

United Nations in Papua New Guinea

Common Country Analysis

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To support development of the

United Nations Development Assistance Framework (UNDAF)

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Acronym and Abbreviation List

ABG	Autonomous Bougainville Government
ADB	Asian Development Bank
AIDS	Acquired Immune Deficiency Syndrome
CCA	Common Country Analysis
DHS	Demographic and Health Survey
DNPM	Department of National Planning and Monitoring
GDP	Gross Domestic Product
HDI	Human Development Index
HIV	Human Immunodeficiency Virus
IDPs	Internally Displaced Persons
LLG	Local Level Governments
MDGs	Millennium Development Goals
MSF	Medecins Sans Frontieres
MTDP	Medium Term Development Plan
ODA	Official Development Assistance
PGK	Papua New Guinea Kina
PNG	Papua New Guinea
REDD+	Reducing Emissions from Deforestation
SDGs	Sustainable Development Goals
StaRS	National Strategy for Responsible Sustainable Development
TB	Tuberculosis
UNCDF	United Nations Capital Development Fund
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
UNICEF	United Nations Children's Fund
UPR	Universal Periodic Review
WASH	Water, Sanitation and Hygiene
WHO	World Health Organization

Executive Summary

The Common Country Analysis (CCA) provides an overview of Papua New Guinea's (PNG's) development context and considers its social, economic, political and environmental perspectives, against the country's unique cultural and geographical backdrop. The analysis contributes to the United Nation's (UN's) planning of its next Programme 2018-2022. The UN's programme will articulate the development assistance that the UN will deliver as per its partnership with the Government, in support of the people of PNG and in collaboration with civil society, communities, private sector and other development partners. The planning and programme development are aligned to the Medium Term Development Plan (MTDP) cycle, PNG's Vision 2050 and the global 2030 Agenda for the Sustainable Development Goals (SDGs). It outlines key development risks and opportunities as well as challenges. The CCA's causal analysis identifies the root causes of select key challenges, maps common issues and concludes with the prioritization of issues that aim to inform the UN's programming. The analysis is informed by the perspectives of the UN's core programming principles of Human Rights, Gender Equality and Women's Empowerment; Sustainability; 'leaving no one behind'; and Accountability.

PNG is the largest of the Pacific island countries and home to nearly 76 per cent¹ of all Pacific Islanders, leading the region on many fronts. PNG took centre stage in guiding a transparent and inclusive process of defining the SDGs, as one of three representative governments from the Pacific that participated in the UN General Assembly's Working Group. It also played a leadership role on the 'Future We Want' national consultations on the Post 2015 Agenda as one of 88 countries leading the initial discussions that lay the ground for the SDGs. The 2015 Pacific Island Forum, which discussed the SDGs, was hosted by the Government of PNG. In 2016 the Government of PNG also hosted the Africa Caribbean and Pacific states dialogue, which focused on the implementation of the SDGs.

On its 41st independence anniversary, PNG is playing a vital role in shaping a 'New Pacific Diplomacy' on critical issues affecting the region (the 'New Pacific Regionalism'). At the 2016 UN General Assembly, Pacific Island State world leaders emphasised the 'existential' threats due to climate change and other environmental factors. At the Pacific Islands Forum Leaders Meeting in September 2016, PNG Prime Minister, Hon. Peter O'Neill, spoke on behalf of vulnerable Pacific Islands asking the World Bank to review and redefine 'state fragility', acknowledging that the "threat posed by climate change" now challenges the work of governments worldwide.

PNG is facing some significant milestones in the immediate future. In 2017, the National Elections will take place, setting the tone for this next five-year political cycle. The Government is committed to the Bougainville Peace Accord, which will require follow up before 2020. Also, further emphasizing PNG's emerging leadership in the region and beyond, the Government is slated to host the Asia Pacific Economic Cooperation Summit in 2018.

Despite a range of continuing challenges to 'nation building', PNG aspires to position itself in the top 50 countries on the Human Development Index by 2050. PNG's development priorities are guided by a set of national development visions, development frameworks and sectoral policies. The Government long term vision for sustainable development is defined by its National Development Strategy as presented through Vision 2050 - a blue print for PNG's social, economic and environmental development. Vision 2050 outlines PNG's commitment to the goals of broad-based, diversified and sustainable economic growth, while the Development Strategic Plan 2010-2030 translates it into specific programmes and targets. The Government subsequently revisited these plans in the context of rapid global change to elevate strategic planning and responsible development. That revision, rooted in the principles of green growth and sustainable development, is enshrined within the National Strategy for Responsible Sustainable Development (StaRS) which was launched in 2014

¹ United Nations Population Fund, [Population and Development Profiles: Pacific Island Countries](#), 2014.

and has been introduced to the provinces through 2016. These long-term strategies are supported by the MTDPs that is now aligned to the political cycle. The UN's next programming cycle is aligned to the MTDP 2018-2022.

PNG is one of the world's most diverse countries – geographically, ethnically, linguistically, biologically and culturally. PNG is a Lower Middle Income Country with a gross national per capita income of US\$2,386. PNG is likely to remain a net aid recipient over the next decade. The country remains heavily dependent on imports of major commodities. The major exports of the country are primary commodities. In 2011 Official Development Assistance (ODA) comprised 33.9 per cent of the total development budget and was 16 per cent of total government spending.² PNG's relatively stable economy and high level of income from natural resources, has not however significantly improved the well-being of all citizens. The country was one of a small group of countries worldwide that failed to achieve any of the Millennium Development Goals (MDGs). The level of income poverty in the country has remained at around 37 per cent of the population over the past decade.

High levels of crime and insecurity impact on the business environment and contribute to the high costs of operating in the country. There is increasing inequality and geographic disparities in favour of urban centres. These outcomes are attributed to a growth strategy that has relied heavily on the extractive sectors (oil, gas, mining and timber produce). In addition, the relatively recent exposure to a cash economy and the dispersed nature of the population residing in diverse and rugged landscapes makes extension and delivery of services difficult. Growth from extractive industries has not resulted in the creation of large-scale formal sector employment or associated secondary economic opportunities. The relatively high levels of economic growth over the past decade have also not led to a broadening of the tax base in the country. With less than ten per cent of the population paying taxes, it is extremely difficult for the state to deliver quality public services for citizens. While the Government has a clear vision, which is supported by the aforementioned national strategies and plans, one challenge to implementation is that sub-national governance and public service capacity remains limited.

The recent economic boom, based on extraction of natural resources, has translated into uneven benefits to citizens and has further increased geographic disparities. The Government has committed to prioritize increased investment in agriculture, small and medium enterprise, forestry, fisheries, eco-tourism and manufacturing in its national strategy. The current lack of access to affordable and reliable electricity is limiting private sector development and constraining economic growth. There are limited prospects for formal employment with 58 per cent of the population unemployed or underemployed and low levels of literacy and numeracy. The majority of the population continue to depend on subsistence farming and fishing for their livelihoods.

Geographic disparities impact the ability of many remote, rural communities to access markets, diminished further by infrastructural challenges and limited education opportunities. The impact of low incomes, nutrition and access to health care affects economic productivity and life expectancy. Urban poverty, poor health status and Human Immunodeficiency Virus (HIV) transmission also contribute to relatively high rates of child malnutrition and low productivity in the country.

Socially, one of the most pervasive challenges that the country faces is gender inequality. Women are markedly under-represented in parliament and in virtually all senior positions in the country. On virtually all human development indicators (health, education, literacy and numeracy) women's status lags behind that of men's. The country also has a significant challenge with high levels of gender based violence. The need for empowerment of women and girls is vital for progress in the country. An additional factor is the demographic profile of the country. Over 50 per cent of the country's population is currently under the age of 24. This presents some limitations as well as opportunities for improved development outcomes in future.

The 2015 economic downturn has disproportionately affected the Government's budget, particularly in health and education, and affected equitable access to those services by all Papua New Guineans. Poorly resourced health services are further stressed by the emergence of drug resistant tuberculosis (TB), non-communicable

² Development Finance and Aid Assessment Report, 2013.

diseases, the HIV epidemic, as well as high levels of malnutrition and stunting. High crime rates impose direct costs on families and negatively impact the business environment. Population growth in both urban and rural areas has put further pressure on the delivery of essential services.

The country is due to hold a general election in mid-2017. The importance of political stability is vital for the country’s continued development progress. Since 2013, the Government has sought to increase service provision in rural areas through the Organic Law on Provincial Governments and Local Level Governments (LLGs), which has resulted in more powers being given to parliamentarians for delivery of local services. While this has resulted in more spending on infrastructure in rural areas, the policy may also have contributed to the fragmentation of the role of public servants.

Governance considerations bring to light the uneven capacities at the central, provincial and district levels of government. This impacts the effectiveness of a highly decentralized system to make decisions and deliver services that translate into development outcomes at the local level.

The StaRS provides an overall umbrella for government policy and national strategies. The policy and national plans are well developed and reasonably extensive. The challenge, however, is in implementing agreed policies and ensuring that there is coherent and coordinated implementation at national and subnational levels. Increased training, experiential learning and skills transfer of public servants and those involved in service delivery is essential. Systems of accountability and governance require strengthening. Decentralization has resulted in uneven delivery of state services and investment at the subnational level. In health, water and sanitation and other sectors, non-governmental organizations, especially church groups, continue to play a vital role in delivery of services, especially in remote rural areas.

PNG faces a range of complex challenges including service delivery to a diverse, dispersed and primarily rural population spread over 600 islands. The topography and terrain makes it difficult to access parts of the country. High logistics costs and supply management difficulties are evident in many parts of the country. Access to the rule of law is also hampered in parts of the country, affecting the ability of citizens to lead safe and secure lives. The status of women and low levels of literacy and numeracy affect the ability of many citizens to understand and claim their rights. Opportunities for women to participate in politics and assume greater roles in public decision-making and leadership, require significant expansion.

PNG’s geography, ecological diversity and location makes the country highly susceptible to environmental changes and natural disasters. PNG’s engagement in the ‘Future We Want’ pre-SDGs consultation survey highlighted the priority given by citizens to climate change and food security. PNG citizens living in both remote rural areas and urban settlements are vulnerable to the extremes of climate variability. Despite tremendous resilience, individuals and households are likely to have to cope with and recover from more frequent natural and manmade shocks in future as a result of climate changes. The country is yet to fully adopt a ‘risk informed approach’ to infrastructure and wider developments. PNGs biodiversity is rich, requiring strategies for its sustainability and protection to mitigate the ‘negative impacts’ of modernization. The impact of climate variability affects food crops, fisheries, agriculture and the ability of many communities to continue to preserve traditional livelihoods.

Causal Analysis

On the basis of this broad spectrum of development challenges, ten were identified for further causal analysis:

<p>Economic: 1. Demographic change 2. Infrastructure 3. Agriculture</p>	<p>Political: 8. Rule of Law 9. Governance</p>
<p>Social: 4. Health 5. Gender Inequality</p>	<p>Environment: 10. Climate Variability</p>

6. Youth Unemployment	
7. Water, Sanitation and Hygiene	

The root causes of PNG’s development challenges reflect the unique and specific context of the country. They also impact on the country’s development prospects, governance structures and systems. Geographic isolation, urban growth and rural-urban migration have exacerbated some social and economic issues. Serious data gaps also impact on the ability to target development priorities or develop policies and plans based on strong evidence. The consequences of widespread family and gender based violence are pervasive. Gender inequality in all its forms impacts on the ability of women and girls to engage in public life and to formally take on leadership and decision-making positions. The highly negative impacts of drug resistant TB and non-communicable diseases increases the demand upon an already weak and under-resourced health service, affecting quality of life and life expectancy. This places pressure on family life, as well as the economy. Attempts to mitigate the burden posed by drug resistant TB and other diseases as well as the HIV epidemic facing the country have also added to pressure on health services, and on the health and economic status of many families and vulnerable groups. Uneven and under-resourced public services also impede the country’s development.

Capacity development gaps impact on the abilities of both rights-holders and duty-bearers to create an enabling environment for policy and strategy development and implementation. At the institutional level, service delivery needs advancement and governance systems need strengthening. At the individual level, the acquisition of skills, needs to be scaled-up to support more sustainable and equitable growth as well as improved service delivery. There is a need for greater application of specialized skills in health, education, policing, planning and construction, administration and resource management. Reducing capacity gaps would better enable individuals to claim their right to economic opportunities, good health, education and productive livelihoods. Mainstreaming gender equality and human rights can assist in mitigating the social, cultural and economic impacts of family and gender based violence.

Improved capacity development, more inclusive and sustainable growth, improved quality of education and health and other services, gender equality and the need for reliable data for planning purposes, are critical national development challenges that need to be prioritized through programming, advocacy and technical support. Urban planning and integrated strategies need to address demographic change, the capacity of urban centres to respond positively to population growth, and the sustainable management and maintenance of infrastructure.

The application of laws and policies that increase the ability of women, men and children to realize and access their rights is vital. Programming priorities must support decision-making in a highly decentralized context, and ensure that there is improved accountability in the allocation and utilization of public funds.

PNG has a wide range of country specific and pervasive development challenges amplified by the unique geographic, social, political and economic context of the country. The 2030 Agenda stresses the need for integrated, sustainable, rights based approaches to development based on the specific needs of different geographic locations and cultural contexts in PNG. Issues of isolation, uneven levels of service provision, differing impacts of climate variability and unequal access to economic opportunity, make development challenges more complex.

UN Planning Roadmap

In planning how it will support the Government of PNG through the next Programme 2018-2022, the UN reviewed the situation in the country and analysed the causes of many of the aforementioned challenges. The UN evaluated its current programme to inform future planning and it reviewed its own added value, or its comparative advantage, to inform where it has the mandate, capacity to act, as well as where it may be better positioned to take action than others. From these processes, the following key observations and recommendations emerged:

- The UN will root its short and medium-term planning against the **long-term 2030 visioning** and the Government’s development planning agenda.
- The UN will seek to **develop and better balance its work between national level and local level interventions**.
- The UN will strive to achieve a **better balance between project support and policy advocacy**.
- The UN will promote **multi-sectoral and inter-agency collaborative approaches** that respond to local needs, as well as strengthening partnerships with civil society, private sector, academia and others.

Proposed Strategic Priorities for Programme 2018-2022

Based on an analysis of the above country trends, national priorities and the UN planning roadmap, the UN’s future programming priorities propose a focus on the following key elements for sustainable development: People, Planet, Prosperity, Peace, and Partnership.

This global framework enables the UN to better support PNG’s efforts to achieve the SDGs and contribute more effectively to the country’s aspirations for 2030 and Vision 2050. The United Nation’s Country Team’s commitment in this context extends to advancing the crosscutting issues of human rights and gender equality, sustainable development, ‘leaving no one behind’, data and evidence, and capacity development. The proposed framework for the UN in PNG for the period 2018-22 can therefore be summarized as follows:

People	Planet	Prosperity	Peace
‘End poverty and fight inequality. Ensure healthy lives, knowledge and inclusion of women and children’ SDGs – 1,2,3,4,5	‘Protect our ecosystem for all societies and our children’ SDGs – 6,12,13,14,15	‘Grow a strong inclusive and transformative economy’ SDGs – 7,8,9,10,11	‘Promote safe, strong and peaceful society and institutions’ SDG – 16
Outcome Statements: to be confirmed after the Strategic Prioritization Retreat			
Social Protection: human rights, gender equality and empowerment of women, child protection. Essential Services: health, education, food security, nutrition, Water, Sanitation and Hygiene (WASH).	Natural Resources: environment, climate change, disaster risk management Forestry and Fisheries	Youth Employment Population Urban planning and development Equitable Growth	Access to Justice and Rule of Law Strengthening Institutions Peacebuilding – Bougainville
Partnerships	‘Catalyse Global Solidarity for Sustainable Development’ SDG 17		

The UN will propose this approach to its future programming at the Strategic Prioritization Retreat, where this proposal will be further elaborated and validated with the Government.

Section 1: Introduction

The UN in PNG is in the process of preparing the next UN Development Assistance Framework (UNDAF) 2018 – 2022. In preparation for the UNDAF, the UN seeks to ensure that all agencies, funds and programmes enhance collaboration, coordination and overall coherence, prioritizing their contribution to PNG's development efforts in alignment with the Government's plans, strategies, national development priorities as well as the 2030 Agenda and the SDGs.

The CCA provides a comprehensive overview of PNG's current development context and trends based on a thorough desk review. It identifies key development opportunities and challenges for the realization of human rights, including their impact on the vulnerable and marginalized. The CCA also highlights the potential priorities for the UN's work in PNG from 2018-2022 on the basis of its comparative advantage and national development priorities. The causal analysis endeavours to identify the underlying and root causes of the key challenges highlighted, concluding with identifying the priorities that will inform future UN programming. The analysis has been undertaken with consideration for PNG's unique cultural, geographic and political context and seeks to be a concise and comprehensive contribution to the UN's medium term planning, set within a longer term vision towards 2030.

The CCA focuses on reaching out to the rural majority and identifying the most impoverished, disadvantaged and vulnerable groups in PNG. As a result of limited data availability the CCA has utilized available information regarding health, education, food, water and economic activity at the district level. Provincial and regional level data is used where there is no district level data available. Categories of risk – economic, environmental, political and social – are used to identify which factors most affect the vulnerable groups. Once vulnerable populations and where they live are identified, concerns such as equality, inclusion, gender, age, and 'leaving no one behind' are disaggregated. A Human Rights Based Approach is applied to identify duty-bearers, rights-holders and capacity gaps, as well as to identify the kind of change needed to improve the situation and help rights-holders realize their rights.

This CCA uses a rights-based method that identifies the realization of human rights as an ultimate goal of development. Information on the development context and current trends has been drawn from leading sources, including the Department of Treasury, the Department of National Planning and Monitoring, the National Statistics Office, and the Bank of PNG. Information has been gathered from research bodies, international organizations and donors. Key statistics have been gathered from the latest global 2014 Human Development Report. Periodic reviews and reports on the economy have also contributed information and statistics in more specialized areas such as human rights, governance and corruption.

Progress reporting on the Millennium Development Goals (MDGs) is based on the recent Summary Report for PNG Millennium Development Goals 2015.

The CCA serves as the key analytical instrument for UN programme planning in PNG and is informed by the UN's core programming principles. These are: Human Rights, Gender Equality and Women's Empowerment, Sustainable Development and Resilience, 'Leaving no one behind' and Accountability. The priorities that emerge from this CCA will provide the necessary strategic guidance to shape the next UN programming cycle in PNG from 2018-2022.

Section 2: Country Analysis

2.1 Country Profile

PNG is a young nation, only recently celebrating its 41st year of independence. It is recognized as one of the world's most diverse countries, both in terms of eco-systems and biodiversity, and in terms of ethnic and linguistic diversity (over 850 languages are spoken). PNG includes the eastern half of New Guinea, the islands of New Britain, New Ireland and Bougainville, and hundreds of small islands. The land area is approximately 463,000 km², comprised of over 600 islands, 27 per cent of which are occupied by people.

The country is also rich in natural resources (forestry, agriculture, fisheries and minerals) and is characterized by rugged terrain, including dense rainforest, swamps and unstable volcanoes, which have posed both historical and present day challenges for the extension of infrastructure and services. As forest covers over 70 per cent of PNG land, approximately 70 per cent of the total land area has between low and very low potential for most food or cash crops, while seven per cent has high to very high potential.³ PNG is the supplier of three per cent of the world's gold, two per cent of its copper, three per cent of its coffee and one per cent of its palm oil. The StaRS provides the plan for managing ecological biodiversity at local and national levels.

PNG did not achieve any of the MDGs by 2015, due in part to structural inequalities; lack of investments in sustainable initiatives; limited capacity of government systems to deliver basic social services; and elevated levels of violence, among other factors. In 2015 the United Nations Development Programme (UNDP) classified PNG as a Lower Middle Income Country with a gross national per capita income of US\$2,386.

The population of PNG is relatively young. Around 51.5 per cent of the 7.05 million people inhabiting the country in 2011 were younger than 19 years of age.⁴ The United Nations Population Fund estimates a population growth of around 160,000 people a year: estimated new births are around 240,000 per year, and estimated deaths around 80,000. This rate of population growth has significant impacts in the provision of public services and basic infrastructure, such as housing, availability of water and sanitation, and access to health and education.

Eighty-five per cent of the population of PNG lives in rural areas. Rural areas also host 80 per cent of the country's poor,⁵ which partially explains the substantial migration from rural to urban areas. Increasing population growth in cities is creating new challenges, such as higher levels of unemployment, informal settlements with poor infrastructure and housing, increasing strain on service provision and high rates of crime.⁶

The PNG National Population Policy 2015-2024 states that the Government will continue to support efforts to reduce the high level of teenage pregnancies.⁷ Data from the PNG 2006 Demographic and Health Survey (DHS) revealed that 10.4 per cent of women aged 15-19 had already become mothers and 2.5 per cent were pregnant. Since the 2000 national census life expectancy in PNG has improved to 63.1 in 2013 from 58.7 in 2000.⁸ The Total Fertility Rate has declined to 4.4 according to the 2006 DHS (from 4.6 in 2000 and 5.4 in 1980) but remains higher than global averages. However, the country's average annual population growth rate has

³ Hanson, L.W., Allan, B.J, Bourke, R.M., and McCarthy, T.J., *Papua New Guinea Rural Development Handbook*, Australian National University, 2001.

