

# Impediments to Trade and Economic Growth

A Landowner's Perspective

# Planning Framework

- Government Planning Framework:
  - PNG Constitution
    - National Goals and Directive Principles
      - speak of integral human development,
      - equality and participation,
      - self-reliance,
      - responsible management of the environment and
      - Christian principles.
  - National Planning Framework
    - Vision 2050
    - Medium Term Development Plan2 (2016 - 2016)
    - National Strategy for Responsible Sustainable Development (“StaRS”)
  - District / LLG
    - Five-Year Rolling Plan - linked to the political cycle
    - Annual Plan

# Alotau Accord

The Government has followed a basic planning, implementation and monitoring cycle to:

- Get the plans right;
- Resource those plans;
- Implement the plans; and
- Monitor the outputs and report on them.

The Government's priority from the outset has been to create an enabling environment through:

- Education;
- Health;
- Infrastructure;
- Law and Justice;
- Growing the Economy

# A Landowners' Perspective

- Landowners are generally in agreement with the Planning Framework and Alotau Accord
- Landowner businesses are impacted by the following GoPNG Agreements
  - National Content Plan
  - SME Policy
- In a resource project area:
  - Mining Development Contract (MDC”) - an agreement between the State and the Developer
    - Training & Localisation
    - Supply and Procurement
    - Local Business Development

# A Landowners' Perspective

- In a resource project area:
  - The Memorandum of Agreement (“MOA”) - an agreement between the National, Provincial and Local Governments and the Landowners Association.
    - Training & Localisation
    - Local Business Development
    - Impact Projects
      - Infrastructure
      - Health
      - Education
      - Law and Order

# So what's missing?

## Alotau Accord

The Government's priority from the outset has been to create an enabling environment through:

- Education;
- Health;
- Infrastructure;
- Law and Justice;
- Growing the Economy

## MOA

Clauses in the MOA

- Training & Localisation
- Local Business Development
- Impact Projects
  - Infrastructure
  - Health
  - Education
  - Law and Order

# Joining the dots

- The MOA review after review becomes a major exercise between Stakeholders
- Plans are agreed as per the final outcome per review
- Funding is agreed as per the Annual Budget Process
  
- Conclusion :
  - Plans are agreed,
  - Funding is appropriated so it's all systems go? But wait there's more....

# The Missing Link

- There is still more to be done by the Government
- There is limited scope for funding to be quarantined for approved programs / projects (as agreed in the MOA process)
- The recommendation?



# Recommendation #1

- The MOA timeline is linked to the political process
  - Government priorities are linked to the LLG five-year plan
  - Landowner priorities are agreed with the State
  - Annual Plans linked to the five-year plans
- Funding as per the Annual Plans included in the Budget as approved by Parliament (November)
- CFC are issued as per PGAS processes
- Funds are quarantined within PGAS
  - Non-discretionary votes (remuneration, MOA programs/projects)
  - Discretionary votes
- Implementation based on cashflow

# Recommendation #2

- An Implementation Plan in relation to the National Content Plan and SME Policy needs to be developed and adopted by Governments and the Resource Developers
  - Priority from the bottom up
    - Landowner
    - District
    - Province
    - PNG
    - Worldwide
  - Procurement policies are needed to support this initiative as long as local suppliers are commercially competitive.
  - The Government is encouraged to train more entrepreneurs and provide additional support to SME Operators . Managing Your Own Business (“MYOB”) is a key challenge including:
    - Financial support
    - Managerial support

Thank you

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