driving forces of global growth in 2007 and 2008 and are expected to remain so over the short to medium term. Overall, the growth in emerging and developing countries was projected at 8.1% in 2007 and 7.4% in 2008.

## **2.2. Future Outlook**

2.2.1. The global economy grew strongly in the first half of 2007 despite turbulence in financial markets (PNG's 2008 National Budget). Growth in world GDP in 2007 was estimated at 5.2% and valued at over US\$65 trillion (World Bank 2009).

2.2.2. In Papua New Guinea, the current global financial meltdown is expected to reduce the GDP growth rate in the future with predictions of a 2% drop from 6.6% in 2008 to 4.6% in 2009. However, prudent management of the economy and reform initiatives at the political and administrative levels being implemented by the Government since 2003 should return a positive trend in the economic growth over the medium to long term. For example, the mining sector is projected to generate revenue ranging from US\$3 billion to US\$6 billion between 2008 and 2016. In addition, recent discoveries

of large reserves of liquefied natural gas in the Southern Highlands and Gulf Provinces are projected to generate in revenue in excess of US\$12 billion starting 2014. This is indeed an unprecedented massive injection of funds into the economy that will no doubt change the lives of our people today and significantly alter the social fabric and dynamics of our communities in the future.

### 2.3. Opportunities

2.3.1. The Prime Minister Rt. Hon. Grand Chief Sir Michael T Somare has set a very ambitious target for a carbon-free economic growth. His vision is for Papua New Guinea to reduce emissions by 100% whilst growing the economy by 1000% or a 10-fold increase by 2050. In 1975, our GDP was a little over K1 billion. In 2005, our GDP increased to over K12 billion, an increase of over 1000% in 30 years. This means that if our economy is around US\$20 billion in 2010 then we should target an economy in excess of US\$200 billion for Papua New Guinea by 2050. Given our achievement in growing our economy over the last three decades despite some major setbacks, the enormous potential for economic growth we still have in the renewable resources sector and now an unprecedented bi-partisan support by leaders for the National Strategic Plan, the Prime Minister's vision of a US\$200 billion plus economy is do-able.



**Plate 4.** Leaders (Governors & Ministers) pose for a group photo before the Leaders Summit at the PNG Institute of Public Administration in Port Moresby & Governors John Luke Crittin and Powes Parkop chatting during tea break (4<sup>th</sup> September 2008).

2.3.2. According to a recent study by the National Research Institute, given a population growth rate of 2.9%, they calculate that an annual growth rate of per capita GDP of 5% will require an aggregate GDP growth rate of 8% to double the per capita income in 14 years. The projected large revenues from the LNG, Oil and Mining sectors together with recent scientific and technological advancements and coupled with the vast potential for growth in the agriculture, forestry, fisheries and eco-tourism sectors provide many new opportunities for growth equal to or in excess of 8%.



### **3. THE NATIONAL STRATEGIC PLAN: 2010 - 2050**

#### **3.1. Our Intention**

3.1.1. Papua New Guinea now has a long term National Strategic Plan. This plan aims to transform our people and our nation by reforming our mindset and attitudes, providing the framework to reform and align our institutions and systems to a strategic direction that will make “*Papua New Guinea become a Smart, Fair and Happy Country by 2050*”. The National Strategic Plan aims to achieve this through wealth creation and sustainable development of our existing vast natural resources underpinned by Papua New Guinea’s national interest.

3.1.2. Accordingly, the National Strategic Plan targets the four key outcomes of “*Papua New Guinea’s Eight Point Improvement Plan*” listed below:

- 3.1.2.1. The people of Papua New Guinea to play a greater role in the economy;
- 3.1.2.2. Equality among people and areas;
- 3.1.2.3. Much greater attention to rural development; and
- 3.1.2.4. Self-reliance.

#### **3.2. The Framework**

3.2.1. The National Strategic Plan is derived from the framework for the National Strategic Plan: 2010 – 2050 endorsed by Government and by all leaders in Parliament in September 2008. The concepts and strategic direction in the framework were rigorously tested during a three months comprehensive public consultation program in which most of the 89 districts were visited. The National Strategic Plan therefore is the formalizing of many citizens dreams and aspirations of building a better Papua New Guinea for themselves, their children and their grand children.

#### **3.3. Our Vision and Mission**

3.3.1. Our Vision is for:

*“Papua New Guinea to be a Smart, Fair and Happy Country by 2050”.*

- 3.3.1.1. Being *smart* means to encourage and reward *excellence, innovation and relevance*.
- 3.3.1.2. Being *fair* means that our people, our institutions and our systems will practice and uphold *transparency, accountability and good governance*.
- 3.1.1.3. Being *happy* means our people will be *healthy, wealthy and safe*.

3.1.2. Based on the development analysis over the last three decades and following the comprehensive district consultations, our people believe that the best way to achieve the vision is by:

*“Creating opportunities for personal and national advancement through smart innovative ideas, quality services plus fair and equitable distribution of benefits.”*

## **3.2. Our Values and Guiding Principles**

3.2.1. Our people are the most valuable resources in development aspirations and nation building and so we value *“Integrity, Excellence and Discipline”* and will strive to uphold these attributes at all times.

3.2.2. The National Strategic Plan embraces the five National Goals and Directives contained in our National Constitution as Guiding Principles and these are:

- 3.1.1.1. *Integral Human Development;*
- 3.1.1.2. *Equality and Participation;*
- 3.1.1.3. *National Sovereignty and Self Reliance;*
- 3.1.1.4. *Natural Resources and Environment;*
- 3.1.1.5. *Papua New Guinea Ways; and*
- 3.1.1.6. *Papua New Guinea is Progressive and Globally Competitive.*

3.1.2. In addition, the National Strategic Plan acknowledges the emerging global economic trends and so the need to position Papua New Guinea to maximize its opportunities and any comparative advantages we may have and therefore adopts an additional *“Guiding Principle No. 6: Papua New Guinea is Progressive and Globally Competitive”*.

### **3.2. The Strategic Direction**

3.2.1. Currently, our economy is dominated by mining and energy. It is estimated that these sectors contribute about 80% of our total export revenue.

3.2.2. The strategic direction in the National Strategic Plan is that *“Papua New Guinea will develop and grow the Agriculture, Forestry, Fisheries and Eco-tourism sectors from 2010 to 2050”*.

3.2.3. The challenge therefore is:

*“How do we shift an economy currently dominated by the mining and energy sectors to one dominated by Agriculture, Forestry, Fisheries and Eco-tourism between 2010 and 2050”*.

### **3.3. Key Result Areas**

3.3.1. The National Strategic Plan will focus on *“Seven Key Result Areas”* from 2010 to 2050 and these are:

*3.3.1.1. Strategic Planning;*

*3.3.1.2. Institutions and Systems Strengthening and Alignment;*

*3.3.1.3. Human Development and People Empowerment;*

*3.3.1.4. Wealth Creation;*

*3.3.1.5. Security and Global Relations;*

*3.3.1.6. Environmental Sustainable Development; and*

*3.3.1.7. Church and Development.*

### **3.4. Key Assumptions**

3.4.1. Successful delivery of the National Strategic Plan is dependent on seven key assumptions.

3.4.1.1. The current bureaucracy is not threatened by the likely changes that will occur and support and facilitate the programs in the National Strategic Plan.