⁴ National Statistical Office of Papua New Guinea, April 2012.

⁵ Asian Development Bank, 2015.

⁶ Mitchell, David, Orcheron, Dan, Numbasa, Georgina, and McEvoy, Darryn, *The implications of land issues for climate resilient informal settlements in Fiji and Papua New Guinea*, Royal Institution of Chartered Surveyors, March 2016.

⁷ PNG National Population Policy 2015-2024, 2015, p.9.

⁸ National Human Development Report, *From Wealth to Wellbeing: Translating Resource Revenue into Sustainable Human Development*, 2014.

increased from 2.7 per cent (1980-2000) to 3.1 per cent (2000-2011) during the inter-census periods.⁹ Based on current projections, PNG's population is predicted to reach 9 million by 2020.

PNG is establishing its position as a vital nation in the Pacific region, playing host to both the 2015 Pacific Island Forum, in which the SDGs were discussed, and the Africa Caribbean and Pacific states dialogue, in which implementation of the SDGs were the focus. This pivotal role looks set to continue into the future, when PNG will host the Asia Pacific Economic Cooperation Summit in 2018.

PNG's rapid economic growth over the last decade contrasts with continued record rates of poverty considered high against both regional and international standards. PNG is rich in natural resources, but these resources have not yet led to economic prosperity for the majority of its citizens. The 2014 National Human Development Report states that there has been little change in poverty levels in the country and levels of inequality in the country have increased.¹⁰ Despite more than 11 years of sustained high average rates of economic growth there was no decline in poverty from 1996 to 2010 and as a consequence PNG maintains a national poverty rate of approximately 37 per cent.¹¹ PNG is ranked 158 out of 188 countries in 'Low Human Development' under UNDP's Human Development Index 2015. This ranking has fallen from 153 in 2011 despite strong economic indicators and performance, highlighting what is recognized as "the risk of the existing model of economic growth not delivering sustained improvements in well-being for the majority of the population".¹²

Economic

Vision 2050 provides a strategic direction for PNG, with the goal to "develop and grow the manufacturing, services, agriculture, forestry, fisheries and ecotourism sectors from 2010 to 2050".¹³ This national development plan aims to ensure that economic growth by 2050 will be broad-based and diversified. It will need to be less reliant on extractive industries and have a positive influence on household incomes and expenditures, leading to an enhanced socioeconomic status for individuals, and improved Human Development Index (HDI) ranking.

The Government has recognized the challenge, asking, "How do we shift an economy that is currently dominated by the mining and energy sectors, to one that is dominated by agriculture, forestry, fisheries, ecotourism and manufacturing, between 2010 and 2050?"¹⁴ The current MTDP 2 and StaRS both revisit and reconfirm the Government's vision for this strategic direction.

The PNG National Population Policy 2015-2024 also outlines strategies to create employment, particularly in rural areas,¹⁵ with recognition of the need to adapt education and non-formal learning to adequately prepare the labour force for supporting productive sectors. It is also recognized that opportunities for generating income and employment (such as in agriculture, tourism, health and pharmaceuticals, fisheries, sustainable forestry, Reducing Emissions from Deforestation (REDD+) related services, education, and land management services) have not been fully realized.

⁹ National Statistical Office, *Papua New Guinea National Report: National Population & Housing Census*, NSO, Port Moresby, 2011, pp.17-21.

¹⁰ National Human Development Report, *From Wealth to Wellbeing: Translating Resource Revenue into Sustainable Human Development*, 2014.

¹¹ PNG Poverty Profile, 2012, based on *The Household Income and Expenditure Survey*, 2009-2010.

¹² National Human Development Report, *From Wealth to Wellbeing: Translating Resource Revenue into Sustainable Human Development*, 2014.

¹³ PNG Vision 2050, 2009.

¹⁴ PNG Vision 2050, 2009, p.3.

¹⁵ Department of National Planning and Management (DNPM), *National Population Policy*, 2015, p.58.

The Government launched its Small and Medium Enterprises Policy in March 2016. The Policy sets 2030 targets to grow the number of these enterprises from 49,500 to 500,000, increase formal employment from 290,000 to 2 million and reduce unemployment overall leading to an increase in per capita income from US\$2,000 to US\$9,600.¹⁶

Economic Context

The economic performance of PNG has steadily improved over the past decade due to a significant resources boom, mainly in extractive minerals and the hydrocarbon sector. Gross Domestic Product (GDP) has been positive since the early 2000s¹⁷ with the GDP increase rate estimated to be nine per cent for 2015, but decreasing to 4.3 per cent in 2016, and 2.4 per cent in 2017. Despite the fact that its economy is the largest for the Pacific region, the country has the second smallest gross national per capita income in the region, underlining the fact that its human capital remains largely untapped.¹⁸

In addition to driving national economic growth, the exploitation of natural resources holds potential for revenue generation for communities that lack sufficient employment opportunities, particularly in rural areas. However, in the absence of well-regulated commercial, manufacturing and employment sectors, the PNG Government is heavily reliant on taxes and royalties from the exploitation of natural resources as a principle source of revenue. This leads to economic vulnerability to commodity price fluctuations.

Estimates show that GDP increased from Papua New Guinea Kina (PGK) 25.4 billion in 2006 to PGK 47.5 billion in 2013, and with the revisions, current measures of the fiscal deficit and debt stock has fallen.¹⁹ Analysis of the GDP indicates that (i) agriculture, forestry and fishing, (ii) mining and quarrying, and (iii) wholesale and retail trade were the three largest contributors to GDP and accounted for 45.8 per cent of total output in 2013. The country's small manufacturing sector remains largely under foreign management, and development of small and medium enterprises has been modest. In contrast to other countries in the Pacific region, remittances are not as important for PNG as it is for other economies.²⁰

The Asian Development Bank (ADB) reports that the agriculture, forestry, and fisheries sectors were affected by El Nino driven drought and low commodity prices in 2015. Growth in the sector decelerated to 2.1 per cent in 2015 from 3.3 per cent in 2014. Output from mining also contracted by 3.7 per cent. These outcomes underline the fragility of the economy, with the agricultural sector primarily rain-fed and vulnerable to the impacts of climate change and natural disasters, and the extractive industries vulnerable to global commodity price fluctuations. However, utilities continued to achieve strong growth in 2015, up by 6.0 per cent, as did transport with 5.0 per cent growth. These outcomes suggest that increased business activity in Port Moresby is making an impact on national performance.

Foreign exchange reserves fell from \$2.3 billion at the end of 2014 (covering 6.3 months of imports) to \$2.1 billion a year later (5.6 months). Dollar shortages at commercial banks have persisted since 2015, such that the current backlog of exchange requests reportedly amounts to \$500 million. The weakening of the Kina against other international currencies, notably the American and Australian dollar, contributes to high domestic prices of imported goods and services. This can make investments more expensive and can deter private investors from starting new projects or expanding existing operations.

¹⁶ PricewaterhouseCoopers, Overview and commentary on the PNG Government's SME Policy: <https://www.pwc.com/pg/en/publications/sme-bulletin/sme-bulletin-png-sme-policy-commentary.pdf>, accessed 9th Oct 2016.

¹⁷ The World Bank, 2016.

¹⁸ ADB, 2016.

¹⁹ ADB, Pacific Economic Monitor, July 2016, p.10.

²⁰ Pacific Islands Forum Secretariat, 2015.

The 2015 Final Budget Outcome reported that revenues fell 21.3 per cent short of original budget estimates, mainly due to the fall of global commodity prices. Government cut total expenditures by 16.7 per cent (or PGK2.7 billion), yielding a budget deficit equivalent to five per cent of GDP—near the 4.5 per cent target. However, sharp and quickly planned spending cuts to some public programmes appears to have harmed service delivery. Strain on fiscal resources, as well as persistent pressures on foreign currency reserves, and the impact this has on government and external liquidity, drove some international credit ratings agencies to downgrade their outlook on the PNG economy.²¹

National Budget and Official Development Assistance

The 2015 National Budget was set at a record level of PGK16.2 billion.²² Even with the profits from natural resources exploitation, the national budget remains insufficient to fund public services delivery as stated in the 2014 PNG Human Development Report.²³ Out of the total 2016 budget proposal for PNG, funding for the education sector was PGK 1,312.5 million (equivalent to US\$414 million), which represented 9.2 per cent of the total 2016 budget expenditure. Health was supposed to receive PGK1.5 billion, or 11 per cent of the country's budget; and Social Protection, which is responsible for public policy interventions and programmes on gender equality and violence, children and youth, disability and support to the elderly, had an allocated 1.1 per cent of the national budget, equivalent to PGK156 million.²⁴

PNG is currently a net aid recipient with net ODA at 4.1 per cent of Gross National Income in 2013.²⁵ Australia is PNG's largest bilateral donor along with China, and together with significant multilateral donors, such as the World Bank and Asian Development Bank, Australia contributed a total of US\$3.2 billion in ODA in 2011. In that year, these ODA grants comprised a third (33.9 per cent) of the total development budget, and made up around 16 per cent of total government spending.²⁶ In 2016 grants from development partners are PGK 1,134.1 million, or eight per cent of total expenditure. Given the reduction in the overall expenditure ceiling, and the requirement to scale down activities funded directly by the Government, development partner assistance increases in importance to strengthen sectoral development agendas.²⁷

Recognizing the limitations in the presence and capacities of state institutions, Civil Society Organizations, including Faith Based Organizations, provide a wide range of social services. Churches manage 40-60 per cent of the service delivery in the sectors of education and health.²⁸ International development partners also provide technical expertise, policy advice, coordination, capacity development, supplies and funds to assist with design, and implementation of policies and programmes.

Employment

Measurement of the unemployment rate in PNG is based on the national population census. The 2011 Census results reported a 2.6 per cent unemployment rate, a slight decline from 2.8 per cent recorded from the 2000 Census.²⁹ According to the Bank of PNG, the total employment rate fell sharply over 2014, due largely to the slowdown in mining sector activity due to low commodity prices and a weaker exchange rate.

²¹ ADB, Pacific Economic Monitor, July 2016, p.10.

²² Department of Treasury, National Budget, *Volume One: Economic and Development Policies*, 2015.

²³ National Human Development Report, *From Wealth to Wellbeing: Translating Resource Revenue into Sustainable Human Development*, 2014.

²⁴ Government of Papua New Guinea, Budget Proposal, 2016.

²⁵ DNPM, PNG Summary Report of MDGs, 2015, p.44.

²⁶ Development Finance and Aid Assessment Report, 2013.

²⁷ Department of Treasury, *2016 National Budget – Volume One: Economic and Development Policies*, 2016.

²⁸ WHO and National Department of Health, 2012.

²⁹ National Statistical Office, Papua New Guinea 2011 National Report, 2015, p.60.

PNG's male and female labour force participation rates are largely equal at 74.2 per cent and 71.6 per cent respectively. Despite this apparent parity in labour force participation, female labour is concentrated in informal and subsistence work that is predominantly rural-based. The National Agriculture Development Plan recognizes the role of women in agriculture, as women produce over 80 per cent of PNG's food and undertake 60-70 per cent of work in crop production.³⁰

Youth unemployment is about three times higher than that of the general population. The low absorption of school leavers (about 80,000 people per year) into the formal employment sector and chronic un- and under-employment for young people underlines the challenges of creating economic income generation and livelihood opportunities for the increasing numbers coming onto the labour market, and for those already out of work. This situation has also contributed to a worsening environment for national and international investment. It has contributed to the challenges facing law and order, increasing levels of crime and violence, and disproportionately high costs for security protection.³¹

Agriculture

The actual contribution of the sector to PNG's GDP is relatively small at 27.6 per cent, as compared to the extractive industries, which provide less employment opportunities.³²

Agriculture provides the main livelihood for 85 per cent of the population.³³ The Government estimates that 30 per cent of PNG's land has moderate to very high agricultural potential, but less than four per cent is used for commercial agricultural production. Through the PNG Development Strategic Plan 2010-2030 the Government has committed to implementing food safety standards to boost PNG's exports, and to developing road networks to link rural areas to trade hubs. This will improve extension services and assist farmers in the replanting of high yield varieties of coffee, cocoa and coconut.

Support for Employment Opportunities Outside of Subsistence Agriculture

Self-employment remains the dominant economic activity in the rural sector, particularly for women, and subsistence agriculture is the most common form of any employment for both men and women. Women in waged employment are more likely than men to work for the Government, while men are more likely to work for private companies. PNG's wage employment patterns by industry and occupation resemble those of other low-income countries, with relatively more clustering of men in construction, manufacturing, and skilled work, and relatively more women in retail, social services, and unskilled work.³⁴

These challenges are particularly formidable in PNG given the vast geographic size, low population density, limited infrastructure connectivity, low education levels, and concerns surrounding public safety and security. Investment in infrastructure, provision of subsidies, support for the marketing and sales of products created by women-led businesses, by public and non-governmental institutions, could play key roles in supporting and advising women entrepreneurs who may be isolated from informal networks.

Investment in Science, Technology and Tertiary Education

PNG aims to produce goods and services of an industrial nature, for sale both domestically and for export, to generate real income for the country. Technical Vocational Education and Training is therefore well positioned to provide the skills needed for technological and industrial transformation, enhancing the country's

³⁰ International Labour Organization (ILO), *Situational Analysis of Employment Policies in Papua New Guinea*, 2012.

³¹ ILO, *Decent Work Country Programme, 2013-2015*.

³² Central Intelligence Agency (CIA) *World Factbook*, 2013.

³³ Department of National Planning and Monitoring, March 2010, pp10, 36, 50, 19.

³⁴ National Statistical Office, *Household Income and Expenditure Survey 2009-2010*, 2013.

international competitiveness. It is estimated that for technological take-off, a country needs at least 500 engineers and engineering technologists per 1 million people in the population; or at least one engineer for every 2,000 persons.³⁵ PNG currently has around 500 registered Papua New Guinean engineers. This makes its target at least 4,000 engineers for its population of 8 million people. For this to be a reality, and to ensure the prerequisite levels of tertiary skills, there needs to be well-developed scholarship programmes, that equally benefit both girls and boys, to accommodate the impact of the cost of education and its potential barrier to access.

Focus on Financial Services

Issues of financial inclusion are covered in many of the SDGs. The first SDG, on eradicating poverty, has a target of ensuring all men and women, particularly the poor and vulnerable, have equal rights to financial services, with specific mention of microfinance. Financial inclusion also features in the SDGs relating to food security and sustainable agriculture, women's economic empowerment, equality, and inclusive growth.

Financial inclusion and access to financial services still has a long way to go in PNG. Bank branches and agents are disproportionately distributed. According to the United Nations Capital Development Fund (UNCDF) the total population with no access to deposit services in 2016 stands at 85.62 per cent. The Highland Region has the highest percentage of unbanked population at 91.92 per cent, followed by Momase Region at 82.30 per cent. Interestingly, both regions also have low levels of human development indicators, including the lowest literacy rates, at 39.2 per cent and 53.9 per cent respectively.

Since 2008, PNG has seen significant growth in financial inclusion due to the advent of technology-enabled access points across the country. Led by Bank of PNG, with technical and financial assistance from UNCDF-Pacific Financial Inclusion Programme, PNG launched the country's first National Strategy on Financial Inclusion and Financial Literacy 2014-2015 at the Alliance for Financial Inclusion Global Policy Forum in September 2013, joining 40 other central banks across the world as signatory to the Maya Declaration.

There have been a number of positive developments in recent years, including a more diverse range of service providers, financial products and delivery channels now operating in the country. Through active collaboration and sector coordination with development partners, telecommunications and non-financial service providers, PNG's digital financial services landscape now includes financial institutions (banks and micro banks), mobile network operators, and non-financial service providers. The Government of PNG has committed to making all payments through electronic channels (such as the Kina Automated Transfer System), including all government salaries and social protection payments. This move makes PNG the first Pacific nation to join UNCDF's Better than Cash Alliance.

There are also more low-cost micro-insurance products via mobile phones on offer. BIMA forms a technology linkage between insurance companies and mobile network operators, and is in charge of the sales and customer service for the insurance policies. The partnership between BIMA (broker, insurance company and a mobile network operator) has brought much-needed life insurance and hospitalization insurance to 75,000 Papua New Guineans (especially women) over the course of two years, with a focus on the Highlands and other rural areas.

Infrastructure:

Transport

Road networks in PNG are inadequate to support economic and social development. Although thousands of kilometres of minor rural roads were built between 1950 and 1970, no road connection exists between the national capital Port Moresby and the populated areas in the Highlands and on the north coast. Many bridges

³⁵ Du Toit, Renette and Roodt, Joan, *Engineers in a Developing Country: The Profession and Education of Engineering Professionals in South Africa*, HSRC Press, 2009.

have collapsed and many minor roads have deteriorated and are impassable, especially during the wet season. The 2013 PNG Budget noted, “PNG’s transport networks are failing. Major roads, including the crucially important Highlands Highway, have deteriorated alarmingly, raising the costs and reducing the availability of transport services. Communities...are becoming more isolated because of deteriorating physical infrastructure. In all transport subsectors, the dilapidated state of infrastructure is largely the result of inadequate maintenance and poor management over a long period.”³⁶ Deteriorating infrastructure affects how agricultural products reach the market, as well as potential employment opportunities, and access to education and essential health services. The tendency to go for big new projects may be disadvantaging the maintenance and support of the ongoing running costs of existing assets and activities.³⁷

In many parts of the country, air transport is currently the most efficient and reliable method of travel for people and for higher value freight. In 2000, there were around 450 operational airstrips in the country, mainly serviced by third level airlines. In 2013 there were only 289 operational airstrips around PNG, a sharp decline. Air travel is expensive, and is beyond the reach of most rural people.³⁸ As a consequence, about 60 per cent of PNG’s population is reliant on water transport for the delivery of goods and services, putting a large number of ports and wharfs in regular use throughout PNG. The ports of Port Moresby, Lae and Kimbe account for about 80 per cent of PNG’s sea cargo.

Under-regulated operation of public road transport contributes to unsafe and unreliable road transport. In the National Capital District, for example, largely unregulated Public Motor Vehicles and taxis cannot guarantee safe transport, particularly for women and girls. Many women report high levels of physical, sexual and psychological abuse while using public transport.³⁹

Electricity and Telecommunications

According to data, in 2012, only 18.1 per cent of the population has access to electricity.⁴⁰ Lack of access to affordable and reliable electricity limits private sector development and economic growth in PNG. Grid-connected power is largely restricted to the main urban areas. Power outages are common and demand at times exceeds generation capacity. Population growth, and industry growth associated with the proposed Liquefied Natural Gas plant near Port Moresby, as well as the continued growth in the mining sector, means demands on power supplies are expected to rise significantly. Distributed power is rarely available outside urban centres, and progress is needed in provision of electricity to rural areas.

PNG continues to rely heavily on diesel or fuel-oil power plants and generators in spite of the country’s abundant renewable energy resources. The remote locations and limited demand have prevented PNG from taking full advantage of these resources. Although still in its infancy, the natural gas sector could also prove to be appealing to private investors. Low investment in maintaining generation, transmission, and distribution of assets can contribute to the frequent power shortages and ultimately lead to higher social and economic costs borne by the country.⁴¹

³⁶ PNG Budget, 2013.

³⁷ May, Ronald, *PNG at 40 Symposium Report Learning from the Past and Engaging with the Future*, 2015.

http://www.inapng.com/pdf_files/PNG%20at%2040%20Symposium%20ReportPB.pdf

³⁸ Bromley, John, Consultative Implementation and Monitoring Council, *National Rural Airstrips Conference*, , 2013, and Consultative Implementation and Monitoring Council Momase Regional Development Forum 2015, *Creating Effective Partnerships for Meaningful Community Participation in Service Delivery - the Rural Airstrip Agency Experience*, forthcoming publication.

³⁹ UN Women, *Making Port Moresby Safer for Women and Girls: Report on Scoping Study Findings*, 2014.

⁴⁰ The World Bank, 2016.

⁴¹ ADB, 2014.

Mobile cellular subscriptions in 2014 were 45 per 100 people, with 9.4 per cent of the population with access to Internet.⁴²

Water and Sanitation

PNG is ranked lowest in the Pacific region for access to safe water and adequate sanitation, and coverage rates are declining further due to rapid population growth. According to the World Health Organization (WHO) and UN Children's Fund (UNICEF) Joint Monitoring Programme, between 1990 and 2015 access to improved water in PNG increased from 33 per cent to 40 per cent. Access to sanitation during the same period declined from 20 per cent to 19 per cent.⁴³ In sum, in 2015, 4.23 million people did not have access to proper water, and 5.07 million people lacked access to sanitation.⁴⁴

There are deep disparities between urban and rural areas: 88 per cent of the population living in urban areas had access to improved water, compared with 33 per cent living in rural areas. Similarly, proper sanitation is higher in urban areas than rural ones, at 56 per cent and 13 per cent respectively.