3.4.1.2. Political stability is strengthened and there is consistency in government policies.

- 3.4.1.3. There is no change or only minimal changes to the current macro-economic forecast over the next 20 to 30 years.
- 3.4.1.4. Government improves governance and reduces corruption.
- 3.4.1.5. Government systems and institutions are reformed and aligned to the National Strategic Plan.
- 3.4.1.6. All key stakeholders support the National Strategic Plan and make the necessary paradigm shifts.
- 3.4.1.7. Government will adequately resource and fund the National Strategic Plan programs.

### **3.5. Strategic Planning**

- 3.5.1. The key outcome expected in “*Strategic Planning*” is that “*the provincial and district authorities in the Southern, Momase, New Guinea Islands and the Highlands regions align their strategic and corporate plans plus their budgets to the National Strategic Plan by 2012*”.
- 3.5.2. The system and institutional reforms are all expected to be completed by 2015 (Table 1). This is reasonable given that many of these reforms are ongoing with some like the Public Sector Reforms been in existence for about 10 years.
- 3.5.3. The “*Human Development and Empowerment*” area is projected to be completed by 2020 (Table 1).
- 3.5.4. The “*Wealth Creation*” area will involve big development projects in agriculture, forestry, fisheries and eco-tourism and is projected to be completed by 2050 (Table 1).
- 3.5.5. Targeting the Agriculture, Forestry, Fisheries and Eco-tourism sectors is good business and development sense as these sectors have the greatest potential for growth and synergy. The Agriculture, Forestry, Fisheries and Eco-tourism sectors also involve approximately 90% of our people (approximately 5 million) most of whom dwell in the rural areas and so targeting these sectors gives us the best opportunity for equal distribution of our country’s wealth and benefits.
- 3.5.6. “*Population, Citizen Participation, Total GDP, Total GDP Per Capita, GDP’s for Agriculture, Forestry, Fisheries and Eco-Tourism*” will be the indicators used to

monitor and evaluate the progress of the National Strategic Plan regionally and nationally (Table 2).

3.5.7. For the “*the provincial and district authorities in the Southern, Momase, New Guinea Islands and the Highlands regions to align their strategic and corporate plans plus their budgets to the National Strategic Plan by 2012*” the National Strategic Plan expects the Government to achieve the following outcomes:

3.5.7.1. Papua New Guinea has a sound, clear and practical strategic direction for development and growth;

3.5.7.2. Outcomes of the medium term development strategies are logical, progressive and aligned to the National Strategic Plan;

3.5.7.3. National, Provincial and District policies, plans and budgets are aligned to the National Strategic Plan.

**Table 1.** Key outcomes for the seven Key Result Areas and showing expected completion dates.

<b>KEY RESULT AREA</b>	<b>KEY OUTCOMES</b>	<b>DUE DATE</b>
Strategic Planning	All four regions align their plans and budgets to the National Strategic Plan.	2012
Institutions & Systems Alignment	Service delivery is efficient, effective and of a high standard.	2015
Church & Development	There is a strong Church and State partnership in national development.	2015
Environmental Sustainable Development	Our environmental management systems and practices are sustainable and world's best.	2015
Security & Global Relations	Papua New Guinea is a safe, secure and happy country.	2015
Human Development & People Empowerment	Our educational, training and research institutions are internationally recognised and accepted.	2020
Wealth Creation	Our economy is strong, vibrant and valued at US\$200 billion.	2050

**Table 2.** Indicators to monitor and evaluate performance of Governments for the four sectors in the Strategic Direction.

<b>Year</b>	<b>Projected Population</b>	<b>Total GDP (US\$ 000)</b>	<b>Total GDP Per Capita (US\$)</b>	<b>Agriculture GDP (US\$ 000)</b>	<b>Forestry GDP (US\$ 000)</b>	<b>Fisheries GDP (US\$ 000)</b>	<b>Eco-Tourism GDP (US\$ 000)</b>	<b><sup>a</sup>Sub Total (US\$ 000)</b>	<b>Citizen Participation</b>
<b>2015</b>	6,622,877	25,440,642	3,841	735,183	331,078	83,650	599,340	1,749,252	
<b>2020</b>	7,493,178	34,367,714	4,587	1,372,604	626,356	192,184	1,042,172	3,233,316	
<b>2025</b>	8,477,843	46,427,279	5,476	2,562,683	1,184,985	441,537	1,812,196	6,001,401	
<b>2030</b>	9,591,901	62,718,522	6,539	4,784,586	2,241,840	1,014,417	3,151,164	11,192,009	
<b>2035</b>	10,852,356	84,726,331	7,807	8,932,929	4,241,274	2,330,591	5,479,449	20,984,242	
<b>2040</b>	12,278,444	114,456,637	9,322	16,677,979	8,023,946	5,354,458	9,528,022	39,584,404	
<b>2045</b>	13,891,933	154,619,251	11,130	31,138,161	15,180,275	12,301,696	16,567,944	75,188,076	
<b>2050</b>	15,717,447	208,874,849	13,289	58,135,648	28,719,132	28,262,753	28,809,418	143,926,950	

<sup>a</sup>Sub Total is the sum of the Agriculture, Forestry, Fisheries and Eco-Tourism GDP's.

### **3.6. Institutions and Systems Strengthening and Alignment**

- 3.6.1. The key outcome expected in “*Institutions and Systems Strengthening and Alignment*” is that the “*Public Service, Legal and Political systems are efficient, effective and fair in delivery of high standard services to all citizens at all times by 2015*”.
- 3.6.2. Currently, there are 28 ministries and over 140 government departments and agencies at the national level. Many of the departments are duplicated at the provincial and district levels. The present administrative arrangements at the national, provincial and district levels soak up resources particularly funding for goods and services as well as complicated funding and service delivery arrangements with disastrous consequences for service delivery. There is a clear need to dramatically simplify these arrangements and to increase resources available for operating costs in rural areas.
- 3.6.3. After three decades of political independence we now have many highly qualified and experienced nationals. Many of these experienced and qualified people have returned to their villages and Districts. These “*latent talent and capacity*” must be mobilized as partners in delivering services. In addition, churches, non-government organizations and other community based development organizations provide innovative, effective and efficient services in some rural communities. These delivery mechanisms should be supported and the potential for these mechanisms to be extended beyond the traditional health and education sectors should be fully investigated.
- 3.6.4. The Government in progressing the key outcomes of the “*National Leader’s Summit*” held in Lae, Morobe Province, on 12 to 14 August 2009, resolved to endorse the following resolutions:
- 3.6.4.1. Papua New Guinea retain the “*three tier system*” of governance.
  - 3.6.4.2. Develop a clear policy on “*devolution of responsibilities*”.
  - 3.6.4.3. Prepare a provision for “*22 reserve seats for women in the national Parliament*”.

3.6.5. Furthermore, the Prime Minister in supporting the key outcomes of the “*National Leader’s Summit*” directed that the national model of policy be framed as follows:

3.6.5.1. Subject to overall policy direction and control from the national government, provinces must be allowed to plan and implement provincial government activities administer services with minimum interference from the national government;

3.6.5.2. We must allow more financial resources to be channeled from the national government to the provinces for development and other purposes;

3.6.5.3. Provinces must be accorded greater financial control and increased revenue base;

3.6.5.4. Substantial changes need to be made in the organization of the public services where the level of administration conducted from the national government be reduced and increased in provinces; and

3.6.5.5. There must be effective manpower development to improve the quality and skills of provincial staff to effectively carry out the functions and responsibilities that have been devolved at provincial and local level governments.

3.6.6. Based on past lessons and the key outcomes of the “*National Leader’s Summit*”, we propose the following “*Political Framework*” for planning and evaluating the performance of development programs (Table 3).



**Table 3.** Political Framework for *planning* and evaluating the performance of development programs

<b>Levels/Membership</b>	<b>Planning Framework</b>	<b>Monitoring Framework</b>
<b><i>National</i></b> Regional Reps Open Reps	Set vision & direction (40 yrs).	Impact on National growth indicators & international economic & social indicators.
<b><i>Provincial</i></b> Regional Reps Open Reps LLG Reps	Prepare Regional & Provincial strategic & development plans & budgets (5 yrs).	Impact on National, Regional & Provincial growth indicators.
<b><i>District</i></b> Open Reps LLG Reps Ward Reps	Prepare Provincial & District development & operational plans & budgets (3 yrs).	Impact on Regional & Provincial & District growth indicators.
<b><i>Community</i></b> LLG Reps Ward Reps Village Reps	Prepare District and LLG project & operational plans & budgets (1 yr).	Impact on Provincial, District & Community growth indicators.

3.6.7. Based on past lessons and the key outcomes of the “*National Leader’s Summit*”, we propose the following “*Administrative Framework*” for implementing and evaluating the performance of development programs (Table 4).

**Table 4.** Administrative Framework for *implementing* and evaluating the performance of development programs

<b>Levels</b>	<b>Implementation Framework</b>	<b>Monitoring Framework</b>
<b><i>National</i></b>	Set clear <i>policies &amp; strategic plans</i> . Establish efficient & effective systems. Provide relevant organizational structure, resources & budget to facilitate implementation.	Impact on National growth indicators & international economic & social indicators.
<b><i>Provincial</i></b>	Establish efficient & effective systems & relevant organizational structure to <i>coordinate &amp; monitor</i> Regional & Provincial development plans.	Impact on National, Regional & Provincial growth indicators.
<b><i>District</i></b>	Establish efficient & effective systems & relevant organizational structure to <i>implement</i> Provincial & District development plans.	Impact on Regional & Provincial & District growth indicators.
<b><i>Community</i></b>	Establish efficient & effective systems & relevant organizational structure to <i>implement</i> District & Community development plans.	Impact on Provincial, District & Community growth indicators.

3.6.8. For the “*Public Service, Legal and Political systems are efficient, effective and fair in delivery of high standard services to all citizens at all times by 2015*” the National Strategic Plan expects the Government to achieve the following outcomes:

- 3.6.8.1. The Public Service in the National, Provinces and Districts are efficient and effective in delivering services;
- 3.6.8.2. The Legal and Judicial system is fair, just and protects national interest;
- 3.6.8.3. The Political System promotes stability, gender equality, democracy, transparency, accountability and economic development in the national interest.

### **3.7. Church and Development**

3.7.1. The key outcome expected in “*Church and Development*” is that “*there is a strong Church and State partnership in national development by 2015*”.

3.7.2. The Government acknowledges the enormous and valuable contributions to development and nation building Christian Churches have made since the 1800’s. The Churches are effective in delivery of goods and services to many rural areas in Papua New Guinea today. Currently, the Christian Churches operate approximately 50% of all education and health services in the country.

3.7.3. In recognition and appreciation of the enormous and valuable contributions by Christian Churches to the development and growth of Papua New Guinea, and to enhance their role in future development and nation building programs the Government developed a “*Partnership Framework between the Christian Churches and the Government*”.

3.7.4. For there to be a “*strong Church and State partnership in national development*”, the National Strategic Plan expects the Government to achieve by 2015 the following outcomes:

3.7.4.1. Churches to play a more active role in people transformation and empowerment;

3.7.4.2. Churches and civil society to play a more effective role in ensuring government accountability;

3.7.4.3. Churches to play a more active role in the delivery of basic services to the people.

### **3.8. Environmental Sustainable Development**

3.8.1. The key outcome expected in “*Environmental Sustainable Development*” is that “*our environmental management systems and practices are sustainable and world’s best by 2015*”.

3.8.2. Papua New Guinea acknowledges the great importance the environment plays in the daily lives of our people and indeed our future and therefore included a clause on

environmental care in the National Constitution. This is reflected in the 4<sup>th</sup> National Goal of the Constitution which reads:

*“For Papua New Guinea’s natural resources and environment to be conserved and used for collective benefit of us all and be replenished for the benefit of future generations.”*



**Plate 5.** Natural pristine environment in Papua New Guinea (Photos from TPA Website)

3.8.3. We recognize and acknowledge the great importance of our natural resources and the environment as a solid foundation for wealth creation and sustainable development. The long term national strategic plan not only give us the opportunity for a more holistic approach to our developmental challenges, but also provides the foundation and create the environment for mutual and synergistic partnership at all levels, across all sectors of our society and with our international development partners.



**Plate 6.** Kalibobo Lighthouse in Madang & Melanesian Discoverer (Photos from TPA Website)

- 3.8.4. There is general agreement globally that industrialized countries should provide funds to halt deforestation in developing countries. We believe that the industrialized countries should do more than just pay for carbon credits. We are therefore challenging leaders of the industrialized nations to re-draft their economic theories and re-model global markets for a sustainable future. For example, the latest estimate is that around \$20 billion a year will be needed to halve carbon emissions from deforestation. This would indeed be a wise investment, even for this one ecosystem service alone especially when some estimate that the overall costs and risks of climate change could range from 5% to over 20% of global GDP each year.
- 3.8.5. Our response to the environmental challenges and opportunities at the institutional level has been led by the “*Department of Environment and Conservation*” and the “*PNG Forest Authority*”. The Department of Environment and Conservation now has five environmental values; Water, Biodiversity, Soil, Air and Carbon as the core components of an environment sustainability framework. Furthermore, our commitment and dedication to combating climate change and sustaining our natural environments led to the establishment of the “*Office of Climate Change & Environmental Sustainability*” in 2008.
- 3.8.6. The National Strategic Plan expects the *Government to achieve by 2015* the following outcomes if “*our environmental management systems and practices are sustainable and world’s best*”:
- 3.8.6.1. Sound policy and legal framework for sustainable management of natural resources;
  - 3.8.6.2. Sound institutional framework for sustainable management of natural resources;
  - 3.8.6.3. World class education, research and training framework for sustainable management of natural resources.

### **3.9. Security and Global Relations**

- 3.9.1. The key outcome expected in “*Global and Security*” is that “*Papua New Guinea is safe, secure and happy country by 2015*”.

3.9.2. It is well established that stability is an essential pre-requisite for development and growth. Political stability over the last 8 years in Papua New Guinea is a domestic case in point. While “*Security and Global Relations*” is a whole of Government issue, key Government agencies involved are the Department of Foreign Affairs, PNG Defence Force, Royal Papua New Guinea Constabulary, Correctional Institutional Service, Customs, Prime Minister and National Executive Council and the National Border Authority. The primary responsibilities under “*Security and Global Relations*” include public order and security, nation building, border security, maritime surveillance patrol and response, disaster relief and fulfillment of international obligations.