Drinking water for rural communities is drawn mostly from unprotected sources, and coastal communities depend heavily on shallow groundwater wells for domestic consumption. Increased access to water and sanitation would improve the health of people, reducing diarrhoea, malnutrition and stunting. Safe and convenient water supplies provide additional positive benefits in the form of an increase in time and household income. This in turn impacts on the productivity of economic development, including business and tourism.⁴⁵

Social

PNG has an adult literacy rate of 62 per cent. There is limited access to transport and communication services to rural areas, over 850 different languages, and a culture preferring face-to-face interaction for engagement with community, business or government officials. Communication constraints of distance, isolation and poor infrastructure can impact the implementation of development programmes. These constraints also impact on individual and group voices engaging in development activities or trying to take up grievances.

Gender Dimensions of Development in PNG

The Gender Inequality Index for PNG is 0.611, which puts PNG's rank at 140 out of 155 countries. The adolescent birth rate is 62.1 per 1,000 women age 15-19 (2014). Socially and culturally constructed norms and roles have shaped attitudes to gender, leading to unequal power relations. UNDP has noted that women have substantially less access to health care and education services than men, and are vastly underrepresented at all levels of government. Two in three women in PNG⁴⁶ experience gender based violence in their lifetime. PNG has the highest prevalence of gender based violence in the Western Pacific region. A woman's ability to participate in the community and in the economy depends fundamentally on her health status, access to education, and treatment in the labour market.

⁴² The World Bank, 2016.

⁴³ WHO/UNICEF, Joint Monitoring Programme for Water and Sanitation: Papua New Guinea, 2015.

⁴⁴ UNICEF Situation Analysis of Women and Children in PNG, 2016, p.38.

⁴⁵ Disaster Management Relief Handbook, 2016, p.58.

⁴⁶ Darko, Emily, Smith, William and Walker, David, *Gender Violence in Papua New Guinea: the cost to business*, <https://www.odi.org/sites/odi.org.uk/files/odi-assets/publications-opinion-files/9886.pdf>, Overseas Development Institute, 2015, accessed 9th Oct 2016.

The report by Kassens and Rodgers⁴⁷ has identified the following policy reform priorities that will promote gender equality and improve welfare:

- **Better infrastructure and access to public transportation:**

In PNG more women walk to work or take a public bus than men, who have more access to motor vehicles and transportation services provided by their employers. Women are also more likely to walk to receive health services, suggesting that those women too sick to walk or unable to carry a sick child may not be accessing needed care.

- **Universal enrolment in secondary schooling:**

PNG is making some progress towards achieving near universal enrollment in primary school, but gender inequities remain pervasive at higher levels of schooling. Inequalities in educational attainment among adults and school-age children have persisted over time. The Government needs to focus on maintaining active policy strategies to increase enrollment rates in secondary school, especially for lower income groups, and find ways to make high-quality tertiary education more feasible and affordable. There is a link between maternal education and child nutrition, thus, a focus on female enrollment rates will influence continued reductions in the numbers of children suffering from stunting, wasting, and other indicators of child malnutrition.

- **Universal access to free or low-cost health care:**

Communicable diseases, particularly malaria, are prevalent in PNG amongst men and women. Improved education, access to medical goods and services, and quality of practitioners is key to reducing and eradicating these diseases. As access to and quality of care improve, life expectancy is likely to increase for all groups. Rural girls and those with low-income status are at greatest risk of stunting, a condition linked to malnutrition that occurs in the mother (when the baby is in utero) and in early childhood.

- **Gender-equitable land law reforms:**

Improving women's control over assets such as land can augment women's economic security and bargaining power, which in turn may have powerful consequences for the health and well-being of their children. Results in the Household Income and Expenditure Survey 2009/10 report suggest a small disadvantage for female-headed households in dwelling and land ownership rates compared to male-headed households. The UN can take a leading role in mainstreaming gender in all sectors by engaging in high level dialogues and advocacy with the Government and other stakeholders.

- **Promoting women into leadership roles:**

The path to reducing violence against women is to promote female equality across a variety of dimensions, including increasing the number of women in leadership. An attempt was made to set aside 22 reserved seats in the National Parliament for women, but the law required a constitutional amendment that failed to receive a two-third majority vote prior to the 2012 election. Given the opposition to the 2012 bill, there was a refocus towards empowering women at the local and provincial government levels as per the Organic Law on National and Local Level Government Elections 1997, where the Provincial Assembly must include "one-woman representative nominated in accordance with an Act of the Parliament and appointed by the Provincial Executive Council".⁴⁸

⁴⁷ Kassens, Alice and van der Meulen Rodgers, Yana, *Promoting Evidence-Based Policy Making for Gender Equality in Papua New Guinea: A Gender Analysis Framework for the 2009-2010 Household Income and Expenditures Survey*, conference paper, Roanoke College, Roanoke, VA, USA, 2015.

⁴⁸ Government of Papua New Guinea, *No. 29 of Organic Law on Provincial Governments and Local-level Governments*, 1998.

- **Stronger efforts to address family and sexual violence:**

The risk of violence at home and while traveling to school, work, markets, and health facilities remains a large problem for women and children. When women and children engage in activities in the public sphere, such as traveling, they face high risks of being raped, accused of sorcery, robbed, beaten, and intimidated by men. Not only do women face threats of Gender Based Violence, they face additional risks of violence related to clan fighting that affect all vulnerable individuals, male and female.

According to a report commissioned by Medecins Sans Frontieres (MSF),⁴⁹ in 2008 accidents and injury were the third leading cause of admissions in health facilities across the country, above obstetric complications or perinatal conditions, and accounted for 11 per cent of the total burden of disease in PNG. Anecdotal evidence and speculation might well identify family and sexual violence as a predominant cause of these accidents and injuries. But as the causes and determinants are not recorded, the true extent of family and sexual violence and its medical and psychological consequences is not fully documented by PNG health facilities, or fully recognized as a problem.

Available small-scale studies indicate that up to 75 per cent of children in PNG experience physical abuse, with even more experiencing verbal abuse.⁵⁰ In a more recent study in Bougainville, 85.6 per cent of the fathers surveyed reported beating their children.⁵¹ A survey conducted in four provinces in 2010 found that 27 per cent of women recall an unhappy sexual experience with a man while under 15 years of age.⁵² The Bougainville study found that one in five women's first experience of sex was rape, and one-third of men had experienced sexual abuse as children.⁵³

In data collected by MSF, from more than 3,000 patients who came to clinics in the capital city of Port Moresby and the Highlands town of Tari over two years, it found 94 per cent of patients treated in the clinic after acts of violence were female, and 56 per cent of sexual violence cases were children. Almost nine out of ten sexual violence cases at the clinics involved rape.

A lack of safe houses for women and alternative care services for children leaves many women and children with no choice but to return home to their abuser after seeking medical help. A total of 17 shelters or Meri Seif Houses exist in eight out of the 22 provinces in PNG.⁵⁴ Notably, half of these shelters exist in the East Sepik province, which has become decentralized to district level by the East Sepik Council of Women. Five out of the six districts of East Sepik have shelters and first level responders. The provincial town of Wewak has at least three safe accommodation centres.⁵⁵ As per MSF reporting in March 2016, safe houses are all unregulated, private and unmonitored. None will take boys older than seven, which means mothers with older male children cannot access shelter.

While the UN continues to address the epidemic of gender based violence and family and sexual violence, more work is needed to inform policy and legislation reform, as well as implementation, by mainstreaming family

⁴⁹ MSF, *Hidden and Neglected: The Medical and Emotional Needs Of Survivors Of Family and Sexual Violence In Papua New Guinea*, 2011.

⁵⁰ UN General Assembly, *Report of the independent expert for the United Nations study on violence against children*, 2006.

⁵¹ Jewkes, Rachel, Fulu, Emma and Sikweyiya, Yandisa, *Family, Health and Safety Study, Autonomous Region of Bougainville, Papua New Guinea, Summary Report*, Partners for Prevention, 2013.

⁵² Ganster-Breidler, Margit, *Contemporary PNG Studies, DWU Research Journal Volume 13, Gender-Based Violence and the Impact on Women's Health and Well-Being in Papua New Guinea*, 2010.

⁵³ Jewkes, Rachel, Fulu, Emma and Sikweyiya, Yandisa, *Family, Health and Safety Study, Autonomous Region of Bougainville, Papua New Guinea, Summary Report*, Partners for Prevention, 2013.

⁵⁴ Sepoe, Dr. Orovu, *Gender Based Violence in Papua New Guinea: A Review of Literature and Interventions 1975-2015*, UNDP, 2015.

⁵⁵ Sepoe, Dr. Orovu, *Gender Based Violence in Papua New Guinea: A Review of Literature and Interventions 1975-2015*, UNDP, 2015.

and sexual violence response into the various sectors, such as health, education, law enforcement and economic empowerment. The Government is to be commended for recognizing the importance of addressing family and sexual violence issues by putting into place laws such as the Family Protection Act (2013) and the Lukautim Pikinini Act (2015), as well as various sectoral policies and strategies in education, health, and the public service.

Human Development

The HDI is 0.505, placing PNG 158 out of 188 countries (2015). Table 1 below reviews PNG’s progress in each of the HDI indicators. Between 1980 and 2015, PNG’s life expectancy at birth increased by 10.3 years, mean years of schooling increased by 2.7 years and expected years of schooling increased by 1.7 years. PNG’s GNI per capita increased by about 31 per cent between 1980 and 2015. There appears to be a positive correlation for PNG: as the mean years of schooling increases, so does the HDI value.

Despite the positive trends, life expectancy rates of adults remain low and the survival rates of mothers and children under five are the lowest in the Pacific region. There are also notable disparities by location, urban or rural setting, wealth quintile, gender, and ethnicity, suggesting that not all persons enjoy equitable access to basic social services and other aspects of human development.

Table 1: PNG’s HDI trends based on consistent time series data, new component indicators and new methodology

Year	Life expectancy at birth	Expected years of schooling	Mean years of schooling	GNI per capita (2005 PPP\$)	HDI value
1980	52.8	4.1	1.2	1,885	0.324
1985	54.7	4.1	1.8	1,738	0.347
1990	55.6	4.5	2.3	1,620	0.353
1995	57.2	4.9	2.9	2,114	0.405
2000	58.7	5.2	3.2	1,826	0.424
2005	60.5	5.5	3.5	1,720	0.429
2010	62.4	5.8	3.9	2,162	0.493
2011	62.8	5.8	3.9	2,272	0.497
2012	63.1	5.8	3.9	2,386	0.501
2015	63.1	9.9	4.0	2,463	0.505

Source: Table A: Human Development Report 2015

Education

One of the main objectives of the 2005-2014 National Education Plan was the incremental introduction of free basic and secondary education, with the aim of increasing enrolment in education. The Tuition Fee Free Education policy that began implementation in 2011 and in 2016 covers all schools from Elementary Grade to Grade 12, including students in Technical Vocational Education and Training, Flexible Open and Distance Education.

In 2014, 1.9 million boys and girls were enrolled in the country’s formal educational system, 1.7 million in basic education (elementary and primary schools), and 155,000 in secondary schools. Enrolments in basic and secondary education have increased 116 per cent and 157 per cent respectively, when comparing enrolments

between the years 2000 and 2013.⁵⁶ According to UNICEF, the main factor contributing to this increase is the Tuition Fee Free Education policy.⁵⁷

Implementation of the policy has proved challenging. Stakeholders were categorical in stating that communities, districts and provinces were not prepared for the inundation of new students, due to inadequate space, chairs, tables, and water and sanitation facilities. There was confusion as to where to place students who were too old for certain classes.⁵⁸

As consequence of the increase in the number of children entering the education system, Net Enrolment Rate for primary education has also improved, reaching 74 per cent in 2013. One out of four children are still outside the formal primary education system, with more boys entering schools than girls. In 2014, one in four adolescents was out of secondary school. The 2014 Secondary School Gross Enrolment Ratio (as a percentage of official secondary school age population) was 24.6 per cent for boys and 23.6 per cent for girls.

Guaranteeing access to quality schools at all levels has caused a bottleneck in PNG. Small, remote schools serving isolated communities face considerable challenges such as isolation, human, material and financial resource constraints. Children from these areas are severely disadvantaged in accessing education services. On average students take 29 minutes to reach school, but in some regions, such as Momase, some students can take almost one hour. Long distances to school, a shortage of upper secondary placements, and school closures due to security issues, all influence enrolment and attendance at school. Widespread parental concern about harassment, physical and verbal abuse, and possible pregnancy, can lead to parents to withdrawing daughters from school.⁵⁹

The results of the Pacific Island Literacy and Numeracy Assessment conducted in PNG in 2012 has shown that among 1,259 Grade 5 students in 40 schools, across 18 provinces, 82 per cent of students were not attaining expected levels of literacy, and 64 per cent were not attaining expected levels of numeracy. Within the literacy component, 50 per cent were able to read at their grade level, but only 7.5 per cent could write at the quality expected of them. Less than five per cent of the students were able to properly perform mathematical operations.⁶⁰

A National Training Policy is being developed by the PNG Government to address the critical shortage of skilled and technical professional personnel. This will help to meet the development challenges of the public service, resource exploration and extraction, infrastructure, economic and social development fields.

The Health Status of the Population

The leading health problems include communicable and non-communicable diseases, with malaria, drug resistant tuberculosis, diarrheal diseases, and acute respiratory disease as major causes of morbidity and mortality. Non-communicable diseases are a critical health and development issue for the Western Pacific region and are the leading cause of death in the region, accounting for more than 80 per cent of deaths. In 2007 the Pacific Framework for the Prevention and Control of Non-Communicable Diseases was developed. During the Pacific Health Ministers' Meeting held in June 2011 and attended by PNG, ministers declared a non-communicable disease crisis in the Pacific requiring urgent attention and action. The call for action was repeated during the Joint Economic and Health Ministers Forum, held in the Solomon Islands in 2014, during which PNG committed to developing a roadmap to address non-communicable diseases through a multi-sectoral ministerial taskforce.

⁵⁶ Papua New Guinea Department of Education, Oct 2014.

⁵⁷ UNICEF Situation Analysis of Women and Children in PNG, 2016, p.49.

⁵⁸ *ibid.*

⁵⁹ UNICEF Situation Analysis of Women and Children in PNG, 2016p.59.

⁶⁰ UNICEF Situation Analysis of Women and Children in PNG, 2016.

In 2007-8 the first national STEPwise approach to a chronic disease risk factor surveillance survey was conducted, revealing that 99.6 per cent of the population in PNG is at moderate to high risk from non-communicable diseases, with 77.7 per cent classified as high risk. In PNG most data on non-communicable diseases is obtained from largely incomplete and non-validated hospital discharge records.

The International Agency for Research on Cancer estimated that there were about 2,500 new cases of cancer in PNG in 2008. Without a cancer registry figures can only be estimated. PNG has one of the highest occurrences of smoking in the world. 44.0 per cent of the adult population (60.3 per cent men, 27.3 per cent women) are current smokers. 47.7 per cent of youths aged 13-15 (55.4 per cent boys, 40.3 per cent girls) were found to be current smokers by the Global Youth Tobacco Survey conducted in 2007. The slow progress in the implementation of non-communicable disease policies, strategies and plans, and the implementation of the provisions of the Framework Convention on Tobacco Control in PNG, can be attributed to the lack of expertise in this area, and inadequate human resource capacity at the strategic level of the National Department of Health.

Many of the health challenges faced by PNG emanate from the breakdown of health systems. About 40 per cent of rural primary health care facilities, such as aid posts and health centres, are closed or partially functional.⁶¹ Most rural health facilities are in need of repair and provision of supplies. Many that are in operation are run by churches, Non-Governmental Organizations and the private sector in resource enclave areas. Many health centres face staff shortages and, with less health-focused functional grants at subnational levels, and inconsistency in the way grants are released, low health financing contributes to the health system's deficiencies. This causes a considerable challenge for those charged with planning and implementation, and often money arrives too late in the year to effectively support service delivery priorities.⁶²

Key public health reform policies have been established, including the Provincial Health Authorities, which merge public and curative health at provincial levels, as well as Community Health Posts to reinvigorate rural health. Despite the Government's efforts to initiate a subsidized health care policy over the past few years the health status of PNG has yet to improve. Delivery of drugs and pharmaceuticals to health facilities is an ongoing challenge and there is a need for enhanced clarity over functional responsibility. Many health issues are intricately linked to other development challenges, such as access to roads, poverty and education.

Life Expectancy and Mortality

Life expectancy in PNG is shorter and infant mortality is higher than most neighbouring Pacific countries. Indeed, the maternal and child mortality rate in PNG is the highest in the Pacific region. Life expectancy slightly improved to 63.1 in 2013 from 58.7 in 2000. According to the MDG Summary Report 2015, the under-five mortality rate in PNG stood at 64.1 per 1000 live births, which has improved from 89.1 per 1,000 live births in 1990. It also showed that the infant mortality rate reduced from 82 per 1,000 live births in 1990 to 47.3 in 2013. However, these improvements were not sufficient for PNG to meet its MDG 4 target, which calls for reductions by 2015 in under-five mortality to 32 per 1000 live births, and in infant mortality to 24 per 1000 live births.

Maternal mortality is a serious problem in PNG at 220 per 100,000 live births.⁶³ Skilled health personnel are attendant at 44 per cent of births. The PNG Health Service Delivery Profile 2012 notes that there are only 5.3 nurses/midwives per 10,000 people. PNG has 400 doctors, of which only 51 work outside Port Moresby, with less than ten per cent of children registered at birth. The National Department of Health statistics for 2014 record a national skilled birth attendance of 53 per cent, with urban births more likely to be delivered by skilled health professionals compared to rural births. Preventable and treatable diseases including malaria, pneumonia, diarrhea, tuberculosis, HIV and neonatal sepsis remain the most frequent direct and indirect causes of childhood

⁶¹ WHO and the National Department of Health, Health Service Delivery Profile – Papua New Guinea, 2012.

⁶² The World Bank, 2013.

⁶³ WHO, Maternal and Perinatal Country Profile: Papua New Guinea, 2013.

deaths.⁶⁴ For women in urban settings the risk of dying while giving birth is lower than for those women living in rural areas as recorded in PNG's 2014 National Human Development Report. Unsupervised deliveries in rural settings are common. Antenatal coverage is below 60 per cent, while the supervised birth rate is below 40 per cent. The contraceptive prevalence rate is 24 per cent, which does not meet the target for Family Planning of 36 per cent.⁶⁵

HIV

PNG is one of the twelve highest HIV burdened countries in the Asia and Pacific region, with an estimated 40,000 people living with HIV. Of these, 53 per cent, or 21,198 people, access antiretroviral treatment. Growing evidence suggests PNG's concentrated HIV epidemic is driven predominantly by heterosexual transmission.

Infection rates are increasing in provincial areas, where access to care is minimal, and are becoming normalized in the following provincial areas: Western Highlands Province, Enga, Jiwaka, Hela, Southern Highlands Province, parts of Eastern Highlands Province, Simbu, Morobe, and Central Province. Prevention of mother to child transmission coverage is 41 per cent.⁶⁶ Care and treatment for people living with HIV has improved significantly since 2006. While PNG has achieved the third highest treatment initiation rate in the Asia Pacific region, the country has one of the lowest retention rates at 12 months, and an approximate 60 per cent dropout rate. This is expected to lead to widespread treatment failure, which will have a serious financial impact on the health system and the communities and economy of PNG overall. PNG's status of people living with HIV is considered to be stabilizing, even though the rate of new infections is increasing.⁶⁷

HIV prevalence in key populations is high, particularly in major urban centres and in key populations. For instance, in Port Moresby alone 4.4 per cent of men who have sex with men, 8.8 per cent of male sex workers, 19 per cent of female sex workers, and 24 per cent of transgender people, live with HIV. Reported condom use among key populations is low and only one half of key populations are aware of their HIV status.⁶⁸ Further exacerbating this is the social and cultural stigma of HIV.⁶⁹ The response to HIV however, is hampered by a lack of functioning HIV response architecture and a lack of HIV funding. The system for surveillance of HIV in PNG is insufficient and there are stock shortages of antiretroviral drugs and commodities such as test kits. These issues illustrate the current weaknesses in the health system in relation to HIV and expose a further level of fragility to the HIV response in PNG.

The broad and pervasive impact of the HIV epidemic is realized when reviewing other elements of PNG's development. HIV is exacerbated by the displacement of people due to environmental shocks, civil unrest or war. For example, the main causal factor behind the epidemic in East New Britain was the displacement and relocation of people in displaced peoples' facilities that followed the twin volcanic eruptions in 1994 and again in Bougainville as a result of the war. HIV exacerbates the gender disparity in education levels between men and women. HIV puts pressure on families and their ability to maintain viable livelihoods, driving poverty levels up, increasing levels of rural-urban drift and causing dislocation of communities. Issues of gender based violence and the low status of women increase rates of transmission. HIV increases unemployment rates and has compounded other health issues, in particular the ongoing and fast spread of TB.

⁶⁴ UNICEF Situation Analysis of Women and Children in PNG, 2016.

⁶⁵ Papua New Guinea Demographic Health Survey, 2006.

⁶⁶ UNAIDS, The Gap Report, 2013.

⁶⁷ UNAIDS, AIDS data hub, <http://www.aidsdatahub.org/Country-Profiles/Papua-New-Guinea>, accessed 9th Oct 2016.

⁶⁸ UNAIDS, National AIDS Spending Assessment in Papua New Guinea 2011-2012, 2013.

⁶⁹ The Stigma Index Report, 2012.

Nutritional Status of Adults and Children

Malnutrition in PNG is widespread, deep and chronic and has a direct impact on child survival and healthy development. Almost half of PNG's children between 6-59 months are 'stunted', which means they are short for their age due to chronic under-nutrition. Approximately 16 per cent of under-fives are 'wasted', which means they are underweight for height due to acute malnutrition. Wasting is especially serious in children between 24-60 months where it reached a 48.2 per cent prevalence rate. Nutritional measurements for those in the poorest families are worse than the other quintiles, although there is little variation in incidences of wasting, and stunting is the most prevalent condition across all the wealth quintiles (Figure 1). PNG does not have a comprehensive protocol to manage severe acute malnutrition and many health practitioners are not familiar with therapeutic feeding protocols.⁷⁰

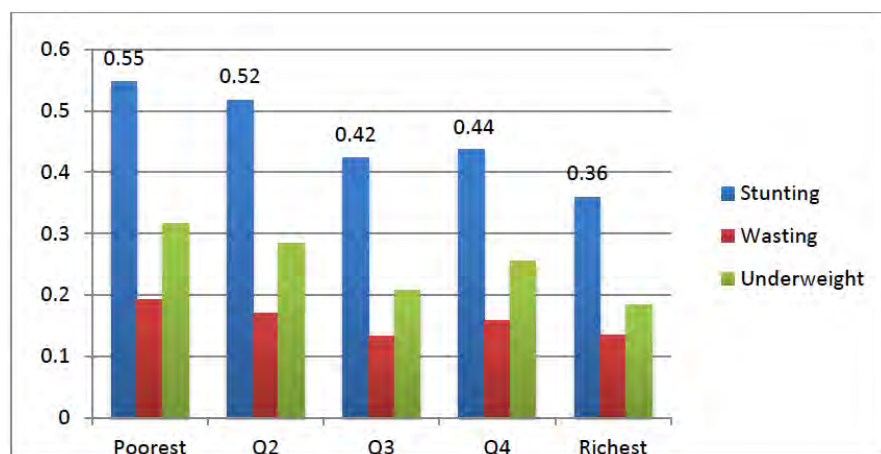


Figure 1: Measurements of Stunting, Underweight and Wasting across wealth quintiles, PNG, 2010
Source: (Hou, June 2015) using data from HIES 2009-2010

In 2015 severe malnutrition accounted for 14 per cent of children admitted into health facilities in PNG, and accounted for 27 per cent of deaths among children.⁷¹

Among the mothers who died giving birth, 15 per cent of them had anemia (WHO and the National Department of Health, 2013). Iodine deficiency during pregnancy can cause maternal and fetal hypothyroidism and impair neurological development of the fetus. Several mini-surveys conducted across districts between 2012 and 2014 reported that almost all households had access to salt with at least some iodine. Although about 60 per cent of the salt was iodized at 15 parts per million or more, a significantly lower proportion met the national standard of ≥ 30 parts per million. A survey carried out in three districts between 2012 and 2014 found the percentage of houses that had adequate levels of iodine (more than 30 parts per million) varied from 2.4 per cent to 25 per cent, revealing that while the population has access to iodized salt, a significant proportion is not consuming the adequate amount, and is still at risk of Iodine Deficiency Disorder.⁷²

According to the 2009/2010 Household Income and Expenditure Survey, rates of exclusive breastfeeding for the first six months of life – one of the most important measures in ensuring infant and young child survival – was 36.6 per cent.

⁷⁰ UNICEF Papua New Guinea Annual Report, 2013.

http://www.unicef.org/about/annualreport/files/Papua_New_Guinea_COAR_2013.pdf

⁷¹ Child Health Advisory Committee, PNG National Department of Health and PNG Paediatric Society, 2016

⁷² Temple, Victor J. and Codling, Karen, *Papua New Guinea's Commitment to Universal Salt Iodization Pays Off*, IDD Newsletter: Iodine Global Network; Vol. 43, No. 2, May 2015, pp.6-8.

According to UNICEF PNG, the nutritional situation for children in PNG dramatically limits their growth outcomes and their future learning and income earning potential. It also perpetuates the inter-generational cycle of malnutrition and poverty.

Human Rights

Cultural Rights, the I on the Rights of the Child, the Convention on the Elimination of All Forms of Discrimination against Women, the International Convention on the Elimination of All Forms of Racial Discrimination, and the Convention on the Rights of Persons with Disabilities as well as a number of fundamental conventions relating to child labour, such as the Abolition of Forced Labor Convention, the Equal Remuneration Convention, the Minimum Age Convention, and the Worst Forms of Child Labor Convention. The Government has also signed the Convention on Biological Diversity. However, despite ongoing work to internalize its international human rights obligations at the domestic level in legislation and policy, the next steps towards implementation are progressing slowly. Additionally, periodic progress reports on international human rights treaties are overdue, and an effective coordination mechanism formally established in 2016 and led by the Department of Foreign Affairs and the Department of Justice & Attorney General, on reporting and implementation of recommendations from human rights treaty bodies as well as the Universal Periodic Review (UPR) requires strengthening.

The May 2016 UPR examined the human rights situation in PNG, making 161 recommendations to the PNG Government. The recommendations covered a wide range of areas, including the right to health and education, gender based violence, law and justice reforms, implementation of international human rights obligations, legislative framework and promotion and protection of human rights, including environmental protection and conservation. Echoing recommendations received during the first UPR cycle, there were several specific recommendations on establishing the National Human Rights Commission that was endorsed by the National Executive Council in 1997, which has yet to be established. The PNG Government during a follow up meeting at the UN Human Rights Council in September 2016 accepted 108 and noted the remaining 53 recommendations. Overall, PNG's participation in the second cycle of the UPR in 2016 reaffirmed the PNG Government's "strong commitment towards the advancement and protection of fundamental principles and values of universal human rights enshrined in the Universal Declaration of Human Rights and the Charter of the United Nations... [T]he Government reiterate[d] that the cornerstone of a democratic society is underpinned by the promotion and safeguarding of fundamental human rights".⁷³

Population

Since the 2000 national census, life expectancy in PNG has improved to 63.1 years of age in 2013 from 58.7 in 2000.⁷⁴ As previously mentioned the Total Fertility Rate has declined according to the 2006 DHS but remains higher than global averages. The average annual population growth rate has increased from 2.7 per cent (1980-2000) to 3.1 per cent (2000-2011) during the inter-census periods,⁷⁵ with both the growth and fertility rates increasing disproportionately in some provinces. PNG's population is predicted to reach 9 million by 2020. PNG's population remains young, with close to 40 per cent under the age of 15. As a result, the level of youth dependency (who are dependent on working-age adults between 15-64 years of age) remains high. The continuing broad-based age-sex pyramid implies future growth of the population.⁷⁶ This population growth impacts development issues with services needing to expand to maintain the base level of current services.

⁷³ UPR of Papua New Guinea, 2016.

⁷⁴ National Human Development Report, *From Wealth to Wellbeing: Translating Resource Revenue into Sustainable Human Development*, 2014.

⁷⁵ *The Papua New Guinea National Population & Housing Census 2011*, National Statistical Office, Port Moresby, pp.17-21.

⁷⁶ DNPM, *The PNG National Population Policy*, 2015, p.6.

Data from the PNG 2006 DHS revealed that 10.4 per cent of women aged 15-19 had already become mothers and 2.5 per cent were pregnant. The PNG National Population Policy 2015-2024 states that the Government will make an effort to reduce high-risk fertility behaviour. The aim is for a more sustainable and manageable population growth rate through the improvement of reproductive health and voluntary family planning, accompanied by intensive awareness-raising campaigns and sensitivity training. This will also include attempts to reduce the very high level of teenage pregnancy.⁷⁷

Rural Society

Out of PNG's total population of 7.3 million people 85 per cent reside in rural villages and rural non-villages.⁷⁸ The Rural Non-Village Sector is the term given for non-traditional locations in rural areas, such as missions, schools, plantations, government stations and work camps. For statistical and census/survey purposes the Rural Non-Village Sector is a sub-sector of the Rural Sector. 80 per cent of the country's poor reside here, which may contribute to the substantial migration from rural to urban areas.⁷⁹ PNG's rural areas have considerably younger populations, with 42 per cent of the population under the age of 15 compared to 37 per cent in urban areas. The total fertility rate is considerably higher in rural areas (4.5) than urban areas (3.6). The average household size in urban areas (7.7 individuals) is larger than the average household size in rural areas (6.2).

Rural villagers live a traditional subsistence lifestyle supported by the diversity of forests, inland waters and coastal seas. With few roads and navigable rivers, many of these areas remain sparsely populated and isolated from government services and development opportunities. Much of the population is concentrated in the coastal regions, although dense populations are located in parts of the Highlands around the central plateau, and along some of the major (navigable) rivers in both the highland and lowland areas. Areas of land that are accessible and suitable for development show a rapidly growing population. This is pushing the limits of natural resource sustainability and availability of basic infrastructure in these areas.

Urban Growth

PNG remains one of the least urbanized countries in the world. At the time of the 2011 Census, the urban population as a proportion of the total population was still only 12 per cent.⁸⁰ PNG has the largest number of towns and cities in the Pacific region: three formally declared cities (the capital Port Moresby, Lae and Mt. Hagen) and 17 towns. In the 2000 census, the Port Moresby population was 254,158: one third of the PNG urban population of 675,403 persons.⁸¹ In 2008, Port Moresby's population was estimated by UN-Habitat to be approximately 410,000 persons, and at the end of 2010 was estimated to account for approximately 45-50 per cent of the national urban population of one million persons: around 450,000 to 500,000 persons.⁸²

PNG's urban centres are characterized by poverty, housing shortages and substandard living conditions. Key urban services and infrastructure such as roads, drainage, water networks and sanitation systems have deteriorated over the years due to poor maintenance and the demands of a rapidly expanding population.⁸³ The Office of Urbanization was created, and in 2009 it was tasked with the formulation of a National Urbanization Policy 2010-2030 to address the escalating urban growth and urbanization issues and challenges. Its main vision is to "maximize and disperse the benefits of urbanization both within and between communities throughout

⁷⁷ DNPM, The PNG National Population Policy, 2015, p.9.

⁷⁸ PNG National Census, 2011.

⁷⁹ Asian Development Bank, Country Partnership Strategy, 2015.

⁸⁰ DNPM, National Population Policy 2015-2020, 2015, p.39.

⁸¹ National Statistics Office, 2003.

⁸² Jones, P., *Mapping Urbanisation in Papua New Guinea, Planning for Planning's Sake*, Alfred Deakin Research Institute, 2012

⁸³ PNG Settlement Upgrading Programme, UN-Habitat, 2014:

http://www.fukuoka.unhabitat.org/projects/papua_new_guinea/pdf/Papua_New_Guinea_29_October_2014.pdf

PNG while the social disruptions of urban drift are minimized.”⁸⁴ It includes a framework and plan for the strengthening of the economic, social and environmental fabric of PNG’s urban areas.⁸⁵

In 2006, the National Capital District Commission estimated some 40 per cent of the Port Moresby population were living in settlements, while in 2008 this estimate had risen to 45 per cent. In Port Moresby in 2008, there were 20 planned settlements and 79 unplanned settlements, with some 42 unplanned settlements located on state land, and 37 on customary land.⁸⁶ In the coastal city of Lae, it is estimated over 50 per cent of the city’s population live in settlements, with rural to urban migrants coming primarily from Momase, the New Guinea islands and Highlands region. The number of settlements continues to rise, with squatter and informal settlements a common feature in all of PNG’s three cities and 17 towns.⁸⁷ Settlements and squatting pose problems with housing, water, sanitation, overcrowding and other social issues. Factors such as lack of access to services, tribal conflicts and perceived employment opportunities with the Liquefied Natural Gas project have all contributed to the growth of unplanned urban squatter settlements.

The disparity in the indices for health, education, literacy and employment suggests that there is considerable variation in the level of development throughout PNG. While urban centres such as Port Moresby and Lae, and provinces such as Bougainville and Manus perform better on many social indicators, such as high literacy rates and access to improved sources of drinking water, the highly populated rural areas in the Highlands region have not progressed on most of the development indicators.⁸⁸ Throughout the implementation period of the National Population Policy 2015-2024, the PNG Government will attempt to direct rural-urban migration away from Port Moresby and Lae to provincial capitals and district centres.⁸⁹

Youth

With 58 per cent of the population under the age of 24, harnessing the potential of adolescents and youth poses opportunities as well as challenges. High levels of unemployment can lead to higher crime rates, and heighten potential for increased rates of sexually transmitted infections, including HIV. Youth unemployment affects not only the individual but also the family and the nation. Unemployed young people often experience feelings of rejection and hopelessness, low self-esteem, and other mental health issues. This can lead to violent behaviour, a life of crime, alcoholism, diseases, poverty and social problems such as domestic violence.

Papua New Guinean children and youths are exposed to the highest rate of violence in the East Asia and Pacific region. Small-scale studies consistently show that a large portion of children are physically, verbally and sexually abused. The formal justice system is not responsive enough to children’s needs. Less than 20 per cent of child victims of violence have access to the courts.⁹⁰

Inadequate school places and limited job training opportunities are among the factors that can result in disengaged adolescents and youth feeling unable to participate in the development of their community. This disengagement can lead to participation in opportunistic crimes and violence.

Understanding the potential for positively influencing the futures of its youthful population, the Government recently reformed the National Youth Commission under the Department of Community Development, Youth

⁸⁴ Jones, P., *Mapping Urbanisation in Papua New Guinea, Planning for Planning’s Sake*, Alfred Deakin Research Institute, 2012

⁸⁵ DNPM, National Population Policy 2015-2024, 2015, p.40.

⁸⁶ Port Moresby Urban Sector Profile, UN-Habitat, 2008.

⁸⁷ Jones, Paul Jones, *Pacific Urbanisation and the Rise of Informal Settlements: Trends and Implications from Port Moresby*, Routledge, 2015.

⁸⁸ UNDP, *Seeding Social Enterprise in PNG*, 2015.

⁸⁹ DNPM, National Population Policy 2015-2024. 2015, p.59.

⁹⁰ UNICEF Situation Analysis of Women and Children in PNG, 2016.

and Religion. The new National Youth Development Authority aims to combat crime, drug and alcohol abuse and transform and empower youths for nation building, through promoting and coordinating sustainable services for young people in partnership with stakeholders throughout the country.

Crime and Violence

Levels of crime and violence in PNG are high and have remained consistently so for over a decade. The homicide rate, considered the most reliable indicator of overall crime, was 10.4 per 100,000 inhabitants in 2010.⁹¹ The rate varies widely across regions, with an estimated rate of 66 per 100,000 in Lae and 33 in the National Capital District, putting them amongst the highest in the world. Robbery and assault are the most commonly reported crimes. Family and sexual violence is also highly prevalent, and affects both females and males. Violent crime, such as robberies, carjacking and assaults, appears to be increasing as a proportion of overall crime, and crime is on the rise in known ‘hotspots’ such as Lae and the National Capital District. The use of firearms has also been increasing since 2008. Crime and violence are driven in part by recent social and economic changes, which have created disputes that are less amenable to management by traditional means. In particular, violence in PNG can be understood, at least partly, as a result of the inability of both customary and formal institutions to manage the stresses that have come with rapid economic growth, poverty, increasing migration, and other factors.⁹²

Women and children endure shockingly high levels of physical and sexual violence, with rates of abuse estimated to be some of the highest in the world outside a conflict zone.⁹³ Research across four provinces in 2009 showed that two-thirds of women reported being hit by their partners, with two-thirds also reporting sexual violence.⁹⁴ In a more recent study in Bougainville, 59.1 per cent of men reported committing rape against a partner, 61.9 per cent admitted physical violence against a partner, and 40.7 per cent reported perpetrating non-partner rape.⁹⁵ Although violence against women is a criminal offence, it is frequently viewed as a private matter, and a traditionally accepted way for men to control women.⁹⁶

Rule of Law, Security Sector

The police to population ratio in PNG was estimated at 1:1,317 in the 2009 PNG Constabulary Policy Submission, substantially below the UN recommended ratio of 1:450. Vision 2050 sets a goal for reaching the UN benchmark and the Government has pledged to double police manpower during the current parliamentary cycle. Policing problems contribute significantly to the difficulties facing the administration of criminal justice in PNG. While the Royal PNG Constabulary demonstrate capacity in successfully undertaking routine criminal investigations and apprehending suspects, prosecutions often fail for lack of adequate evidence and preparation. Lengthy delays in the processing of court cases has resulted in large numbers of detainees on remand awaiting

⁹¹ UNDP, National Human Development Report, *From Wealth to Wellbeing: Translating Resource Revenue into Sustainable Human Development*, 2014, p 260.

⁹² Centre for Excellence in Disaster Management & Humanitarian Assistance, *The Papua New Guinea Disaster Management Reference Handbook*, 2016, p.30.

⁹³ Return to Abuser: Gaps in Services and Failure to Protect Survivors of Family and Sexual Violence in PNG, MSF 2016: <https://www.msf.org.au/sites/default/files/attachments/msf-pngreport-def-lrsingle.pdf>

⁹⁴ Ganster-Breidler, Margit, Contemporary PNG Studies, DWU Research Journal Volume 13, *Gender-Based Violence and the Impact on Women's Health and Well-Being in Papua New Guinea*, 2010

⁹⁵ Jewkes, Rachel, Fulu, Emma and Sikweyiya, Yandisa, *Family, Health and Safety Study, Autonomous Region of Bougainville, Papua New Guinea, Summary Report*, Partners for Prevention, 2013.

⁹⁶ Macintyre, Martha, ‘Gender violence in Melanesia and the Problem of Millennium Development Goal Number 3’, in Jolly, Margaret, Stewart, Christine, Brewer, Carolyn (Eds.), *Engendering Violence in Papua New Guinea*, Australia National University, 2012.

court hearings, while mass escapes from the country's prison system are a regular occurrence. There is a lack of community trust and respect, and there is political interference in police operations.⁹⁷

It is estimated that about five per cent of all cases of crime against children in PNG result in a criminal conviction in a court of law.⁹⁸ In some communities and villages, an absence of police services leaves the window of opportunity for children and women to be abused. Anecdotal reports make mention of police officers outside the Family and Sexual Violence Units who are not trained to handle cases of violence and abuse against children and women. There are also reports of police corruption in the form of charging illegal fees to solve some cases.⁹⁹

The country has two recognized legal systems that complement each other. The first is the formal legal system comprising the district, national and supreme courts that follow strict rules of evidence. The second is the informal court system, or the Village Court, which deals with customary issues using traditional or customary laws and practices, less concerned with strict rules of evidence.¹⁰⁰

It is estimated that between ten and 20 per cent of women and child survivors of gender based violence have access to the formal court system in PNG.¹⁰¹ Stakeholders acknowledged that government has made notable progress in establishing a range of core responsive protection services such as Family Support Centres, Police Family Sexual Violence Units and Police Sexual Offence Squads. However, implementation including quality, coverage and utilization of these services remains low.¹⁰²

Family Support Centres are the main governmental response to violence against children and women. Guidelines were created in 2013 and the centres were established as a space where survivors of physical and sexual violence could receive treatment, counselling and referrals in privacy. Limited protection could be offered at the centres, and medico-legal evidence could be collected speedily. Nevertheless, up to March of 2016, only seven out of the 16 Family Support Centres across the country are fully functional, with the remaining nine centres offering varying degrees of service. Not all provinces have centres, and most of the fully functioning ones are located at major referral hospitals. In some cases, survivors have to travel for up to eight hours to reach services.

Other innovative approaches, grounded in the local context, such as Bougainville's Community Auxiliary Police, seem to accrue measureable outcomes in terms of improved safety, security and access to justice for citizens. The UN's Safe Cities Project in Port Moresby, which works with the Royal PNG Constabulary and a wide variety of government and non-government stakeholders in selected city markets, is another such example.

Economic progress, including household social progress, will be suppressed until the level of criminal activity, and especially violence in the household and in the wider community (including tribal conflict), and land disputes, are reduced. Wider opportunities for employment and income earning are critical to addressing the high levels of crime but, in turn, crime severely undermines investment and economic and employment opportunities, especially in sensitive industries like tourism and hospitality. Rises in crime puts risk to foreign investment, and the fear of crime, which is most prevalent amongst women and children, adds a significant challenge to the task of improving their welfare.

⁹⁷ Dinnen, Sinclair, *Chapter 13: Thirty Years of Law and Order Policy and Practice: Trying To Do 'Too much, Too Badly, With Too Little'?*, Australian National University, 2009.

⁹⁸ UNICEF Situation Analysis for Women and Children, 2016.

⁹⁹ UNICEF Situation Analysis for Women and Children, 2016.

¹⁰⁰ UNICEF Situation Analysis for Women and Children, 2016.

¹⁰¹ UNICEF Situation Analysis for Women and Children, 2016.

¹⁰² UNICEF Situation Analysis for Women and Children, 2016.