**Plate 7.** Papua New Guinea Defence Force preparing for border patrol duty (Photo from Defence Force Website).

3.9.3. Papua New Guinea enjoys a uniquely favourable strategic situation against the threat of conventional military attack, however, the emergence of terrorism in our region has revitalised the importance of strong regional security dialogue and cooperation with our security partners. Events of 11 September 2001 and recent terrorist attacks within the Asia-Pacific region impact directly and indirectly on PNG’s security environment and the stability of the region. Pandemics, disasters, global warming and transnational threats to our national economic and security interests will require higher levels of resource and funding commitment to our security and global relations interests. This increased commitment will be characterised by the need for high levels

of interagency coordination among Government Departments and agencies. The whole-of-Government approach to national security and global relations will require us to develop new thinking and new processes for major acquisition projects with a multi-agency focus.



**Plate 8.** Papua New Guinea soldiers on peace keeping mission in Solomon Islands with one of their local supporters (Photo from Defence Force Website).

3.9.4. The National Strategic Plan expects the *Government to achieve by 2015* the following outcomes if “*Papua New Guinea is to be safe, secure and happy country*”:

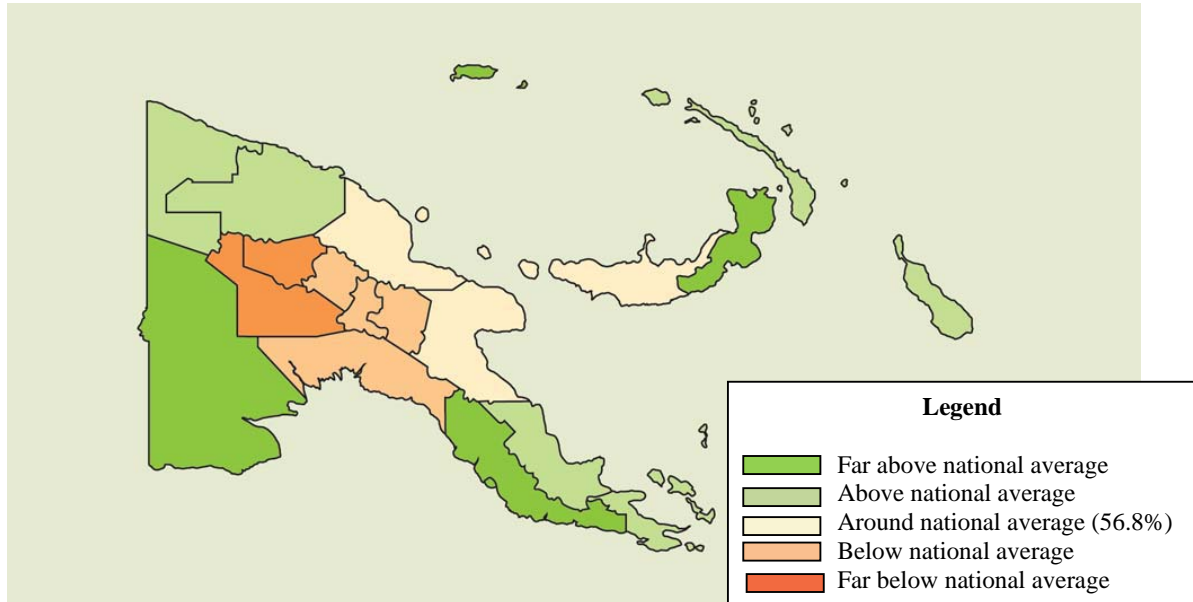
- 3.9.4.1. Our citizens are law abiding with the highest respect for human rights;
- 3.9.4.2. We embrace our vast cultural diversity as blessings and institutionalize them as symbols of national identity and national unity;
- 3.9.4.3. Papua New Guinea is a good country for business and is a very attractive investment destination in the world.

### **3.10. Human Development and People Empowerment**

3.10.1. The key outcome expected in “*Human Development and People Empowerment*” is that “*our educational, training and research institutions are internationally recognised and accepted by 2020*”.

3.10.2. Education is an essential ingredient for successful implementation of the National Strategic Plan as it can empower and transform our most important resource - “*our people*”. At the primary level, there are nine years of compulsory education starting at age six. According to the United Nation’s “*Millennium Development Goals (MDG)*” on Papua New Guinea, enrollment and retention rates at the primary level

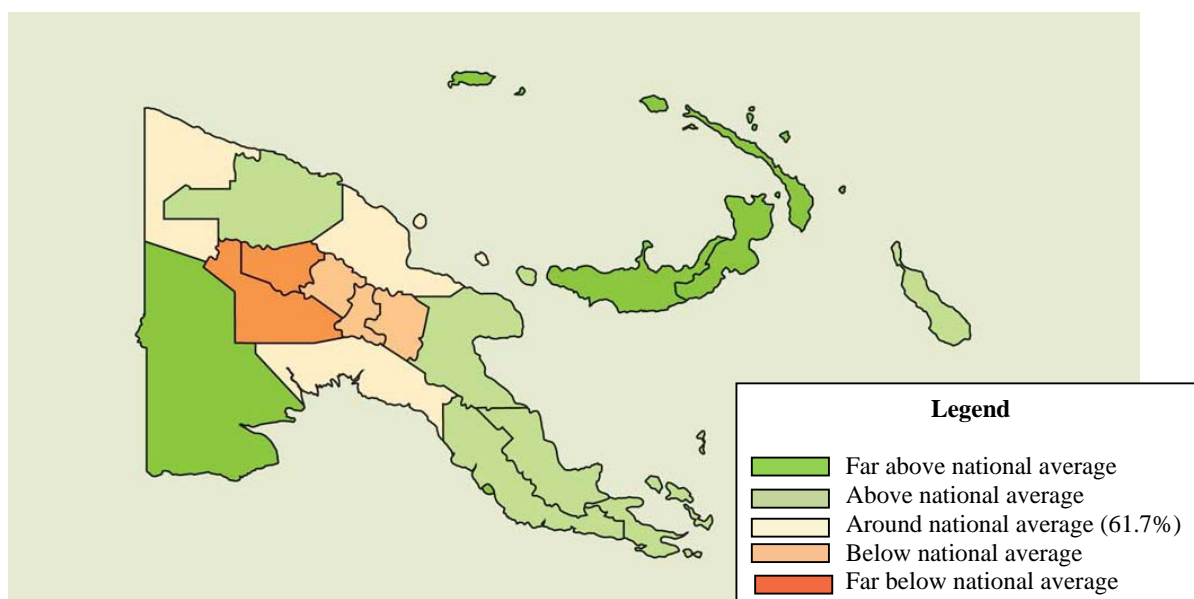
are still very low. The United Nations notes with concern that retention rates decreased in spite of the educational reforms introduced in the mid-1990's. In the Higher Education sector, there are four public, two private universities and many technical and vocational colleges. Again, according to the United Nation's "MDG" report, the level of literacy (which is a measure of achievement in education) improved gradually in the 1980's and 1990's but is still very low.