Political

Decentralization

PNG is highly decentralized with 22 provinces, 89 districts, 313 Local Level Governments (LLGs) and 6,131 Wards. The decentralized system is complex and costly with three tiers of government (national, provincial and local level) and four levels of administration (national, provincial, district and LLG). Each tier of government is funded largely from the national budget.¹⁰³ Central government policy making and fiscal control is stronger compared with a weaker capacity among line government agencies and subnational service providers in implementation and service delivery. “This has led to inefficiencies in the public service and corruption.”¹⁰⁴

On achieving independence from Australia in 1975, PNG’s new leaders decided that the future of a unified country depended on all provinces having the same relationship to the centre. This meant a one-size-fits-all approach to decentralization regardless of the desire or capacity for decentralized power at the provincial level. Formal decentralization is prescribed by PNG’s constitution and is a key tenant of government strategies, policies and implementation modalities. PNG, like many developing countries, exhibits a ‘sovereignty gap’, which Ashraf Ghani and Clare Lockhart define as “the disjunction between the de jure assumption that all states are ‘sovereign’ regardless of their performance in practice—and the de facto reality that many are malfunctioning or collapsed states, incapable of providing their citizens with even the most basic services.”¹⁰⁵

Given that Australia as a coloniser did not prioritize building local capacity, and that not much capacity has been built since independence, there is a significant gap between general political and administrative aspirations on the one hand, and the ability to get out of the design phase and into implementation on the other. Certain features of PNG’s political context that may be problematic for attaining development goals have a logic rooted in historical circumstances. This should provide a more realistic assessment of the degree to which they can be changed, or the extent to which they must be lived with, and perhaps improved on incrementally.

PNG has a highly mobile population, particularly within the Highland provinces and neighbouring provinces of the National Capital District, where people access services irrespective of their usual place of residence. PNG faces the challenge of providing service delivery to a diverse, dispersed and mostly rural population spread over 600 islands, with limited accessibility to many parts of the country, high logistical costs and supply management complications.

Governance

PNG has a multi-party Westminster style of democracy, with fluidity in the make-up of parties and parliamentary allegiances. Administratively there is a high level of decentralization with recent trends towards increased financial devolution to provincial, district and local levels of government. At the national level there are presently 33 ministries and over 140 government departments and agencies, some of which are duplicated at provincial and district levels. There is uneven governance capacity at provincial and district level across the provinces and districts.¹⁰⁶ Over time, the executive arm of government, which handles the Government’s resources, has increased control over parliament. Executive commitments are made without knowing how much they will cost, leading to some government institutions lacking resources, and politicians engaging in a parallel

¹⁰³ National Human Development Report, *From Wealth to Wellbeing: Translating Resource Revenue into Sustainable Human Development*, 2014.

¹⁰⁴ National Human Development Report, *From Wealth to Wellbeing: Translating Resource Revenue into Sustainable Human Development*, 2014.

¹⁰⁵ Ghani, Ashraf and Lockhart, Clare, *Fixing Failed States: A Framework for Rebuilding a Fractured World*, Oxford: Oxford University Press, 2008, p.21.

¹⁰⁶ National Human Development Report, *From Wealth to Wellbeing: Translating Resource Revenue into Sustainable Human Development*, 2014.

approach to service delivery as parliamentarians direct funding to their electorates, citing that the usual service delivery mechanism of the government is slow.¹⁰⁷

PNG was ranked 139 out of 168 countries in Transparency International's Corruption Perceptions Index in 2015. In 2015, PNG ranked 133 out of 189 countries listed in the World Bank's Ease of Doing Business Index. This ranking slipped to 145 in 2016.¹⁰⁸

The UNICEF 2016 Situation Analysis of Women and Children in PNG¹⁰⁹ found that PNG lacked three essential factors for effective service delivery in a decentralized system: 1) a lack of popular participation by people in development; 2) officials not trained to perform their duties at the local level; and 3) a lack of a governance system with clear roles, responsibilities and accountabilities, nor monitoring systems to track performance, use of funds or management. The decentralized process assigns funds to districts and provinces, at the same time transferring to districts and local level governments the responsibility of adapting and implementing diverse national policy in education, child and maternal health, child protection.¹¹⁰

The 2015 National Budget was set at a record level of PGK16.2 billion.¹¹¹ The extended economic crisis, caused by the rapid collapse of global commodity prices however, meant that the Government faced difficulties in managing the delivery of public services,¹¹² with the economic down turn disproportionately affecting health and education allocations.

Civil society, including Faith Based Organizations play an important role in service delivery due to their ability to reach many geographically isolated areas. The challenge of implementation and service delivery across a diverse population and highly decentralized governing structure is compounded by PNG's socio-political fragmentation. Tensions exist between central and local governments, and between formal and informal institutions. Policy can at times struggle to lead to implementation. There exists a complex dilemma presented by the disparity between an advanced extractives sector that generates revenue for the government but not much employment, and a highly underdeveloped agriculture sector that is the country's main employer but is unable to support the population engaged in it to rise above subsistence.

The community and clan represent a real and powerful civil society, organized in an autonomous sphere. Grassroots civil society in PNG is divided into two levels: 1) the clan level, which abides by its own structures, operating and expression modes; and 2) a second level, which includes isolated individuals who form groups, but whose legitimacy, representativeness and abilities are challenged.¹¹³

PNG's political party system is led by powerful individuals, and notably few women running as candidates, due to historical reasons around gender inequalities. There are at present only three women in parliament. Prior to the 2012 election, only four women had ever held seats in parliament. The 2012 Commonwealth election observation report stated: "The current system does not adequately fulfil women's right to equality in the

¹⁰⁷ Okole, Henry, PNG at 40 Symposium, *'The character of the independent state of PNG derives from the history and nature of land and people, and the international politics of the region'*, INA forthcoming publication, 2016.

¹⁰⁸ The World Bank Group Flagship Report, *Doing Business 2016 – Measuring Regulatory Quality and Efficiency*, 2016, p.226.

¹⁰⁹ UNICEF Situation Analysis of Women and Children in PNG, 2016.

¹¹⁰ Okole, Henry, PNG at 40 Symposium, *'The character of the independent state of PNG derives from the history and nature of land and people, and the international politics of the region'*, INA forthcoming publication, 2016.

¹¹¹ Department of Treasury, 2015 National Budget, *Volume One: Economic and Development Policies*, 2015.

¹¹² National Human Development Report, *From Wealth to Wellbeing: Translating Resource Revenue into Sustainable Human Development*, 2014.

¹¹³ Michel, Falisse, Michel, Moita, Madalena, Imbum, Ben, and Maurice, Timothee, *Mapping of NSAs in Papua New Guinea*, 2011, p.49.

political sphere.”¹¹⁴ Personal allegiances and promises of political power have at times played a more substantive role than ideological or strategic political discourse. The electoral system allows members to be elected with small pluralities, and the socio-political dynamics within any given constituency are largely clan-based.

Legislation and Public Policies

The PNG constitution contains almost all of the rights and freedoms articulated in the UN Charter and under the 1948 Universal Declaration of Human Rights. The preamble of the constitution states National Goals and Directive Principles that call for integral human development, equality and participation of all Papua New Guineans in the development of the country.

The country’s long-term national development strategy is presented in Vision 2050.¹¹⁵ Introduced in 2009, it was a blueprint for PNG’s social, economic and environmental development, underpinned by seven strategic focus areas: 1) Human capital development, gender youth and people empowerment; 2) Wealth creation; 3) Institutional development and service delivery; 4) Security and international relations; 5) Environmental sustainability and climate change; 6) Spiritual, cultural and community development; and 7) Strategic planning, integration and control. Vision 2050 sets a target for PNG to be ranked 50 or less in the Human Development Index by 2050.

National priorities for green development are set out by the Department of National Planning and Monitoring (DNPM) with the 2014 StaRS aimed at “redefining the development road map by prescribing a growth strategy that is built on the principles of green growth and sustainable development.”¹¹⁶ StaRS is complemented by the 2015 Development Cooperation Policy which, “aims to provide a policy framework to effectively guide the PNG Government in mobilizing, coordinating, managing and delivering development cooperation resources in order to contribute towards implementing overarching, sector and subnational development strategies and plans”.¹¹⁷ The 2016 Planning and Monitoring Responsibility Act links the planning process to annual national budgets through the MTDPs and “establishes the National Planning Framework, the National Service Delivery Framework and the MTDP Monitoring and Evaluation Framework.”¹¹⁸

The policies that relate to environment and biodiversity are the National Climate Compatible Development Management Policy 2014, the National Sustainable Land Use Policy 2014, and the Policy on Protected Areas 2014. These have filled long outstanding policy gaps and guide the mainstreaming of sustainable biodiversity management and conservation.¹¹⁹ Appendix 1 contains a listing of the Government’s key laws and policies relating to population and development, health, nutrition, education and training, and environmental sustainability, including specific policies relating to children and women, such as the National Educational Plan 2015-2019, the Education Sector Strategic Plan 2010–2030, and the National Lukautim Pikinini (Child Protection) Policy 2016-2026.

¹¹⁴ Commonwealth Secretariat, Report of the Commonwealth Observer Group, *Papua New Guinea National Elections*, June-July 2012, p.15.

¹¹⁵ Vision 2050, Government of Papua New Guinea, 2009.

¹¹⁶ Department of National Planning and Monitoring, *National Strategy for Responsible Sustainable Development for Papua New Guinea (StaRS) – 2nd Edition*, 2014.

¹¹⁷ Department of National Planning and Monitoring, *2015 Papua New Guinea Development Cooperation Policy*, 2016.

¹¹⁸ Department of National Planning and Monitoring, *Papua New Guinea Medium Term Development Plan 2 2016-2017*, 2015.

¹¹⁹ Convention on Biological Diversity, *Papua New Guinea’s Fifth National Report to the Convention on Biological Diversity*, 2014.

Influence of Community and Clan on the Political Economy

The socio-political dynamics within any given constituency in PNG is largely clan-based, where support is sought of a given clan or group, rather than from individuals who ally themselves around certain value sets. Therefore, any politician seeking re-election has every incentive to distribute his or her District or Provincial Service Improvement Programme funds in such a way as to secure the support of the minimum number of clan-organized votes required to secure re-election.

The extent to which communities are organized for collective action, as measured by membership of groups, particularly non-church groups, has been noted as the strongest and most consistent predictor of whether a ward receives an investment or project. The effect of group membership on the presence of new local public works projects is far stronger outside of the Highlands' districts.¹²⁰ Participation in local associations and groups differs significantly within and across the 89 districts.

According to a 2011 mapping of non-State actors,

“Based on a traditional legitimacy, the clan is the primary system of identification and representativeness for Papua New Guineans. In this context, the challenge of building one nation state finds several obstacles. A legitimacy based on elections as a means to transfer the people's sovereignty to one political power unified and representative of all the citizens is somehow fragile in a country with few common pillars from which to build one nation. In the end, in a conflict between the State institutions and the clans, the latter tends to win. Political parties themselves are extremely dependent on their wantok system and MPs have to respond to their electorate at the district level – which usually corresponds to a clan. In fact, the Organic Law on Provincial and Local Level Government proposed a scheme of decentralization that tends to perpetuate these linkages: it permits a bypass at the Provincial level, benefiting the district. In this scenario, corruption is somehow assumed as something natural, as an extension of the wantok system.”¹²¹

The Autonomous Region of Bougainville

The Autonomous Region of Bougainville also known as Bougainville Province or the North Solomon Islands has a land area of 9,300 km². The population of Bougainville according to the 2011 census was 263,216. Half the population is less than 20 years old. In 1988 the Bougainville crisis started when the landowners' grievance over the Panguna copper mine erupted into violence. The two interlocking but somewhat separate conflict dynamics involved fighting between PNG and Bougainville, and then among Bougainville armed groups fighting each other.

By 1997 this armed conflict had caused the deaths of over 15,000 people. In 2001 the Bougainville Peace Agreement was signed. It was constructed upon three pillars: Autonomy, a Weapons Disposal Plan, and a Deferred Referendum. In 2005 the first election for the Autonomous Bougainville Government (ABG) took place. Since then there have been three elections, in 2007, 2010 and 2015 respectively, with President Momis as the Head of the ABG. The issue of the Bougainville Referendum deciding its political future, as stipulated in the Agreement, is a sensitive issue for PNG as it will have political ramifications for the nation. In the successful Joint Supervisory Board meeting of May 2016, the National Government and ABG agreed on a target date of 15th June 2019 by which to hold the referendum. The UN has been requested to play a supportive role in the referendum process, including assisting with weapons disposal, strengthening public awareness and community cohesion and strengthening the work of the Parliamentarians.

¹²⁰ Hasnain, Zahid, (EASPR), Keefer, Philip, (DECRG), and Menzies, Nicholas, (LEGJR), *How Capital Projects are Allocated in Papua New Guinean Villages: The Influence of Local Collective Action, Local-level Institutions, and Electoral Politics*, The World Bank, 2011.

¹²¹ Michel, Falisse, Michel, Moita, Madalena, Imbum, Ben, and Maurice, Timothee, *Mapping of NSAs in Papua New Guinea*, 2011.

The greatest risk to law and order in Bougainville is the threat of conflict between different groups in Bougainville and/or the PNG mainland. The UN may be requested to play a role in assisting the ABGs unification strategy in the lead up to the referendum. There is a fear, believed by many to be historically justified, that if Bougainville became independent, a number of other provinces would seek independence as well, especially other New Guinea island provinces (New Ireland, Manus, and New Britain).

Environmental

As impacts of climate change increase the vulnerability of Pacific Island States, Pacific leaders are uniting their voices in a move that illustrates a new Pacific regionalism. At the 2016 UN General Assembly, Pacific Island State world leaders emphasized the threats to small island states due to climate change and other environmental factors, which they have recognized as an ‘existential threat’, signalling a new Pacific diplomacy. Baron Divavesi Waqa, President of Nauru, identified climate change as the Pacific’s greatest humanitarian crisis. “It is our war,” he said at the 2016 UN General Assembly, calling for the appointment of a UN Special Representative on climate and security.

Geography and Ecological Biodiversity

The land area of PNG is approximately 463,000 km² of which 27 per cent is populated. Extensive mountain ranges cover the country and there are peaks over 4000 metres high. Average annual rainfall varies from high and continuous (more than 8000mm) to low and seasonal (1500mm). Average temperatures vary from tropical temperatures in the lowlands and islands to milder temperatures in the highlands.

As many as one in every 20 species of the world’s plants and animals live in PNG. The country’s five per cent share of global biological diversity (including, for instance, 924 butterfly species from the global total of approximately 18,000 species) makes PNG more important in the world for its diversity than for its economic impact. PNG is signatory to the 1992 Convention on Biological Diversity. It has concentrated on sustainability in its approach to socio-economic development, taking into account ecological biodiversity considerations. The National Strategy for Responsible Sustainable Development (StaRS) states clearly that PNG’s wealth of biodiversity is under increasing pressure.

Agriculture

Given the size and importance of the agriculture sector for a significant proportion of the population, in terms of employment and potential livelihood opportunities, the actual contribution of the sector to PNG’s GDP is relatively small at 27.6 per cent,¹²² especially compared to the extractive industries, which provide significantly less employment and livelihoods opportunities.

The features of the smallholder sector are that it is fractured and small-scale. Smallholders may grow crops, and the informal business operators may collect and aggregate crops, but there is poor coordination of market access, crop quality, crop management and crop marketing. All of these factors in the PNG context are coordinated and facilitated by plantation estates. Where estates do not maintain this role yields and agricultural systems have declined. In functioning sectors, the plantations maintain processing plants, provide cash flow and training to smallholders, bring produce to shipping points, and maintain the production cycle.

¹²² CIA World Factbook, 2013

2.2 PNG and the Sustainable Development Goals - Moving Forward

The SDGs were adopted in PNG in September 2015, as they were in all UN member countries around the world. The SDGs form a framework incorporating and reaffirming the values and principles associated with human rights, equality and non-discrimination, the right to participate, freedom from fear and all forms of violence, access to justice and respect for the environment. The SDGs address the multiple forms of injustice and inequality, as well as multiple risks and insecurities. They are a universal call to action to end poverty, protect the planet and ensure all people enjoy peace and prosperity. The 17 goals build on the MDGs, while including new areas such as climate change, economic inequality, innovation, sustainable consumption, peace and justice. The goals are inclusive, interconnected, universal and indivisible and provide clear targets for all countries to adopt in accordance with their own priorities.

The PNG Government has demonstrated leadership and vision for sustainable development in recent years, including development of their Vision 2050 and the StaRS. During the 'Future We Want' survey PNG highlighted employment opportunities and climate change as particular areas in which a coordinated policy response from the public sector and civil society was needed; the latter requiring adaptation measures and food security. Climate change vulnerabilities due to rising sea levels and shifting coastlines, as well as increased risk of natural disasters, were noted as existential threats to the population. Consultations confirmed the strong nexus between human development and the environment in which people live.¹²³

PNG's MDGs status has been reported by government, international and regional bodies. In all cases PNG has been rated as 'off track' against the global MDGs. Notably however, it has halted or reversed the trend in several national MDG targets: childhood mortality, hunger, HIV and Acquired Immune Deficiency Syndrome (AIDS), malaria and education. Major challenges remain both for indicators and implementation relating to all, but especially to poverty, literacy, TB, maternal mortality, family planning, environmental sustainability, and global partnerships.

Overall the remaining MDGs priorities will benefit from harmonization with the SDG 2030 Agenda, moving forward with due consideration for:

- Reduced intensity of poverty, particularly in the rural areas of Momase and the Highland regions (MDG1);¹²⁴
- Continued focus on attainment of universal basic education for all and gender parity in the upper levels (MDG2);
- Improvements in female youth literacy (MDG3);
- Reduced neonatal deaths (MDG4);
- An increase in family planning rates, meeting the need for family planning, and reduced maternal mortality rate (MDG5);
- Reduction in the prevalence of HIV, particularly in the provinces of the Highlands, Momase and Madang, reduced death rate due to malaria, reduction in the prevalence of TB with due consideration for the impact of drug resistant TB, and sufficient data gathering to enable reporting against pneumonia targets (MDG6);
- Reducing the loss of land covered by primary forest, reduced water resource usage, and overall strengthened coordination around environmental sustainability (MDG7); and
- Continued collaboration between international communities and developing countries, and between bilateral and multilateral institutions (MDG8).

As the PNG Government takes forward its SDGs, it has the chance to learn lessons from the MDGs period. In this way it can more effectively plan and coordinate. It can ensure accountability across the relevant government

¹²³ United Nations Development Group, *A Million Voices: The World We Want – A Sustainable Future with Dignity for All*, 2015.

¹²⁴ Gibson, John, *Two Decades of Poverty in Papua New Guinea*, presentation made at University of Papua New Guinea, 12th June 2014. http://devpolicy.org/presentations/2014-PNG-Update/Day-1/Two-decades-of-poverty-in-PNG_John-Gibson.pdf.

departments, and ensure adequate systems and capacity to track and monitor development indicators and present results. Leadership is seen as particularly important to ensure the accurate reporting of maternal mortality rates and pneumonia targets, and build accurate trends across all targets. Complementary policy implementation on the Government's side includes the National Population Policy 2015-2024, and alignment of national policy and legal frameworks to the Government's MTDPs (2015-2017 & 2018-2022), StaRS and the Development Strategic Plan 2010-2050.

2.3 Poverty and Vulnerability in PNG

The UN defines extreme poverty as a condition characterized by severe deprivation of basic human needs, including food, safe drinking water, sanitation facilities, health, shelter, education and information. The Government's definition of poverty is one of 'poverty of opportunity', which relates to vulnerability, lack of opportunities and access to services.¹²⁵ Poverty reduction overall, however, is given a low priority by decision makers, with limited resources assigned to the implementation of PNG's Population Policy.

"The poorest people in PNG live in places that have a number of attributes in common. They have at least one severe environmental constraint (annual flooding, steep slopes, high rainfall, poor soils, high altitude or high cloud cover); or are on a small offshore island; or are isolated by sea; or have no road connection and as a result have very poor access to markets or services; or lie across the borders of two provinces so that no province or district administration takes responsibility for them; and they have very few well educated people in positions of influence to argue on their behalf, or in wage earning positions to send remittances home. Importantly, their inability to earn cash prevents them from supplementing their protein poor diets."¹²⁶

Where a person lives in PNG is an important factor influencing the likelihood of whether they are likely to be 'poor'. Poverty is strongly associated with isolation and poor quality environments. Indications suggest that 'income poverty' in PNG is strongly entrenched, a pattern that has not changed significantly over the past 40 years, suggesting the situation will be difficult to alleviate.¹²⁷ 430,000 people live in the 20 districts most affected by poverty, or approximately six per cent of the total population of PNG, with Momase the worst affected region, and West Sepik the worst affected province.

The deaths of children in the family, low adult literacy, low school enrolment, long distances to walk from home to the nearest primary school, low rates of immunization, few household assets, and constant threat of insect-borne disease due to 'basic bush housing' are all factors determining whether a household is categorized as experiencing 'extreme poverty'.¹²⁸

Statistics for Port Moresby show that between the 1996 Urban Household Survey and the 2009/2010 Household Income and Expenditure Survey there has been an increase in both the severity and prevalence of poverty. Regional comparisons show that the Highlands region is most affected, representing 37.5 per cent of the country's poverty, followed by rural Momase with a 29.2 per cent share.¹²⁹ A GDP increase per capita from PGK 3,430 in 2010 to PGK 4,681 by 2015 has not automatically helped overcome or significantly reduce

¹²⁵ Department of National Planning and Monitoring, *Millennium Development Goals: Second National Progress Summary Report 2009 for Papua New Guinea*, 2009, p.27.

¹²⁶ *ibid.*

¹²⁷ Allen, Bryant and Bourke, R. Michael, *Can rural development alleviate poverty in Papua New Guinea?* Australian National University, 2007.

¹²⁸ Burton, John, *Measuring Mining Industry Performance On Social Development and Poverty Reduction in Papua New Guinea: Do Mines Assist National Progress On the Millennium Development Goals?* Pacific Social Mapping Ltd, Canberra, 2015, p.20.

¹²⁹ Gibson, John, *Two Decades of Poverty in Papua New Guinea*, presentation made at University of Papua New Guinea, 12th June 2014.

poverty. Rising food prices have intensified vulnerability for the poor in Port Moresby, with households in the informal sector facing the same high risk of poverty as those with no economic activity, and formal sector employment providing the only protection against poverty.¹³⁰ Department of Health indicators reveal that from 2010 to 2015 some of PNG's national hunger targets reduced (see malnutrition). However, a third of the provinces experienced high levels of malnutrition: Milne Bay, Gulf, Madang, West Sepik, and East Sepik provinces, reported 30–40 per cent underweight children.¹³¹

The StaRS, which adds to the PNG Development Strategic Plan 2010-2030, includes in its guiding principles of sustainable development, no. 8: "Poverty reduction, well-being, livelihoods and social protection, [and] access to essential services". The strategy explains that 'greening' of the economy would be a net generator of decent jobs, and a vital strategy for the elimination of poverty and the achievement of human development and SDGs.¹³² Rural development alone, such as agriculture production, increased cash crops, improved infrastructure and improved supply of services, is unlikely to bring about changes to PNG's poorest areas. Rural development needs to be addressed in an integrated way, along with the need for delivery of effective health, education and basic services to the poorest areas. To ensure full delivery, projects should not be designed to rely on the performance of provincial and district governments alone, but need development on the basis of productive partnerships.

The Government maintains a commitment to providing access to services, poverty alleviation and participation in the political and civil life of the country. The first goal of the National Population Policy 2015-2024 refers to "improvement of the quality of life and the raising of living standards of the citizens of PNG". The Policy goal no.7 is "To eradicate poverty and hunger", which represents the first time poverty eradication has been established as a specific goal by the Government. The Policy Objective 5.3 sets out to significantly increase the proportion of GDP generated in regional, provincial and district centres by 2024.¹³³ Promotion of decentralization and quasi government services to regional, provincial and district centres will be led by the DNPM in collaboration with the Office of Urbanization, Provincial Affairs and the Urban LLG Association to support the production of development plans for services throughout PNG that aim to strengthen links between provincial, district centres and rural villages.

A Poverty Reduction Strategy for PNG was rejected by the National Executive Committee in the 1990s. However, to address poverty the implementation period of the National Population Policy 2015-2024 aims to:¹³⁴

- Revitalize the extension programme for agriculture, livestock and fisheries – Department of Agriculture and Livestock;
- Provide credit at low interest rates to poor households – the Bank of PNG;
- Facilitate easier market access to farm products, especially from the rural sector with a high proportion of people under the poverty line – DNPM; and
- Facilitate the provision of subsidies to agricultural inputs – DNPM.

A National Employment Policy to implement the International Labour Organization Convention 122 has been prioritized by the Government. The Convention requires, "the declaration and pursuit of an active policy designed to promote full employment with a view to stimulating economic growth and development, raising levels of living, meeting manpower requirements and overcoming unemployment and underemployment".¹³⁵ PNG commenced the process in 2012 with the Department of Labour and Industrial Relations overseeing the development of a National Employment Policy in 2014.

¹³⁰ Gibson, John, *Two Decades of Poverty in Papua New Guinea*, presentation made at University of Papua New Guinea, 12th June 2014.

¹³¹ Department of Health, *2014 Sector Performance Annual Review*, Indicators 2 & 3

¹³² Department of National Planning and Monitoring Strategy for Responsible Sustainable Development (2014), p20.

¹³³ Department of National Planning and Monitoring, *National Population Policy 2015-2024*, 2015.

¹³⁴ Department of National Planning and Monitoring, *National Population Policy 2015-2024*, 2015.

¹³⁵ ILO, *ILO Convention No. 122, Employment Policy Convention*, 1964.

2.4 Key National Development Challenges and Opportunities

Economic

Prospects for formal employment are limited and the youth that comprises 58 per cent of the population is largely unemployed. This economic dilemma has contributed to deterioration in law and order. Poverty has intensified for those in rural areas and increasingly among the urban poor. As a result, rates of child malnutrition, low birth weight babies, and illnesses such as pneumonia and tuberculosis have increased. The effect of these factors on Papua New Guineans is compounded by high domestic prices of imported goods and services, owing to the weakening of the Kina over past years.

The absence of modern domestic laws governing key areas of commerce and trade is another factor affecting the confidence of investors in PNG, and thereby the economic and social development in PNG. Efforts should be made to continue pursuing commercial law reforms, in collaboration with the Department of Justice and the Department of Trade, Commerce and Industry, to enable private sector development and rule-based trade. Access to justice and a legal environment for trade facilitation and paperless trade needs to be provided, through adoption and related capacity building on international legal standards in the following fields: settlement of commercial and investment disputes, electronic commerce, and contract law for the sale of goods, insolvency, and public procurement.

The impact of low incomes and lack of formal employment opportunities, nutrition, and health care, is affecting the population's productivity and life expectancy. The current basic education system and school completion rates is insufficient in ensuring that the future labour force will be equipped to thrive in a modern market economy. The recent economic boom has translated into uneven benefits for all citizens, with geographical disparities. The 2015 decline in Government revenue from original budget estimates, mainly due to the fall of global commodity prices, presents a challenge to maintaining public spending for public service delivery.

It is in this context that the Government, through its Vision 2050, would like to shift its economy from the mining and energy sectors to one that is led by agriculture, forestry, fisheries, eco-tourism and manufacturing.

Social

The recent economic downturn has disproportionately affected the Government's budget, as well as health and education. To fill the gap, churches manage 40-60 per cent of the service delivery in these basic services sectors across a large geographic area through either supporting government initiatives or funding Civil Society Organization's, according to a 2012 Health Service Delivery Profile from WHO and National Department of Health.¹³⁶

Weak law enforcement and cultural norms contribute to corruption, making PNG more vulnerable to crime, which has remained high over the past decade. Further progress is reliant upon reduction in the level of criminal activity, household violence, and tribal conflict and land disputes.

Political

The Government has articulated policy and national strategies, for which the recently launched StaRS aims to provide an overall umbrella. However, according to the National Human Development Report, implementation and coordination at national and subnational level remains a challenge. This is compounded by the uneven capacity of provincial and district level government. Likewise, it is a challenge for the Government to ensure that key overarching policies such as StaRS are mainstreamed.

¹³⁶ WHO and the National Department of Health PNG, *Health Service Delivery Profile*, 2012.

Other key government policies include the National Population Policy 2015-2024, The National Health Plan 2011-2020, The Responsible Sustainable Development Strategy, and the Strategic Food Security Policy. However, these still require significant government support, coordination, enhanced work force up-skilling, proper costing and resources allocation (including staffing levels) for effective implementation. The policy and national strategy environment is rich in comprehensive plans, however implementation and overall coherence and coordination at national and subnational levels remains a challenge. Increased training of public servants and those involved in service delivery is necessary. Thus, investment in the strengthening of government systems to create world-class national institutions is critical.

Systems of accountability and governance are fragmented and require strengthening in some parts of government, which has implications on overall stability. The centrality of the social contract between the state and the people depends on mutual respect and integrity. Decentralization, although a central plank of government policy and a core strategy for dealing with the major national development challenges, relies on a one-size-fits-all approach, which has left some provinces lagging behind and has not ensured delivery of quality services and state resources at the subnational level.

In 2013, the former Anti-Corruption Taskforce Sweep reported the misuse or unaccountability for 40 per cent of the Government's development budget. The country faces a range of complex challenges, including service delivery, to a diverse, dispersed and mostly rural population, poor accessibility to parts of the country, high logistics costs and supply management difficulty.

In 2016 the threat to 'big ocean nations' in relation to transnational organized crime was assessed, including PNG by way of a UN Office on Drugs and Crime report. "Papua New Guinean ministers and authorities have commented on the high incidence of criminal activities occurring across the land border between Papua New Guinea and Indonesia. The Solomon Islands' unmonitored border with Bougainville also enables relatively free movement of goods and people by small vessels, making it susceptible to trafficking of illegal commodities and facilitating the development and maintenance of illicit markets."¹³⁷ The report concludes that this vulnerability to transnational organized crime, such as drug smuggling and human trafficking, is compounded by the challenge to enforcement agencies in the region in managing territorial borders. Regional organizations and governments alike are struggling with this threat.

Environment

PNG experiences threats from periodic drought and frost, flooding, earthquakes and landslides, tsunamis, cyclones and volcanic eruptions. Widespread poverty, limited savings, low levels of education, poor health indicators and inadequate housing, access to safe water supply and other basic needs, leave PNG people living in both remote rural areas and urban settlements highly vulnerable. This means there is diminished capacity amongst individuals, households and communities to anticipate, cope with, resist and recover from the impact of natural or man-made shocks. The majority of PNG people live in traditional dwellings that are unable to withstand an earthquake or a cyclone. Lack of preparedness may result in slow response to a disaster, leading to greater loss of life or prolonged suffering. Low incomes mean many households in PNG do not have the resources to cope with natural disasters, so that many rely on support from relatives and the local community, provincial authorities, Non-Governmental Organizations, churches and donors. At the structural level, development interventions by both government and development partners have yet to adopt a risk-informed approach, or adequately account for the potential impact of disasters into their project plans. This renders projects highly vulnerable and places any development gains at risk of being undermined by the impacts of natural disasters. A risk-informed approach requires the mainstreaming of disaster risk reduction and recovery planning into development activities from the outset.

¹³⁷ United Nations Office on Drugs and Crime, *Transnational Organized Crime threat in the Pacific: A Threat Assessment*, Pacific Islands Forum Secretariat, 2016.

PNG has a wealth of biodiversity, which is coming under increasing pressure, reinforcing the need for Papua New Guineans to be able to protect it. This need is clearly stated in the StaRS and requires consolidated effort to manage ecological biodiversity at local and national levels, to shield it from any negative impacts of development that are not well managed nor in line with existing sustainable and green development strategies.¹³⁸ At the 2016 Pacific Island Forum, the Forum Chair, Prime Minister O’Neill, discussed the posed threat of climate change being as serious as any war to the global community. He urged the definition of ‘Fragile State’ to be extended to Pacific Island Nations under the threat of climate change. “The current definition of Fragile States only includes conflict-affected countries such as Afghanistan, but does not include climate change induced vulnerable states,” stated Prime Minister O’Neil, further elaborating that,

“[b]roadening the term of fragile state will enable our countries that are threatened by climate change to access more effective global resources and support. Recent events in the Pacific have again revealed the destructive nature of extreme weather events that are driven by climate change. We have seen a single event such as a cyclone wipe out years of development and greatly affect and impact the lives of the people in the Pacific.”¹³⁹

At the 2016 General Assembly, PNG voiced that “[a]s an archipelagic state, Papua New Guinea is concerned with the state of the world’s oceans, since a large proportion of our people’s lives and livelihoods including cultural heritage are linked with the oceans and seas.”¹⁴⁰ Likewise, Kiribati appealed to Member States yet again, voicing that the impacts of climate change, including sea-level rise, storm surge and cyclones, had already forced villages to relocate, had seen food crops destroyed and drinking water contaminated. Thus, the outlook for the next five years indicates increased displacement and dislocation of people in small island nations unless world leaders unite and regroup around the way forward for adaptation. A recent example of environmental disaster in Fiji, after Cyclone Winston, according to its Prime Minister, is a sign of “what awaits us as global warming triggers weather events that are more frequent and more extreme.”¹⁴¹

2.5 Development Risks and Opportunities

Economic Risks

The population of PNG is considered extremely vulnerable to shocks in food commodity prices.¹⁴² It is estimated that if the price of rice, wheat and oil were to go up by 20 per cent, a further 2.5 per cent of the population would move below the poverty line. Cornish et al note:

“[A]fter several years in which the growth of expenditure greatly outpaced that of revenue, followed by a shock to revenue due to the oil price fall, the fiscal deficit is now unsustainable and difficult to finance. If unaddressed, these problems could lead to a further loss of foreign exchange reserves and severe cash rationing within Government. There is also a risk of a further slowdown in economic activity, and damage to important Government services.”¹⁴³

¹³⁸ University of Papua New Guinea, *The State of the Forests of Papua New Guinea 2014*, 2015.

¹³⁹ O’Neil (CMG MP), Hon. Peter, Address to the Pacific Island Forum, 2016, <http://www.pm.gov.pg/pm-oneill-seeks-redefinition-of-fragile-states-to-recognise-countries-affected-by-climate-change/>, accessed 10th Oct 2016.

¹⁴⁰ Temu (KBE CMG MP), Hon. Sir. Puka – Special Envoy of the Prime Minister and Minister for Public Service, *Papua New Guinea Country Statement*, General Debate of the Seventy-First (71st) Session of the United Nations General Assembly, New York, 22nd September 2016.

¹⁴¹ Voreqe Bainimarama, Hon. Josaia, quoted in http://news.xinhuanet.com/english/2016-09/21/c_135701082.htm, accessed 10th Oct 2016.

¹⁴² The World Bank, *The Impact of Exogenous Shocks on Households in the Pacific: A Micro-Simulation Analysis*, 2014. <https://openknowledge.worldbank.org/handle/10986/20371?show=full>

¹⁴³ Cornish, Michael *et al.*, *PNG Survey of Recent Development*, Australian National University, 2015.

PNG's population growth rate of 3.1 per cent and young population demographics present a risk to the sustainability of services. They reinforce the need for continued economic growth in order to keep pace with the growing expenditure rates necessary to maintain the base level of current service delivery. Unstable global commodity prices in 2015 may present a current risk to the PNG economy, but in the longer term prospects are brighter, with further Liquefied Natural Gas projects coming online. The reliance on extractive industries however, remains a key risk as well as an opportunity. Dependence on finite resources for building economic growth is a limiting strategy that hampers sustainability and inclusive economic growth. Resources generated present an opportunity to develop a diversified broad-based economy that benefits the whole population.

The private sector is a key driver of economic development and growth, however in terms of Ease of Doing Business PNG is ranked by the World Bank as 145 out of 189 in 2016, lower than Tonga, Samoa, Kiribati, Solomon Islands and Palau. In order to diversify the economy and increase employment and small-business opportunities, significant attention is needed to reduce business costs.¹⁴⁴ As a consequence, future focus on improving indicators for doing business will increase opportunity for micro or small business and support the subsistence sector to increase business employment and living standards with enhanced livelihood and income generation opportunities. Additionally, improving the productivity of the workforce in PNG through innovation and utilization of technological advancements has the potential to positively impact and influence opportunities for inclusive and sustainable economic growth.

Social Risks

Health

PNG's poor health status is largely due to the poverty and the shortcomings of the health service. Maternal and perinatal deaths are high. PNG has the highest malnutrition rates in the Pacific, a condition that triggers other forms of infectious diseases in children. In PNG the leading cause of illness and death based on health facility information are pneumonia, malaria, tuberculosis, and HIV. Health risks also include aspects related to disability, injury and lack of nutrition. The prevalence of non-communicable diseases and the risk factors associated with them continues to rise, impacting not just on health but social and economic wellbeing, with the population displaying widespread and high levels of vulnerability to lifestyle and nutritional related diseases.

In addition, medical officials warn that multi-drug resistant TB is such a serious public health threat that it will become an unmanageable national disaster if not addressed. TB in PNG kills more people than any other infectious disease.¹⁴⁵ The problem is further compounded by high levels of drug-resistant TB, particularly in 'hotspot' areas, namely Daru of South Fly District in the Western Province, the National Capital District and Gulf province. Recognizing the scale of the risk from drug-resistant TB, the Government, in coordination with partners, established an Emergency Response Team in August 2014 to develop an accelerated plan.

Maternal and infant mortality, communicable and non-communicable diseases, HIV prevalence, water borne diseases and maternal and child health, the health system and human resources availability and capacity present the biggest health risk in the country. Access to health services for a dispersed and often geographically isolated population represents a key risk to ensuring equitable provision of quality services. There is a critical shortage of health workers compared to WHO standards and PNG ranks in the bottom 15 countries in Save the Children's Health Worker's Reach Index.

Education

Within the current school age population PNG is closing the gender gap in primary and secondary schooling. Among young adults aged 22–24 however, women are disadvantaged relative to men in attending junior college

¹⁴⁴ Cornish, Michael *et al.*, *PNG Survey of Recent Development*, Australian National University, 2015.

¹⁴⁵ Update on the Situation of drug resistant TB in PNG, WHO, 2016:

http://www.wpro.who.int/papuanewguinea/areas/tb_leprosy/daru_update/en/

or university. Gaps in educational attainment between socio-economic groups differ, with poverty influencing enrolment. A lack of capacity and opportunity to develop skills, income generation and livelihood opportunities constrains the social wellbeing and economic growth of the country, with gender disparities in educational attainment contributing to continued gender inequalities in later life.

Youth

According to the World Bank, youth, and particularly urban youth, are at risk of marginalization, enduring inequality, exclusion and poverty, and are vulnerable to engaging in risky behaviours, such as substance abuse and involvement in crime and violence. Given the critical human resources gap in the health, education and other sectors there is an opportunity to expand vocational and technical education and training to provide increased formal employment prospects while contributing to the inclusive growth and sustainable development of PNG.

Displaced Populations

As of October 2016, there are over 600 recognized refugees in PNG and more than 400 asylum seekers, predominantly from Iran, Iraq, Lebanon and Vietnam. Furthermore, the number of undocumented forced migrants from West Papuan (and of West Papuan origin) is estimated to be between ten and twenty thousand (no accurate data is available on this group).¹⁴⁶

Likewise, as of September 2016, there are over 44,500¹⁴⁷ Internally Displaced Persons (IDPs) in PNG. Internal displacement occurs as a result of tribal fights and land disputes, and natural disasters. Displacement in turn affects access to government services such as health, food security, shelter, water, sanitation, hygiene, social protection and education. Natural hazards significantly impact on internal displacement patterns, in addition to tribal conflict (see table below).

Table 2: Papua New Guinea Impact of Natural Hazards and Tribal Conflict on Internal Displacement

IDPs by type of disaster¹⁴⁸	
Cyclone	25,705
Flood	3,790
Landslide	2,194
Sea Level Rise	148
Bush fire	106
Tribal Conflict	9,280
Land disputes	3,286
TOTAL No. of IDPs	44,509

Displacement in PNG appears to be protracted with households living in temporary living situations for more than a year. These populations are more vulnerable to development challenges as they have less access to basic services including protection, which increases the risk of human trafficking and people smuggling. Women and girls are especially susceptible to abuse, from both within their communities and outside. In PNG, internal displacement has also ignited conflicts. In a context with no policy or legislation addressing the needs of IDPs, host communities react violently to displaced populations competing for resources and land. Research indicates that IDPs face the following challenges¹⁴⁹:

1. Insufficient sources of livelihoods.

¹⁴⁶ PNG Immigration and Citizenship Service Authority update, 2016 (document with restricted circulation)

¹⁴⁷ Displacement Tracking Matrix (DTRM), October 2016, IOM Papua New Guinea

¹⁴⁸ DTRM, October 2016, IOM PNG (does not include evicted persons in informal urban settlements)

¹⁴⁹ IOM, 2016

2. Lack of access to agricultural inputs and implements.
3. Lack of access to basic social services such as health and education institutions within their immediate vicinity.
4. Food insecurity – IDPs do not have adequate land access on which to produce enough food, most rely on low-paying casual labour for other farmers.
5. Lack of access to land – most IDPs are “squatting” on holding camps with very small plots on which to farm, further worsened by risks of eviction.
6. Lack of decent shelter – some still live in temporary and transitional shelters – without clean water, and sanitation.
7. Threat of violence related to tribal differences and compensation.
8. Increased incidence of gender based violence than the general population.