**Plate 9.** Cohort retention rates (%) at the primary level for Papua New Guinea and its Provinces in 2000 (MDG Progress Report for Papua New Guinea 2004).

3.10.3. The Government considers that achieving the MDG target of close to 100% enrollment and retention in primary education by 2015 is difficult and unrealistic for Papua New Guinea. The revised target which Government believes to be achievable by 2015 is 85% enrollment and 70% retention. The Government has also set a target of 70% youth literacy (15 to 24 year olds) by 2015.





**Plate 10.** Youth (15-24) literacy rates (%) for Papua New Guinea and its Provinces in 2000 (MDG Progress Report for Papua New Guinea 2004).

3.10.4. A “*White Paper*” produced on higher education in Papua New Guinea recommended that among other things “*Productivity, Responsiveness, Responsibility and Partnership*”. Given the rich culture and vast diversity we have, a unique challenge for Papua New Guinea is the question of:

*“How do we modernise Papua New Guinea without sacrificing or foregoing our traditions and customs?”*

Furthermore, the “*White Paper*” called for reducing the degree of dependency on foreign expertise and controlling our own future by increasing citizen participation, management and control in important areas of the economy, government and community affairs. Indeed, the reforms in the Higher Education sector targeted:

- 3.10.4.1. Increasing access, participation and retention rates while improving quality and standards appropriate to the social, economic, scientific and cultural needs;
- 3.10.4.2. Raising productivity, quality and relevance of research; and
- 3.10.4.3. Promoting awareness, knowledge and application of science and technology.



**Plate 11.** Graduates from the University of Papua New Guinea and young professionals on the job.

3.10.5. As indicated in “*Section 3.2.3*”, at the heart of the National Strategic Plan is the challenge:

*“How do we shift an economy currently dominated by the mining and energy sectors to one dominated by Agriculture, Forestry, Fisheries and Eco-tourism between 2010 and 2050”.*

3.10.6. The challenge for the “*Human Development and People Empowerment*” area therefore is:

*“How to reform and align the human resource capital of Papua New Guinea so that the medium term (5 to 10 years) needs of the mining and energy sectors and the long term (20 to 40 years) needs of the agriculture, forestry, fisheries and eco-tourism needs are adequately met.”*

3.10.7. The National Strategic Plan expects the Government to achieve by 2015 the following outcomes if “*our educational, training and research institutions are to be internationally recognised and accepted by 2020*”:

3.10.7.1. The Education System is world class, relevant and progressive;

3.10.7.2. Universal primary education is achieved;

- 3.10.7.3. Enhanced gender parity and equality in access to formal education and training.

### **3.11. Wealth Creation**

3.11.1. The key outcome expected in “*Wealth Creation*” is that “*our economy is strong, vibrant and valued at US\$200 billion by 2050*”.

3.11.2. It is the intention of the National Strategic Plan that by 2050, the Agriculture, Forestry, Fisheries and Eco-tourism sectors will contribute 70% to our country’s export revenue (Table 5). Using the Prime Minister’s vision for a 1000% (or about US\$200,000,000,000) increase in the economy by 2050, 70% of export revenue is estimated at US\$140,000,000,000. It is further assumed here that agriculture will contribute 40%, while forestry, fisheries and ecotourism will each contribute 20% each to the total target of 70%. Together the four sectors currently provide 27% of the formal wage employment market of 100,000 people.

3.11.3. Four key indicators will be used to track the progress of empowering our citizens to create wealth from the vast renewable natural resources and ensuring that our Nation’s wealth is transferred equally and fairly to majority of our people who live in the rural areas (Table 5). The four indicators are:

- 3.11.3.1. Export Revenue;
- 3.11.3.2. Downstream Processing;
- 3.11.3.3. Increased Citizen Participation; and
- 3.11.3.4. Minimum Wage.

3.11.4. The four key indicators gives us the best chance to monitor and evaluate effective implementation of the National Strategic Plan and to ensure that Papua New Guinea’s national interest is a top priority in future development programs.

#### **3.11.5. Agriculture**

3.11.5.1. Papua New Guinea has a total land area of 463,000 km<sup>2</sup> with some 200,000 km<sup>2</sup> available to agriculture (Table 1). Currently, only about 10,000 km<sup>2</sup> is used for commercial agriculture. Hence, increasing land under agriculture

to about 25% of the total land area or 115,750 km<sup>2</sup> would greatly increase agriculture's contribution to the national economy.

**Table 5.** The potential, current status and 2050 targets for the key indicators.

<b>Sector</b>	<b>Indicators</b>	<b>Potential (2050)</b>	<b>2010</b>	<b>2050</b>
<b><i>Agriculture</i></b>	Land/Area	200,000 km <sup>2</sup>	10,000 km <sup>2</sup>	115,750 km <sup>2</sup>
	Export Revenue	US\$140,000,000,000	US\$446,145,000	US\$56,000,000,000
	Value Adding	US\$56,000,000,000	0	US\$28,000,000
	Citizen Participation	5,000,000	70,000	2,500,000
	Minimum Wage		US\$1,820	US\$13,650
<b><i>Forestry</i></b>	Land/Area	294,000 km <sup>2</sup>	294,000 km <sup>2</sup>	157,000km <sup>2</sup>
	Export Revenue	US\$140,000,000,000	US\$198,800,000	US\$28,000,000,000
	Value Adding	US\$28,000,000,000	0	US\$14,000,000,000
	Citizen Participation	5,000,000	10,000	1,000,000
	Minimum Wage		US\$1,820	US\$13,650
<b><i>Fisheries</i></b>	Fishing Zone/Area	2,400,000 km <sup>2</sup>	2,400,000 km <sup>2</sup>	2,400,000 km <sup>2</sup>
	Export Revenue	US\$140,000,000,000	US\$43,000,000	US\$28,000,000,000
	Value Adding	US\$28,000,000,000		US\$14,000,000,000
	Citizen Participation	5,000,000	10,000	1,000,000
	Minimum Wage		US\$1,820	US\$13,650
<b><i>Eco-tourism</i></b>	Land/Area			
	Export Revenue	US\$140,000,000,000	US\$385,000,000	US\$28,000,000,000
	Value Adding			
	Citizen Participation	5,000,000	10,000	1,000,000
	Minimum Wage		US\$1,820	US\$13,650
<b>TOTAL INCOME (GDP)</b>			US\$7,591,150,000	US\$200,000,000,000

NB. Potential is based on projections for 2050. Exchange rate used is US\$0.35

3.11.5.2. The agriculture sector has a significant role to play in providing broad based income and employment opportunities to the vast majority of the population in the country, especially those in the rural areas. Since independence, the agriculture sector's contribution to GDP has declined from a high of 36% in 1977 to 23.9% in 1999. Currently it is estimated at around 25% of GDP. According to the 2008 National Government Budget, the agriculture sector is predicted to generate export revenue of K1,274,700 or approximately US\$446,145 at current exchange rate levels (US\$0.35). The National Strategic Plan expects the agriculture sector to contribute 40% of US\$140,000,000,000 or US\$56,000,000,000 to the economy by 2050 (Table 5).