Tribal Conflict

Differently from many other multi-ethnic societies, conflicts in PNG mostly take place at local level.¹⁵⁰ With the exception of Bougainville conflict between 1989 and 1998, all inter-clans fighting in the last 3 decades affected only their own communities and did not challenge the National government¹⁵¹; this is the case because Papua New Guinean society is composed of relatively small and unstable political units. Allegiance and loyalty to a group is highly dependent on membership by birth or marriage, while even the smallest primary groups are unstable as disputes arise between rival leaders within the clan.¹⁵² Therefore, conflicts tend to be focused on localized issues and local power disputes, instead of escalating to national levels.¹⁵³ Similarly, to other areas, access to resources seems to be, at first sight, the main driver of conflict. The ongoing conflicts in the Highland region, for example, takes place in the surrounding areas of oil and gas fields in Hela province and gold mines in Enga province.¹⁵⁴

Natural Disasters

PNG is exposed to a variety of natural hazards, such as earthquakes, tsunamis, volcanic eruptions, cyclones, droughts, landslides, and floods. Occurrence and intensity of many of these hazards is exacerbated by environmental degradation processes such as deforestation, desertification, biodiversity loss, pollution and soil erosion. In combination with social factors such as poverty, conflict and inequality, these events and processes result in frequent disasters.¹⁵⁵

Every year, the country experiences an average of two to three disasters requiring the activation of the national emergency response system, and numerous smaller events requiring more local responses. In the past 15 years alone, it has been hit by 7 major disasters, triggered by flooding, volcanic eruption, tsunami, landslide, and drought. In addition, the country is at high risk of industrial accidents (in particular oil spills) and industrial

¹⁵⁰ Ethnic conflict in Papua New Guinea - Benjamin Reilly 2008

https://crawford.anu.edu.au/pdf/staff/ben_reilly/Ethnic%20Conflict%20in%20Papua%20New%20Guinea.pdf

¹⁵¹ Internal Displacement Monitoring Centre -Papua New Guinea: invisible and neglected protracted displacement - 2014

<http://www.internal-displacement.org/south-and-south-east-asia/papua-new-guinea/2014/papua-new-guinea-invisible-and-neglected-protracted-displacement>

¹⁵² Ethnic conflict in Papua New Guinea - Benjamin Reilly 2008

https://crawford.anu.edu.au/pdf/staff/ben_reilly/Ethnic%20Conflict%20in%20Papua%20New%20Guinea.pdf

¹⁵³ Baseline Survey: Assessing the root causes of conflict in Papua New Guinea, IOM 2016

¹⁵⁴ Melanesia’s violent environments: Towards a political ecology of conflict in the western Pacific - M.G. Allen Available online 8 November 2012

¹⁵⁵ Indigenous Knowledge for Disaster Risk Reduction: Documenting Community Practices in Papua New Guinea, IOM 2015

pollution. Unregulated and destructive land use practices and infrastructural development, as well as rapid growth in population, compound such risks.¹⁵⁶ Several low lying small islands of PNG are also experiencing more frequent storm surges due to sea level rise, and about one fifth of the land in PNG is subject to inundation.¹⁵⁷

Many communities in PNG, in particular along the coasts, are highly exposed and vulnerable to both natural and man-made hazards, as well as to the impacts of environmental and climate change. However, well before the development of technologically advanced early warning systems, or the establishment of standard operating procedures for response, such communities had developed methods to forecast hazards, issue and disseminate warnings, reduce disaster risk and respond to and cope with emergencies. Such knowledge, passed on from one generation to the next, includes the observation of animal behaviour, celestial bodies and other environmental features, as well as the use of local technologies and materials for hazard prevention and mitigation. When threatened by a hazard, indigenous communities respond by making use of all this knowledge and practices, which has evolved over generations, and will continue to adapt to future changes.¹⁵⁸

Indigenous communities in PNG have experienced a range of disasters since time immemorial. Disasters have seriously detrimental effects on people's lives, livelihoods, property and assets and can damage infrastructure and disrupt community functioning. It is therefore natural for every community to take measures to prevent and mitigate losses they might be facing when hazards strike. At-risk communities in PNG have a long history of observing changes in the environment and have amassed a wealth of knowledge and practices closely related to these changes. Their traditional knowledge systems include elements of disaster prevention, risk awareness and preparedness. Communities also employ complex strategies to respond to, cope with and recover from the impacts of hazards. These types of traditions and practices have influenced the way local communities anticipate, and adapt to, extreme weather events and other hazards.

Human Rights Abuses and Violations

Numerous groups are at disproportionate risk of human rights violations and deprivations, including women, children and young people, sex workers, refugees, IDPs, stranded migrants and victims of trafficking and the geographically isolated. Violence against those accused of 'sorcery' is common place, particularly in rural areas. Women are six times more likely to be accused of sorcery than men. Some progress has been achieved in 2013 with the UN-supported successful Repeal of the Sorcery Act of 1971, demonstrating progressive legislative reform and providing increased access to justice. However, the death penalty, which remains de jure in the state but has not been implemented since 1956, has been extended to wilful murder for any killings made based on accusation of sorcery. The adoption of the Sorcery National Action Plan in 2015 features a joint-stakeholder approach to responding to violence related to sorcery accusations. These developments demonstrated progressive legislative reform and provided increased access to justice.

Trafficking in Persons is widely prevalent with PNG being identified as a source, destination and transit country for men, women and children subjected to sex trafficking and forced labour. Despite efforts made over the past couple of years, including formal legislation that criminalizes the offence of Trafficking in Persons and human smuggling¹⁵⁹ in line with international standards, practical implementation by the government has been

¹⁵⁶ National Disaster Centre (NDC) 2005 The Papua New Guinea Disaster Risk Reduction and Disaster Management National Framework for Action (2005–2015)

¹⁵⁷ Australian Bureau of Meteorology and Commonwealth Scientific and Industrial Research Organisation (CSIRO) 2014 Climate Variability, Extremes and Change in the Western Tropical Pacific: New Science and Updated Country Reports, Pacific-Australia Climate Change Science and Adaptation Planning Program Technical Report. Melbourne, Australia

¹⁵⁸ Ibid.

¹⁵⁹ Trafficking in Persons and Human Smuggling was officially recognized as a crime through the legislation of the Criminal Code (Amendment) Act 2013, which was officially enacted in 2014

significantly weak. A severe lack of understanding of human trafficking exists among law enforcement and frontline officials, further exacerbating the situation. Capacity to identify victims, or lack thereof, in turn often translates into charging victims for offences they had no control over, such as prostitution and illegal entry. PNG's large scale industries have been identified as potential hotspots for labour exploitation due to their remoteness and general lack of oversight. PNG does not yet fully comply with the minimum standards for elimination of trafficking and support and protection services for victims has fallen on international organizations and non-state actors to provide.

Non-existent legislation for the protection of witnesses and victims has also meant an unwillingness to come forward and hold perpetrators accountable. Children in prostitution increased by 30 percent in 2013 with 19 percent of PNG's labour market comprised of child workers, some of whom are subject to forced labour or child prostitution.¹⁶⁰ The porous land border between Papua New Guinea and Indonesia, as well as on the Bougainville side, has also increased potential for human smuggling and possibilities for such irregular migrants to find themselves in an exploitative state. A lack of personnel, border crossings, and infrastructure further encourages such practices and with no formal systems to protect these vulnerable populations the duty of care is passed on by the government to international organizations for support with attention to immediate needs.

The prevalence of sexual violence has been identified as a national issue affecting women and children in both rural and urban areas, a high proportion of which is alcohol related.¹⁶¹ Women and children as victims, witnesses or offenders face significant barriers to accessing protection services and the formal justice system. Many of these cases are still viewed as family matters to be dealt with in the home.

Violence against girl children is widespread, with young girls particularly vulnerable to sexual violence within the home and in school. Girls in tribal areas are most vulnerable to trafficking and commercial sexual exploitation and in urban areas children from poorer families are at risk of being prostituted by their parents. 75 per cent of PNG children experience physical abuse, with even more experiencing verbal abuse.¹⁶² Children in prostitution increased by 30 per cent in 2013 with 19 per cent of PNG's labour market comprised of child workers, some of whom are subject to forced labour or child prostitution further increasing cases of child trafficking.¹⁶³ Although the Lukautim Pikinini Act 2015 sets 18 as the legal age for marriage for boys and girls, customary and traditional practices permit the marriage of girls as young as 10 or 12 years, and early marriage is common. An estimated 21 per cent of PNG women aged 20–24 years were married by the age of 18, with two per cent married before 15 years.¹⁶⁴ These high rates of child marriage, as well as limited access to contraception, contribute to PNG's overall high rate of fertility, and infant and maternal mortality rates. Child marriage and early pregnancy are barriers to girls' access to education. Civil society also lacks effective systematic human rights monitoring, reporting, and advocacy.

Impact of Crime

Forty per cent of household's experience one dispute per year, with disputes over land or water constituting 22.8 per cent of all disputes.¹⁶⁵ Domestic violence is the second highest form of dispute, followed by theft and physical assault. There are a significant number of males involved in tribal disputes and disagreements over decisions made by local authorities. Women are more impacted by crime than men, with women's livelihoods

¹⁶⁰ US Department of State, *2014 Trafficking in Persons Report*, 2014.

<http://www.state.gov/j/tip/rls/tiprpt/countries/2014/226796.htm>

¹⁶¹ Asian Development Bank, *Papua New Guinea Country Gender Assessment 2011-2012*, 2012, p.15.

¹⁶² UN General Assembly, *Report of the independent expert for the United Nations study on violence against children*, 2006

¹⁶³ US Department of State, *2014 Trafficking in Persons Report*, 2014.

<http://www.state.gov/j/tip/rls/tiprpt/countries/2014/226796.htm>

¹⁶⁴ UNICEF, *State of the World's Children Report*, 2013.

¹⁶⁵ National Statistical Office, *Household Income and Expenditure Survey 2009-2010*, 2013.

and income particularly affected by crime in rural areas. 38 per cent of women say crime keeps them from walking to the market, and 80 per cent of rural women feel their daily activities put them at risk. 22.4 per cent of urban women feel unsafe walking to work.¹⁶⁶ The prevalence, social and economic and related costs of crime represent a key risk to building an inclusive and sustainable development model for PNG.

Political Risks

The implications of the low global commodity prices, which are expected to remain at a low level for the short to medium term, are that the Government will have limited resources with which to fund its policy agenda. This in turn may impact its ability to hold its governing coalitions together. An undiversified economy and over reliance on commodities will limit the Government's ability to recover quickly, potentially leading to increased competition for resources between levels of government and other stakeholders. The 2017 elections at a time of economic downturn are another risk to the political stability achieved since the upheaval of 2011 and 2012. Elections increase the risk of volatility; as disputed results are a feature of national elections.

Ongoing changes to government ministers has led to an uneven policy environment and disrupted the flow of funds from agreed programmes to competing priorities, causing programme resources to be reduced or put on hold and schools and health facilities, for instance, to be closed. Contributing to these risks, which are likely to continue up to and after the election, is the generally high turnover of Members of Parliament in national elections. Under the Limited Preferential Voting system in operation in PNG, the turnover remains abnormally high, with a 61 per cent turnover in the 2012 elections.

Land disputes bring political risk as there is limited access to justice for landowners. Approximately 97 per cent of the total landmass of PNG is customary land, which means landowners have little security of title and are often not recognized in the courts. The country has a history of inter-communal violence and tribal conflicts, often triggered by land disputes or political rivalries.¹⁶⁷

Environmental Risks

Between 2003 and 2013, disasters triggered by natural hazards caused \$1.5 trillion in economic damage globally.¹⁶⁸ Developing countries have been disproportionately affected by natural disasters, which often undermine overall economic growth and development.¹⁶⁹ A 2008 Geosciences Australia study of 26 Asia-Pacific regional countries found that PNG ranked within the top six of these countries with the highest percentage of population exposed to earthquake hazard, as well as having one of the highest total populations exposed to earthquake in the Asia-Pacific region. PNG also ranked close behind the Philippines, Indonesia, and Vanuatu in having the highest percentage of population exposed to severe volcanic risk.¹⁷⁰ In addition to these risks, PNG continues to be particularly prone to tsunamis, cyclones, river and coastal flooding, landslides, and droughts. The economic effects of disasters in PNG have been severe and manifold in the past. From 1984 to

¹⁶⁶ Kassens, Alice and van der Meulen Rodgers, Yana, *Gender Analysis Framework for 2009-2010 Household Income and Expenditures Survey (Draft 3)*, 2015, p.118.

¹⁶⁷ Kok, Frederik, *Papua New Guinea: invisible and neglected protracted displacement*, The Internal Displacement Monitoring Centre, 2014, <http://www.internal-displacement.org/south-and-south-east-asia/papua-new-guinea/2014/papua-new-guinea-invisible-and-neglected-protracted-displacement>, accessed 12th Oct 2016.

¹⁶⁸ Food and Agriculture Organization of the United Nations, *The Impact of Disasters on Agriculture and Food Security*, 2015.

¹⁶⁹ Luxton, Emma, *How much do natural disasters cost the world?* World Economic Forum, December 2015, <https://www.weforum.org/agenda/2015/12/how-much-do-natural-disasters-cost-the-world/>, accessed 10th Oct 2016.

¹⁷⁰ The World Bank, *Reducing the Risk of Disasters and Climate Variability in the Pacific Islands: Papua New Guinea Country Assessment*, 2009.

2009, earthquakes and tsunamis resulted in the highest death tolls accountable to environmental disasters, with 508 and 2,182 recorded deaths respectively.¹⁷¹

According to PreventionWeb, the combined economic cost of nationally reported disaster losses in PNG within an eight-year period from 2005-2013 was more than \$23.1 million. While the Average Annual Loss based on probabilistic risk results suggests that up to \$169.84 million in total economic loss can be expected, based primarily on the main hazards of earthquakes, flood and volcano.¹⁷² Recent major disasters in PNG continue to highlight the risks the country faces, from the severe food shortages during the 1997 El Nino,¹⁷³ to medium scale disasters such as Tropical Cyclone Guba affecting 150,000 people in 2007,¹⁷⁴ and Tropical Cyclone Ita in 2014 directly impacting more than 12,000 people.¹⁷⁵ During the 2015-2016 El Nino, a nationwide government-led assessment found that up to 2.2 to 2.4 million people were affected by the drought and frost, while a World Food Programme food security assessment, vulnerability analysis and mapping, in early 2016, identified around 180,000 people experiencing severe food insecurity.¹⁷⁶ Those affected include populations in the high altitude areas of Enga, Southern Highlands, Hela and Western Highlands, and in the Highland and Highland fringe areas of West Sepik, Simbu, Eastern Highlands and inland Gulf. The inland lowlands of Western Province have also been severely impacted, as well as parts of mainland Milne Bay and small islands in Samarai-Murua, Esa'ala and Kiriwina-Goodenough. PNG continues to be categorised as a country under "high focus" based on OCHA's risk model for Asia and the Pacific.¹⁷⁷

Climate Variability

Climate projections used to determine the climate future in the Pacific and in PNG have been derived from 18 global climate models, producing a range of possible futures. Over 95 per cent of PNG's emissions are derived from land use, land use change, and forestry, including the effects of forest fires. The remainder come from mining, transport, and the production of energy, oil and gas.¹⁷⁸ PNG's national action on REDD+ and forest degradation and conservation, sustainable forest management and carbon stocks enhancement increased significantly since its adoption in Bali in 2007.

According to the Pacific Climate Change Science Programme Country Report for PNG, throughout the 21st Century PNG will face the following impacts of climate change: high probability of increased annual and seasonal rainfall, and intense and frequent days of extreme rainfall; reduced incidence of drought; tropical cyclone numbers to decline; ocean acidification to continue; and mean sea level rise to continue. Acidification and sea level rise present particular risks to communities in coastal areas, both with regard to the impact of climatic variability on their personal safety and on the availability of fish catch and other natural resources drawn from the sea. Further socio economic vulnerability assessment and research is needed to inform resilience and adaptation strategies.

¹⁷¹ *Ibid.*

¹⁷² PreventionWeb, *Papua New Guinea: Disaster & Risk Profile*, 2016, <http://www.preventionweb.net/countries/png/data/>, accessed 10th Oct 2016.

¹⁷³ Bourke, R. M., *The 1997 drought in Papua New Guinea: Development and Food Security*, Development Bulletin Vol. 49, Jul 1999, pp. 40-41.

¹⁷⁴ Australian Agency for International Development, *Cyclone Guba, Papua New Guinea*, Nov 2007, <http://reliefweb.int/report/papua-new-guinea/cyclone-guba-papua-new-guinea>, accessed 10th Oct 2016.

¹⁷⁵ International Organization for Migration, *Helping Cyclone Victims in Papua New Guinea*, May 2014, <http://reliefweb.int/report/papua-new-guinea/helping-cyclone-victims-papua-new-guinea>, accessed 10th Oct 2016.

¹⁷⁶ PNG Disaster Management Team, *Papua New Guinea: El-Niño Response Plan (Apr-Sep)*, June 2016.

¹⁷⁷ UN Office for the Coordination of Humanitarian Affairs, *2016 Regional Focus Model*, 2016.

¹⁷⁸ PNG Climate Change Strategy, 2010. <http://documents.worldbank.org/curated/en/382741468145478031/Climate-change-in-Papua-New-Guinea-Framework-for-the-national-climate-change-strategy-and-action-plan>

Section 3: The UN's Comparative Advantage

The UN's universal comparative advantage is characterized by the following: 1) the **mandate** to act; 2) the **capacity** to act; and 3) being **better positioned** to act than others. In real terms the UN's comparative advantage is recognized globally as the following: the ability to strengthen national capacities at all levels leading to national ownership; supporting national monitoring and implementation of international commitments, norms and standards; acting as convener of a wide range of national and international partners; providing high quality technical expertise in specific areas; objective monitoring and evaluation of the national development framework; impartial policy advice based on international experience, technical expertise and good practices; and providing neutral space within which political issues can be addressed and resolved, including support for mediation or peace negotiations. Many of these resonate in the PNG context and have been identified as priority programming opportunities and relevant partnership modalities.

In June 2016 the UN in PNG reviewed its comparative advantage with consideration for the 2030 Agenda and the UN's future five-year planning cycle. The UN highlighted the following: that the future planning environment is not 'business as usual'; that there is the need to follow the SDGs as the agenda for priority setting; that localizing and establishing partnerships needs to be a priority; that supporting the generation of quality disaggregated data and its management must be at the forefront of any programme planning; that monitoring future development and identifying results is a key contribution to national monitoring of SDG attainment; and that the UN is to strengthen and maintain a unique position in PNG as a trusted and impartial partner based on identified and agreed needs.

A review of the strengths, weaknesses, opportunities and threats of the UN in PNG consolidated the UN's comparative advantage moving forward. The UN in PNG overall expressed commitment to building on its Delivering as One commitments, factoring in greater levels of flexibility, innovation, and new and creative partnerships. In detail the UN in PNG is well positioned to take forward:

- **Strengthened positioning and the voice of the UN** with its trusting government partners at all levels, as well as forging partnerships that ensure the UN delivers through relevant partnerships to reach the unreachable;
- **Multi sectoral and interagency approaches** that respond to local need through an integrated and considered geographic specificity;
- **Strengthened responses to the SDGs through programme** approaches that align with the national development planning agenda;
- **Addressing the needs of youth;**
- Response to the **urgent need for strengthened data management and analysis;** and
- **Mainstreamed capacity for human rights, gender equality and women's empowerment** and continued deepening of PNG's **capacity to respond to the global normative agenda.**

Section 4: Causal Analysis

The identification of the root causes of national development challenges helps to frame and target the programming priorities of the UN. It forms the basis of a stronger understanding of associated capacity gaps, and therefore the capacity development needs of both rights holders and duty bearers (the state), to be either targeted or mainstreamed within joint programming. In addition, a human rights based approach to causal analysis identifies both the rights holders and duty bearers associated with specific development challenges. They can then be involved in participatory programming and monitoring, supported by capacity development activities that will enable them to claim their rights or fulfil their obligations and duties respectively. As in the case of HIV, analysis identifies, conversely, the way in which development challenges can exacerbate the development status of the country, and the negative impacts of related social, cultural, economic and environmental shocks.

A total of ten major national development challenges were drawn from the country analysis for further consideration, to identify underlying and root causes that contribute to multiple challenges, to highlight capacity gaps and therefore capacity development needs, and summarize potential priority themes for the UN moving forward. This will allow for the review of common strategic priorities for capacity development and joint

programming. It will also allow for the identification of potentially catalytic synergies that offer opportunities for multiple impacts where development challenges are closely linked or have a connected causal relationship.

The causal analysis is a living analysis that grows and strengthens as further detail, data and insights come to light, and as the UN Country Team prioritizes its interventions in the UNDAF 2018-2022. The inclusion of additional challenges for detailed review will continue to inform the integrated planning process. In line with the country analysis, the causal analysis is presented below under the broad headings of: Economic, Social, Political and Environmental.

4.1 Economic

Demographic Change

The **root causes** of demographic change are overall population growth and the migration of people from rural to urban areas. The further spread of families and communities to more isolated or disparate areas reduces access to services and markets.

Rights holders are individuals and communities living in informal urban settlements. They are those affected by migration, as well as those who migrate, driven by expectations of economic activity and opportunity in urban environments. Housing shortages, which cause the settlements to grow, impacts all rights holders. They are also affected by low adult literacy, low rates of immunization, and rising food prices with no means to grow food. Rights holders are those facing challenges to the wellbeing of their families and their ability to pursue viable economic activity.

Duty bearers are the Government in their implementation of the National Urbanization Policy, as well as the National Capital District Commission.

Capacity gaps exist within line government agencies and sub-national service providers, such as DNPM, and the Office of Urbanization, as well as in Local Urban Authorities, such as the National Capital District Commission, provincial governments and the Urban LLG Association. The substandard housing in cities leaves a capacity gap in the housing of incoming migrants to urban destinations. Informal urban settlements leave individuals and families subject to insect-borne disease. They are faced with a lack of sufficient basic and essential services, and are exposed to violence and crime.