- 3.11.5.3. The Government seeks to increase the value of exports produced by Papua New Guinea's manufacturing sector focusing on downstream processing of raw materials. In the agriculture sector, downstream processing is sporadic and insignificant in terms of export revenue. While the Government's current emphasis on downstream processing is on the extractive industries, the economic potential for the agriculture sector is huge and remains untapped. In fact, targeting a few agriculture industries for downstream processing could contribute totally to achieving the 2050 export revenue target of US\$56,000,000,000. The National Strategic Plan aims for 50% or US\$28,000,000,000 of agriculture's contribution to the economy to come from value-adding and downstream processing.
- 3.11.5.4. The population of Papua New Guinea is around 6 million with some 80% living in the rural areas. While about 5 million people are directly engaged in the agriculture sector, only an estimated 70,000 are formally employed. According to the United Nations, Papua New Guinea's population doubles approximately every 30 years with a population growth ranging between 2% and 3% (average of 2.5%). Based on this scenario, we estimate our population to be 15 million by 2050. If about 70% of the population remains in the rural areas then the number of people with the opportunity for formal employment in agriculture is estimated at 5 million. This is about 50% of the 10 million who are old enough to be formally employed. However in the National Strategic Plan, we set a target of 35% or 1,750,000 of the working population to be formally employed in the agriculture by 2050. This is consistent with the portion of the 70% prediction the sector is expected to contribute to the economy by 2050.
- 3.11.5.5. We assume that the adult population from the predicted 15 million people by 2050 will be about 7 million. The Government approved minimum wage for formal employment is K200 or US\$70 per fortnight with annual earnings totaling K5,200 or US\$1,820. According to the National Strategic Plan, by 2050 every citizen who is eligible for formal employment should earn K1,500 or US\$525 per fortnight which works out to be US\$13,650 per annum.

3.11.5.6. Raising the minimum wages of our citizens equivalent to the worlds prosperous and progressive nations will have many positive flow on effects to the people, our development aspirations and our efforts in nation building and its importance cannot be stressed enough. Still being a very traditional-oriented people, one of the immediate impacts we anticipate from increasing the minimum wages of our citizens is the large movement of money to the rural areas to support traditional, cultural and religious obligations many Papua New Guineans are born into and committed to. It is also a better and effective alternative for distributing the wealth of this country equally.

### **3.11.6. Forestry**

3.11.6.1. Of the 463,000 km<sup>2</sup> of land in Papua New Guinea, 294,000 km<sup>2</sup> is under forest with some 157,000 km<sup>2</sup> or a little over 50% is either reserved or protected (Table 5). The approach in the National Strategic Plan is one of conservation and smart management of our forest and other environmental resources for the collective benefit of us and our future generations as directed in the fourth National Goal of our Constitution. The challenge in the National Strategic Plan is to protect the 157,000 km<sup>2</sup> of forest from further exploitation. This translates to about 34% of our total land area.

3.11.6.2. There is general agreement globally that industrialized countries should provide funds to halt deforestation in developing countries. We in PNG believe that the industrialized countries should do more than just pay for carbon credits. We are challenging leaders of the industrialized nations to re-draft their economic theories and re-model global markets for a sustainable future. For example, the latest estimate is that around \$20 billion a year will be needed to halve carbon emissions from deforestation. This would indeed be a wise investment, even for this one ecosystem service alone especially when some estimate that the overall costs and risks of climate change could range from 5% to over 20% of global GDP each year.

3.11.6.3. The forestry sector makes significant contributions to our economy. For example, between 2005 and 2007, the forestry sector generated approximately K405 million to K568 million largely from export of logs. Over the same period, the sector grew by 13.8% in 2005, 21.3% in 2006 and 15.6% in 2007. Based on the recent domestic and global trends, we expect the forestry sector to make an even bigger contribution to our development aspirations and to the economy in the future. Forests sequester some 3.3 billion tons of carbon dioxide annually. So with today's carbon prices over \$30/t CO<sub>2</sub>, rural communities in developing countries are effectively subsidizing the carbon emissions of the rich by around \$100 billion per year which is more than the total overseas development assistance (ODA) annually. The National Strategic Plan expects the forestry sector to contribute US\$28,000,000,000 to the economy by 2050 (Table 5).

3.11.6.4. At present, the forestry sector is dominated by logging. Our main export species are *taun*, *malas* and *calophyllum* with West New Britain, East New Britain, Western and Gulf provinces being the dominant exporters. Like the agriculture sector, downstream processing in forestry is sporadic and insignificant in terms of export revenue. However, it presents enormous economic potential for the sector which is waiting to be unlocked. The National Strategic Plan will therefore be encouraging value-adding and downstream processing of forest products as a key strategy economic growth and to transform our country. The forestry sector is expected to generate US\$28,000,000,000 for the economy by 2050. At the very least we expect 50% or US\$14,000,000,000 of this revenue to come from value-adding initiatives.

3.11.6.5. We estimate that currently the forestry sector formally employs some 10,000 people. By 2050, we predict that PNG's total population will be approximately 15 million with about 5 million working age people living in the rural areas and therefore exposed to opportunities for formal employment in the forestry sector. In the National Strategic Plan, we set a



target of 20% or 1,000,000 of the working population to be formally employed in the forestry sector by 2050.

- 3.11.6.6. A key outcome of the National Strategic Plan is to raise the income levels of all citizens to the same or higher than those enjoyed by citizens of rich and progressive nations. Thus the challenge for the National Strategic Plan is to increase the minimum wages of citizens from the current K200 or US\$70 per fortnight to K1,500 or US\$525 per fortnight which translates to US\$13,650 per annum.

### **3.11.7. Fisheries**

- 3.11.7.1. Papua New Guinea has one of the largest *Declared Fisheries Zone* in the tropical Pacific encompassing an area of 2,400,000 km<sup>2</sup> (Table 5). The waters of the PNG *Exclusive Economic Zone (EEZ)* contain a large, diverse and valuable fish population. The offshore waters in particular are among the richest in the world with regard to tuna stocks. PNG's fisheries for tuna are robust and believed to be below estimated optimum exploitation levels, as are deeper water fisheries such as certain snapper, bream and grouper species. However, many of the coastal sedentary species such as *mollusks* and *beche-de-mer* (sea cucumber), as well as *prawns* in the Gulf of Papua are probably already fully exploited. Broadly speaking, four major marine fisheries are currently operating in PNG and these are Offshore fisheries using purse seining, Offshore fisheries using longlining, Nearshore fisheries using prawn trawling and Subsistence and artisanal fisheries. Overall, the contribution of the fisheries sector is well under its full potential.

- 3.11.7.2. Export volumes of marine products from PNG have remained constant around 17,000 metric tons between 2001 and 2006. Currently, the export of marine products earn about K120 million or US\$42 million annually. However, it is estimated that PNG has the capacity to increase the volume of catch to 100,000 to 150,000 tons per annum. According to the National Strategic Plan, the fisheries sector is to contribute US\$28,000,000,000 to PNG's economy by 2050 (Table 5).

- 3.11.7.3. Papua New Guinea has embarked on downstream processing in the fisheries sector in a big way to increase revenue. Currently, PNG has three tuna processing facilities in the country and these are in Madang, Wewak and Lae. Madang is also building Marine Park aimed at attracting more downstream facilities in the country. PNG still has a huge potential for downstream in the fisheries sector. For example, in the purse seine category alone, of the 186 licensed boats, only 34 have their catches processed in PNG and of these, only seven are owned by National companies. The National Strategic Plan expects that downstream processing in the fisheries sector will generate at the very least 50% or US\$14,000,000,000 towards the sectors target of US\$28,000,000,000 by 2050.
- 3.11.7.4. Like the forestry sector, we expect the fisheries sector to employ about 1,000,000 people by 2050. Currently, we estimate that the fisheries sector employs about 10,000 people.
- 3.11.7.5. As with the agriculture and forestry sectors, the challenge for the National Strategic Plan is to increase the minimum wages of citizens from the current K200 or US\$70 per fortnight to K1,500 or US\$525 per fortnight by 2050.

### ***3.11.8. Eco-Tourism***

- 3.11.8.1. Papua New Guinea is richly blessed with abundant natural resources on land and in the sea combined with beautiful and pristine natural environments in many parts of the country. The biggest blessing however is in the diversity, creativity and resilience that God has placed in the hearts and minds of our people. The central part of the island rises into a wide ridge of mountains currently occupied by five highlands provinces. The coastline is liberally endowed with spectacular coral reefs, giving the country an international reputation for scuba diving. The smaller island groups of Papua New Guinea include the Bismarck Archipelago, New Britain, New Ireland and the Bougainville, all of which are volcanic with dramatic mountain ranges and beautiful beaches and reefs. Nearly 85

percent of the main island is carpeted with tropical rain forest, containing vegetation that is a combination of Asian and Australian species. Papua New Guinea is also home to an impressive variety of exotic birds, including virtually all of the known species of birds of paradise, and it is blessed with more kinds of orchids than any other country.



**Plate 12.** Beautiful pristine environments from the coast of Papua New Guinea (From TPA Website).

3.11.8.2. The tourism industry generates around K500,000,000 or US\$175,000,000 annually with the business travel market accounting for 70% (Table 5). Overseas visitor numbers to PNG is around 70,000 per year with Australia contributing 53%. However, only 20% or 7,420 visitors from Australia come here for holidays. The rest of the Australian visitors come to do business. The global tourism business is valued in excess of US\$500 billion with the South Pacific market valued at around US\$1.5 billion. Papua New Guinea's share of the South Pacific tourism market stands at only 5% of total arrivals and 2% of the holiday market. Significant numbers of tourist visitors come from Japan (24%), United States of America (15%) and the European countries (9%). The Eco-Tourism Sector in PNG plans to generate revenue about K1,100,000,000 or US\$385,000 by 2010. However, the National Strategic Plan believes that the Tourism Sector is capable of doing much better and therefore expects around US\$28,000,000,000 by 2050.

3.11.8.3. The Eco-Tourism Sector in PNG currently employs about 10,000 people with plans to increase the formal workforce by another 20,000 by 2015. According to the National Strategic Plan, the Sector is capable of employing 1,000,000,000 people by 2050.



**Plate 13.** Beautiful pristine environments from inland Morobe Province in Papua New Guinea.

3.11.9. The National Strategic Plan expects the *Government to achieve by 2050* the following outcomes if “*our economy is to be strong, vibrant and valued at US\$200 billion by 2020*”:

- 3.11.9.1. Increase citizen participation in the economy;
- 3.11.9.2. One new major project in agriculture, forestry, fisheries and eco-tourism for the Southern, Momase, New Guinea Islands and the Highlands regions;
- 3.11.9.3. One new major downstream project in agriculture, forestry, fisheries and eco-tourism for the Southern, Momase, New Guinea Islands and the Highlands regions.

## **4. OPERATIONALISING THE NATIONAL STRATEGIC PLAN**

### **4.1. Long Term Goals**

4.1.1. The dreams and strategies outlined in the National Strategic Plan will be operationalised through thirteen programs underpinned by three long term goals. The National Strategic Plan sets three long term goals that express the heart-felt cry of our people and the aspirations of our leaders today.

Goal 1: *Transforming and empowering* our people for personal and national advancement and prosperity.

Goal 2: *Reform and strengthen our institutions and systems* to improve service delivery, enhance democracy, promote good governance and strengthen political stability.

Goal 3: *Promote and enhance regional trade, stability and cooperation.*

### **4.2. Programs**

4.2.1. Program No. 1 is to immediately establish the Permanent Parliamentary Committee on the National Strategic Plan with administrative and technical support provided by a Commission for the National Strategic Plan. This Commission will consist of high caliber citizens to coordinate, facilitate and progress the programs and operations of the Permanent Parliamentary Committee on the National Strategic Plan. The estimated budget is K4 million for 2010, K3 million for 2011 and K2 million each from 2012 to 2015. The total estimated budget is K15 million. Bulk of the budget will be used to mobilize the best national and international experts in selected areas of need.

4.2.2. Goal 1 will be achieved through Program No. 2 with four components:

4.2.2.1. Prepare strategic, implementation, monitoring and evaluation plans for the agriculture, forestry, fisheries and eco-tourism sectors including work plans and budgets.

- 4.2.2.2. Align government policies to support the agriculture, forestry, fisheries and eco-tourism sectors to be globally competitive.
  - 4.2.2.3. Reform and strengthen the agriculture, forestry, fisheries and eco-tourism sectors to be globally competitive.
  - 4.2.2.4. Strengthen and build capacity of the agriculture, forestry, fisheries and eco-tourism sectors to be globally competitive.
- 4.2.3. The estimated budget over 10 years (from 2010 to 2020) for program No. 2 is K3,000,000,000. We anticipate spending large percentage of the budget on components 3 and 4 which will require major organizational restructure, alignment of existing capital and human resources and a highly targeted capacity building program. A large part of Component 3 will be selected major impact projects in agriculture, forestry, fisheries and, eco-tourism and is estimated to cost K2,000,000,000 over 10 years.
- 4.2.4. GDP, increased citizen participation and minimum wage will be used as the indicators to monitor and evaluate the performance of Program 2.
- 4.2.5. Goal 2 will be achieved through Program No. 3 with four components:
- 4.2.5.1. Align donor aid coordination to support the National Strategic Plan.
  - 4.2.5.2. Reform and align the public service structure to support the National Strategic Plan.
  - 4.2.5.3. Reform and align the legal and judicial systems to support the National Strategic Plan.
  - 4.2.5.4. Reform and align the political system to support the National Strategic Plan.
- 4.2.6. The estimated budget over 10 years (from 2010 to 2020) for Program No. 3 is K1,000,000,000. Papua New Guinea already has major reform programs in the Public, Legal and Political sectors. This program is aimed at integrating all Government reform programs so they are aligned to deliver on the outcomes in the National Strategic Plan. We anticipate bulk of the funding to be involved with reorganizing and restructuring the Public Service and the Legal and Judicial systems.

4.2.7. GDP, increased citizen participation and minimum wages will be used as the indicators to monitor and evaluate the performance of Program 3.

4.2.8. Goal 3 will be achieved through Program No. 4 with four components:

4.2.8.1. Integrate and streamline our vast cultural diversity, our political and administrative systems at the district, provincial and national levels to facilitate Provincial Autonomy and National Unity.

4.2.8.2. Review land and resource ownership templates for investment, increase citizen participation and wealth creation.