Programme priorities, therefore, focus on policy advocacy that creates incentives for teachers, health workers and other service providers. This might include salary increases if relocating to areas where professionals are needed, and similar approaches to incentivizing families of school-age children to attend school. For government the priority is development of capacity to implement the PNG Settlement Development Strategy 2015-2020 and the City Wide Settlement Upgrading Strategy 2016-2026. Policy implementation skills are needed to take forward the National Urbanization Policy 2010-2030 and the National Population Policy 2015-2024. Urban planning and provision of geographically (and not per sector) targeted poverty reduction strategies with integrated services is both a programmatic and modality priority. Programmes that prioritize water, sanitation and hygiene in urban settlements, and both rural and urban areas, address the root causes of morbidity and mortality among the most vulnerable and at-risk groups.

Infrastructure

The **root causes** of inadequate infrastructure include a lack of financial resources and labour to maintain or fix damaged state assets, including roads, schools, housing, vehicles and other equipment, nor to build new infrastructure in expanded areas of population growth. Budgeting and planning does not sufficiently factor in the maintenance or repair needed for deterioration caused over time, or as a result of extreme weather events.

Rights holders are the rural communities that need to utilize infrastructure to access services, or for safety and shelter. They include farmers, small landholders and others engaged in economic activity requiring access to markets. **Duty bearers** are the Government in their application of the National Urbanization Policy.

Capacity gaps relate to the following: procurement and project management capacities required for construction and maintenance of infrastructure; project management, including supervision; and planning and procurement of supplies and labour.

Programme priorities focus on urban planning to address demographic change. **Intervention** is needed in the building of capacity, so that urban centres can deal with population growth, as well as manage and maintain infrastructure. There is limited capacity however, in areas where programme cooperation could produce the greatest results.

Agriculture

The **root causes** of food insecurity and reduced livelihood and income generation opportunities relate to the following: the limited percentage of land use for commercial agricultural purposes; a lack of coordination of market access, crop quality or crop management; average yields and declining agricultural systems; and dominance of the plantation estate, with no commensurate advancement in market support from the Government.

Rights holders are primarily small landholders, and those needing access to agricultural products for sustenance and economic activity.

Duty bearers include the Department for Agriculture and Livestock, which is responsible for the following: implementing government agricultural policies; managing issue of land for commercial agriculture and livestock purposes; and implementing policies in agricultural exports and policies relating to land for commercial extractive purposes. The latter involves the Department of Land and Physical Planning, which is the government entity responsible for data gathering and management in relation to agriculture and livestock, and oversees those in management of product compliance mechanisms (such as plantations). As duty bearers, the National Department of Planning and Monitoring provides subsidies to agricultural inputs and easier markets for farm products, and the National Fisheries Authorities' commercial division manages fisheries and marine resources.

Capacity gaps relate to the following: the ability to translate policy into strategy; knowledge of policies in order to manage compliance (from those in authority) and self-regulation (from landholders); and the need to address the data crisis in order to monitor reforestation rates, among other activities.

Programme priorities will focus on the following: the Department of Agriculture and Livestock's drafting of the Second National Food Security Policy; ensuring skills development related to extension that supports agricultural production and implementation of the National Land Development Programme; engagement with the Bank of PNG to enable low interest rates to poor households; advance policy priorities for greening the economy to be a net generator of decent jobs; and building capacities and advocating for MTDP alignment with the StaRS.

4.2 Social

Health

The **root causes** of the chronic health status in PNG is the state of the health service delivery system, which continues to face the following challenges: a critical shortage of a competent health workforce; frequent shortages of essential medicines and supplies; and uneven leadership and management capacity at all levels of the system.

Rights holders include the following: young pregnant women; people living with HIV, particularly key populations of men having sex with other men; transgender people; male and female sex workers; prisoners; the disabled; the rurally isolated; and the rural poor. **Duty bearers** include the Department of Health, provincial

and local level government health authorities, Child Health Advisory Committees, hospitals, the National AIDS Council and Secretariat, church-run health facilities, and private sector medical services.

System **bottlenecks** resulting from the decentralization of government functions are also a major obstacle to coordination and effective delivery of services. There is a lack of a functional primary health care programme that is well funded and equipped to deliver a package of essential health services at all levels of the health care system. The establishment of District Development Authorities in 2015 compounds the already complex system of decentralization and is likely to herald additional capacity constraints in service delivery. The current economic crisis has also resulted in shortages of foreign currency, which have in turn affected staff recruitment, as well as the procurement and distribution of essential medicines and vaccines. The causes of the continued increase of HIV prevalence includes the discrimination and stigmatization of key population groups (sex workers, men having sex with other men, transgender people, and prisoners) linking levels of vulnerability and risk of HIV infection with lack of access to health services for prevention and treatment. This is exacerbated by the legal and policy environment around the sexual behaviour of key populations.

Capacity gaps exist in the critical shortages of human resources in the health system, as well as in the ability to supervise and technically understand the receipt and distribution of medical supplies. For government departments in particular, the ability to gather and manage data to reduce and mitigate data gaps and accurately report on disease prevalence is important.

Programme priorities, in addition to support for technical development of front line staff, focus on data gathering, collection and utilization. There must also be a focus on analysis and management of health related information, including from populations at risk, such as sex workers, men having sex with men and transgender people. Advocacy that addresses non-communicable diseases and strengthens coordination around the HIV response is needed. Maternal and infant mortality, as well as smoking, and the collection of relevant data on these are also perceived priorities. Training and support for front line health workers is a high priority. Continued advocacy and awareness raising to address the stigmatization of people living with HIV to reduce discrimination and marginalization, particularly of key populations, and to increase access to and continuity of care.

Gender Inequality

The root causes of gender inequality are the attitudes and behaviours towards women and girls, sometimes due to traditional norms. These social and cultural practices hamper the advancement of gender equality, and impact on opportunities for women and girls to take on leadership roles in politics, the economy and the public sector.

Rights holders are the following: women and girls in PNG who are vulnerable to discrimination at all levels, in the public and private sphere, and in the economy and democratic governance; women and girls who are vulnerable to and survivors of violence (in all its forms, including child marriage); civil society and gender advocates (including media and faith based organizations); and men and youth.

Duty bearers are clustered under the broad banners of the executive, the judiciary, legislature, the UN and other development partners. The executive includes the National Department of Education, the PNG Electoral Commission, the National Statistics Office, and the Constitutional Law Reform Committee.

Capacity gaps exist with the absence of good, reliable data and due to unavailable population census data. An overarching capacity gap exists in addressing the root causes of the manifestations of gender inequality.

Programme priorities include the following: support to Family Support Centres and associated services; empowerment of women for leadership roles in the economy and democratic governance; programmes that target parliament; the utilization of statistics to prepare evidence-based analysis; the strengthening of sectoral capacities to ensure access to services; the ability to understand and apply laws and policies that respond to the advancement of gender equality in alignment with international norms and standards; capacity building of informal justice systems and faith based organizations to understand and respond to gender inequality and sexual and gender based violence at the community level; the mainstreaming of gender and gender responsiveness in

areas such as electoral management; and joint programming in the area of sexual and gender based violence, with strengthened women's participation. There is an opportunity to change social norms surrounding gender, by mainstreaming gender into the national curriculum, positioning schools as places where all young people and especially girls are empowered and given greater voice.

Youth Unemployment

The **root causes** of severe youth unemployment are boys and girls put at a disadvantage with regard to access to education and skills development opportunities, and to formal economic opportunities. Rural to urban shifts move young people from supporting subsistence livelihoods to needing to find alternative viable economic activity. The growth of urban centres is lacking in provision of basic services and employment opportunity. Lacking or mismatched education or skills acquisition leaves young people unskilled. Unsafe community and working environments reduce employment options for young women. Access to and abuse of drugs and alcohol render young people unfit for work, or more likely to turn to crime.

Rights holders are young women and young men in both rural and urban areas, with a higher proportion in urban areas. **Duty bearers** are the government departments of Community Development and the National Youth Commission, and the Departments of Education and Vocational Training. The National Youth Authority are responsible for combatting crime, drugs and alcohol abuse.

Capacity gaps exist in the mechanisms that need to be in place to support rights holders in claiming their rights, as well as in duty bearers' ability to protect, promote and ensure the realization of these rights.

Programme priorities focus on the following: strategies to address crime, drug and alcohol abuse; review of needed vocational skills and development of accessible skills training programmes; linking to national, provincial, district and local service delivery entities to ensure priority for youth access; the deployment of professionals to fulfil the educational and training needs of young people; health programmes that address the mental health and wellbeing of young people; programmes that raise awareness of and address safe communities, particularly those targeting the safety of women and children; programmes that exploit and increase the participation of young people in innovative technologies, especially those linked to viable industries; and policy advocacy for the development, implementation and monitoring of youth policy.

Water, Sanitation and Hygiene – WASH

The **root causes** of issues around WASH are linked to land and water ownership. Existing social norms remain that include open defecation and not practicing hand-washing. In addition, dependency on unimproved water and traditional approaches to sanitation are also factors.

Rights holders are the parents of children, including children with disabilities, and pregnant women. **Duty bearers** include the National and Provincial Departments of Health and Education, the WASH Programme Unit in the Department of National Planning and Monitoring, Water service providers and operators, and the Conservation Environment Protection Authority. Budget control and decision-making sits with the district Members of Parliament. Innovative approaches have increased the roles of duty bearers and rights holders in relation to WASH in the following ways: engaging the private sector, school boards, traditional leaders and the decision makers in communities, to share the responsibility for infrastructure, including school buildings, houses and ancillary facilities; involving communities, youth and children with citizens report cards, to empower and give voice to children, youth and women in steering programme focus; and advocacy to donors and development partners to raise awareness and leverage additional resources.

Capacity gaps exist at all levels and especially in areas of leadership, management, coordination and budgeting.

Programme priorities of WASH need to ensure the following: citizen capacity to engage in promotion and practice of hygiene practices, including menstrual health for women; community self-assessment and advocacy; involvement in participatory budgeting; community-based monitoring; and the creation of spaces for dialogue and engagement with the media, including print, radio and television. Universities are seen as a quality partner

in vocational training provision, research and local innovation in WASH. There is priority for organizational development of the WASH Programme Management Unit in order to transition to the National WASH authority, including formulation and enforcement/compliance of regulatory framework on WASH service delivery. Human Resources (both in terms of numbers and skills) are needed to provide and deliver services on WASH at national, subnational and local level.

4.3 Political

Rule of Law

Root causes that hinder rule of law are seen as primarily relating to youth unemployment, and urban sprawl that has no commensurate opportunities for economic activity. Other causes include a sense of uselessness in the community, particularly the young male community, lack of access to the formal or informal economy, access to drugs, criminal opportunities, and the proliferation of firearms. The lack of social responses to youths breaking the law also contributes.

Rights holders are all members of the community, and in particular the following: women and children subject to abuse and needing to access services or the formal justice system; women and children subject to human trafficking; and other young people. **Duty bearers** are the Government, the police and the judiciary. The Government's role is to provide case management, counselling and victim support.

Capacity gaps exist in the following: the capacity of the police; the provision of case management, counselling and victim support, and the ability to establish such programmes; and mediation skills and the ability to manage mediation mechanisms, particularly in relation to land disputes.

Programme priorities must address the cultural requirement for face-to-face mediation while mitigating the barriers placed by distance and access to services. Community policing could look to the good practice example of the Bougainville community policing model. In this respect, the enactment of modern domestic laws governing key areas of commerce and trade in PNG would also be conducive to strengthening the rule of law in both domestic and international commercial relations.

Governance

The **root causes** of development challenges directly relating to Governance concern the following: government institutions starved of resources, while politicians are responsible for decisions related to resource allocation and prioritizing their political needs; public sector offices deployed to the local level with no training to perform their duties; no accountability structures within government; no monitoring systems or performance tracking; capacity development not taking place at the same rate as the devolution of power and administrative responsibility to the local level; and the cultural and geographic diversity of PNG's population meaning very different levels of infrastructure, resource and capacity exist from one region to the next.

Rights holders are the community members seeking access to services and participation in democratic processes. They are public sector employees seeking to attain the necessary skills for employment, and seeking the incentives and measures to ensure safe deployment and remuneration to regional and rural centres. **Duty bearers** are the national, provincial and local levels of government responsible for management of decentralized systems and application of the organic law.

Capacity gaps exist in the following: understanding public financial management, the ability to understand and implement urbanization policy; and the skills needed by public sector employees to provide quality services.

Programme priorities exist around the following: engagement of individuals in democratic processes; increasing the participation of women; public financial management and application of the organic law; implementation of the National Urbanization Policy in order to strengthen the economic, social and environmental fabric of PNG's urban areas; and advocating for management and accountability practices that respond to national development priorities and local level development planning.

4.4 Environment

Climate Variability

The **root causes** of the negative impacts of climate variability include: the lack of awareness of disaster management regulators and legislative frameworks in sub-provincial and local levels; limited coordination between Disaster Risk Management and climate change adaptation agencies; limited institutional capacity and fiscal resources allocated to planning and design of risk informed investment; lack of available historical natural hazard data, which hinders assessment of risks; and sea level rise, climate change, extreme weather events, and food and water insecurity.

Rights holders include communities and households affected by drought, sea rise and extreme climatic variability. **Duty bearers** encompass government entities at the national, provincial, district and local level that focus on National Disaster Preparedness, Disaster Risk Management, Climate Change and Development, and Conservation and Environmental Protection. These include, the National Weather Service, the Geophysical and Volcanology Observatories, the PNG Defence Force, as well as civil society, including Christian churches and the PNG Red Cross Society.

Capacity gaps exist in the collection, utilization and management of data, as well as logistical and coordination capacities, and in the ability to apply technical knowledge. Disaster Risk Management capacities at the provincial and sub-provincial levels are extremely varied across PNG. Some provinces (such as Morobe and Milne Bay) have invested in establishing stronger Disaster Risk Management structures, while capacity gaps can be found in provinces that have chosen to focus instead on other development priorities.

Programme priorities include strengthening technical capacities in disaster and natural environment sciences; focus on disaster risk management and adaptation technologies; better data management and utilization, coordination, and logistics. Intervention is required in community-based disaster risk reduction, and in the tailoring of programming that addresses the specific needs of different regions. A focus is needed on the ability to manage the structures put in place to respond, monitor or mitigate disasters.

4.5 Summary Conclusions

The common country analysis draws together current analysis on PNG's country context from an economic, social, political and environmental perspective. Current development priorities, development challenges and risks, and national development planning priorities inform review of root causes, capacity development needs and the roles and responsibilities of rights holders and duty bearers. Proposed programming priorities for the period 2018-2022 have been defined based on the analysis, the current national development planning and policy environment, and presented against the global sustainability framework of the SDGs.

The root causes identified through the common country analysis reflect the very unique and specific development context of PNG, culturally, politically and geographically. They also reflect PNG's current development status, governance structures and systems, as well as demographic change. Geographic isolation and poverty are persistent root causes across many of the challenges and with it the lack of services, particularly those that aim to meet human development needs. Urban growth and rural-to-urban migration has exacerbated social and economic issues, and issues around land rights and utilization. Unemployment or under-employment and limited economic activity opportunities are the root cause of crime and youth driven social unrest. Low adult literacy drives a lack of ability to understand or claim human rights, prioritize education in children, address malnutrition or health needs of families, or access relevant services. Limited opportunity to participate is a root cause of a lack of voice in democratic systems. Gender inequality is the root cause of women's inability to engage in decision-making.

There is a crosscutting lack of data upon which to plan or monitor development. This affects the planning and targeting of programmatic or service related priorities against development needs. There is a lack of incentives, safety measures and resources to increase the deployment of quality service delivery staff to regional centres.

There is little development of the specialized skill-sets needed in professional streams of employment to deliver services, and as such the capacity is low, exacerbating poor coordination, service delivery, industry growth and decision-making.

Climate change variability has a multi-sectoral impact, as do low literacy rates and the status and vulnerability of women and marginalized groups. Poor decision-making, resource allocation and accountability in current governance structures is the root cause of stalled development activity. As is a lack of alignment with national development plans, or the redirection of development funds for political gain.

The high burden of non-communicable diseases affects quality of life and life expectancy, placing pressure on weak health services, on family life and the economy. The combination of root causes of development challenges, supply issues, demographic change, and the impact of climatic variability, exacerbates the HIV epidemic, impacting the ability to both mitigate and treat the HIV burden, or to reach those in need of care. These issues in turn bring pressure to bear on health services, the health and economic status of families and contribute to the marginalization of vulnerable groups. A mainstreamed approach to HIV in the PNG context is warranted.

Capacity development needs of both rights holders and duty bearers across the challenges span the broader enabling environment, at the institutional level and the individual level. Capacity development needs focus around programme management capacity, and skills and experience in service delivery, particularly for front line technical staff. Governance related decision-making for Members of Parliament and local level government was prioritized repeatedly, particularly with regard to understanding, applying and monitoring national policy and administrative systems. Capacity development to increase the community's voice, the voice of marginalized groups, and engagement of individuals in democratic and political processes, expanding the participation of women in that context, were also highlighted. The engagement with educational bodies to increase access to technical education, innovation and research for both girls and boys, women and men was highlighted as a development need. It was also identified as an opportunity requiring consideration of the capacity of education and training institutions, and the necessary incentives to increase participation of both women and men in education, training and specialized skill development.

Capacity development in data gathering, management and analysis was a crosscutting priority across all challenges. Technical knowledge in the delivery of the state services of policing, urban planning, and health service delivery is needed in order to meet demand, and attract the growing youth populations to those professions. Application of innovative technologies in all industries, and particularly in the natural sciences, was prioritized. National capacity to monitor climate variability and move agriculture from subsistence to more commercial practices of farming were considered of particular importance.

Mainstreaming of gender and human rights is needed to increase a human rights-based and engendered approach to development, particularly in relation to the following: mitigating the social, cultural and economic impacts of sexual and gender based violence; increasing access to health services and education; and ensuring duty bearers have the capacity to enact policy, services and decision-making that responds to the needs of rights holders across all regions of PNG.

Programme priorities link to capacity development expectations and need. Education and health service delivery, and policy advocacy, remain key priorities. There is an urgent need for quality, reliable data across all sectoral areas in order to allow for evidence-based programming and analysis. Policy advocacy is needed in support of youth policy development and application in order to address issues of under employment, youth crime, and drug and alcohol abuse. Policy advocacy is also needed in the following: the application of innovative technologies; the translation of national policy into strategy; and the application of laws and policies to increase the ability of women, men and children to realize and access their rights.

Priority must be given to governance and the strengthening of the democratic process that supports the increased engagement and leadership of women, and creates a voice for youth, women, and the poor, rurally isolated and marginalized groups. Technical skills development that targets management and decision-making in a widely decentralized context for both Members of Parliament and local level government is needed in development

priorities that include allocation and utilization of public funds, and procurement of, and accountability for, goods and services.

WASH service delivery and programme management must address water, sanitation and hygiene factors contributing to the chronic health statistics. Priorities need to include safe community programmes to address the high crime rate and high statistics for sexual and gender based violence. Bougainville provides a good practice model for community policing to address negative crime rates, weak rule of law and a lack of access to justice, particularly for women and girls. Urban planning is needed to address demographic change, the capacity of urban centres to deal with population growth, and the management and maintenance of infrastructure.

The UN Country Team in PNG, after consideration of a number of different options for framing the 2018-2022 UNDAF, agreed to propose to the Government that the UN’s future programming priorities were to be pegged against the SDG themes for sustainable development: People, Planet, Prosperity, Peace, and Partnership. This global framework provides the signposts against which to present the UN’s future programmatic priorities. This will clearly present the UN’s commitment to PNG’s development 2018-2022 as a contribution to the longer term planning framework to 2030 and Vision 2050. The UN’s commitment in this context extends to advancing the crosscutting issues of human rights and gender equality, data and evidence and capacity development, and the principle of ‘leaving no one behind’. UN’s agreed framework on the basis of the common country analysis and the agreed conclusions of the UN Country Team is therefore:

People	Planet	Prosperity	Peace
‘End poverty and fight inequality. Ensure healthy lives, knowledge and inclusion of women and children’ SDGs – 1,2,3,4,5	‘Protect our ecosystem for all societies and our children’ SDGs – 6,12,13,14,15	‘Grow a strong inclusive and transformative economy’ SDGs – 7,8,9,10,11	‘Promote safe, strong and peaceful society and institutions’ SDG – 16
Outcome Statements: to be confirmed after the Strategic Prioritization Retreat			
Social Protection: human rights, gender equality and empowerment of women, child protection. Essential Services: health, education, food security, nutrition, WASH.	Natural Resources: environment, climate change, disaster risk management Forestry and Fisheries	Youth Employment Population Urban planning and development Equitable Growth	Access to Justice and Rule of Law Strengthening Institutions Peacebuilding – Bougainville
Partnerships	‘Catalyse Global Solidarity for Sustainable Development’ SDG 17		

The common country analysis draws together the profile of PNG’s country context from an economic, social, political and environmental perspective. This final presentation of the priorities from the common country analysis prioritization exercise, now set against the agreed SDG themes of People, Planet, Prosperity, Peace, and Partnership, provides a strategic framework. Embedded in the way forward is a commitment to and priority for a tailored and integrated approach. This approach will allow the principles of Delivering as One to advance, and allow for geographic specificity in programme design and integrated approaches across the UN’s programmatic and operational comparative advantage.