4.2.8.3. Review legal framework for improving compliance with domestic and international agreements on resource development.

4.2.8.4. Upgrade and strengthen infrastructure and management of sporting and recreation facilities and programs.

4.2.9. The estimated budget over 10 years (from 2010 to 2020) for Program No. 4 is K2,000,000,000. Since colonization, our citizens and particularly landowners have expressed in many different ways the need for PNG to have a customized resource ownership and development template that ensures a win-win relationship for all key stakeholders in all major economic projects. The challenge in Program No. 4 is to integrate and improve coordination of many of the work currently been pursued by Government, but in a more coordinated and effective manner. We anticipate spending bulk of the funds on components 1, 2 and 4.

4.2.10. GDP, increased citizen participation and minimum wage will be used as the indicators to monitor and evaluate the performance of Program 4.

4.2.11. The estimated total budget for operationalising the National Strategic Plan is K6,015,000,000 or US\$2,105,250,000. The National Strategic Plan is designed to transform our country so that by 2050 our economy is strong, vibrant and sustainable and valued at around US\$200,000,000,000. The National Strategic Plan budget therefore is less than 1.0% of the expected economic benefits it is expected to generate.

## 5. KEY MILESTONES OF THE NATIONAL STRATEGIC PLAN

### 5.1. Strategies for Enhancing Political Stability and Good Governance

5.1.1. The National Strategic Plan is also intended to build on the gains of past achievements in good governance and political stability. This will be achieved by adding Key Milestones of the National Strategic Plan to the Constitution or binding by law so that in future, changing government on the floor of parliament will not only be dependent upon the numbers but also on how the Executive Government of the day is performing against these Key Milestones (Table 6).

**Table 6.** Criteria and indicators for measuring performance of Executive Governments between 2010 and 2050.

Period	Key Outcome	GDP (US\$ 000)	Citizen Participation	Minimum Wage US\$/Yr
2010-2015	All four regions align their plans and budgets to the National Strategic Plan.	25,000,000		3,800
2016-2020	Service delivery is efficient, effective and of a high standard.	35,000,000		4,500
2021-2025	Our educational, training and research institutions are internationally recognised.	45,000,000		5,500
2026-2030	Papua New Guinea is a safe, secure and happy country.	60,000,000		6,500
2031-2035	There is a strong Church and State partnership in national development.	80,000,000		8,000
2036-2040	Our environmental management systems and practices are sustainable and world's best.	100,000,000		9,000
2041-2045	Our economy is strong, vibrant and valued at US\$150 billion.	150,000,000		11,000
2046-2050	Our economy is strong, vibrant and valued at US\$200 billion.	200,000,000		13,000



## 6. THE NATIONAL STRATEGIC PLAN MANAGEMENT FRAMEWORK

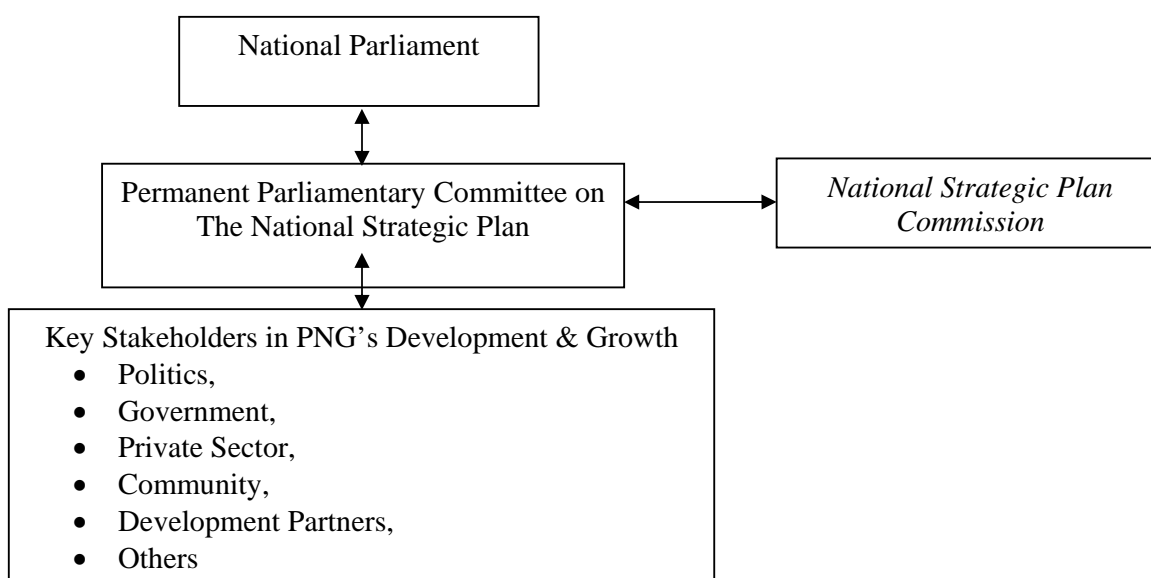
### 6.1. Rationale for establishing the National Strategic Plan Management

6.1.1. Central to successful completion of the National Strategic Plan is the full cooperation of the Public Service at Waigani, those in the Provinces and the Districts. However, the current administrative arrangements at the National, Provincial and District levels have great difficulty in delivering services and projects on time and to standards expected by the people, the private sector and the leaders.

6.1.2. Furthermore, there is still far too much resistance and suspicion by many senior bureaucrats which has the real potential to derail the successful implementation of the National Strategic Plan. Administrative and financial procedures were the biggest cause for the unnecessarily long delays in implementing the NPC Programs in 2008 and 2009.

### 6.2. Coordination and Reporting Structure

6.2.1. We therefore propose the establishment of the following Coordination and Reporting Structure to ensure timely and accountable delivery of the National Strategic Plan.



**Figure 3.** The National Strategic Plan Coordination and Reporting structure.

### **6.3. Roles and Responsibilities**

6.3.1. The roles and responsibilities of each of the bodies involved in the management of the Program Stream are summarized below:

6.3.1.1. The National Parliament sets the long term vision, mission and strategic direction and key priorities for Papua New Guinea's development and growth.

6.3.1.2. The Permanent Parliamentary Committee on the National Strategic Plan's primary responsibilities are to:

6.3.1.2.1. Ensure that Papua New Guinea's development policies and the national budget are consistent with the vision, mission and strategic direction;

6.3.1.2.2. Ensure that all key stakeholders in Papua New Guinea's development and growth are well informed and understand our vision, mission, strategic direction and key priorities;

6.3.1.2.3. Monitor and evaluate the performance of the Government's bureaucracy in achieving the Nation's vision, mission, strategic direction and key priorities at the national, provincial and district levels;

6.3.1.2.4. Set the guidelines how its funds and operations will be managed.

6.3.1.3. The role of the Commission for the National Strategic Plan will be to ensure that:

6.3.1.3.1. The Permanent Parliamentary Committee on the National Strategic Plan has practical work plan and budget annually;

6.3.1.3.2. The work plan is implemented according to schedule, and the programs are delivered within budget and to very high standards.

6.3.2. The Permanent Parliamentary Committee on the National Strategic Plan will operate under a trustee arrangement and will oversee the management of the programs through a trust account operated similarly to projects implemented jointly by the National Government and donor partners.

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