



Editor's Note

Hi everyone, welcome to the second edition of our 2016 Paitim TalkTok Newsletter. This bulletin contains information about the work of the CIMC spreading over the last three months of the third quarter of the year since June.

The tough economic situation experienced in the country has greatly affected the work of the CIMC Secretariat resulting in some of its planned activities being stalled. This includes the planned annual Regional Development Forums. However we are pleased to announce that the National Development Forum will be conducted later in October and the highlights will be clarified in the last quarterly for this year. What is provided here encompasses some of the events and activities carried out by the CIMC during the three months entailing outcomes from the discussions and recommendations from Sectoral Committee meetings and those coming through the CIMC Council meeting. More information on other planned activities will be provided in the final issue. We hope you will appreciate the work of the CIMC through the information provided in this and other issues.

As usual please feel free to email your feedback to henry.yamo@cimcpng.org to assist us reflect and improve future issues.

Role of National Dialogue Body Re-emphasised

The Consultative Implementation and Monitoring Council (CIMC) has been emphasised as the leading national dialogue body by its Council at its recent meeting in Port Moresby. The meeting was chaired by the Minister for National Planning & Monitoring Hon Charles Abel, MP who is also the Chairman of the CIMC.

Supporting the Council, Minister Abel stressed that the CIMC should be the preeminent body for national dialogue to further improve development and implementation of public policies and create specific implementation pathways through partnerships. Founding Council member and Secretary for Transport, Mr Roy Mumu commended the CIMC for its many achievements, in particular, highlighting the creation of the National Roads Authority (NRA) and the Rural Airstrip Authority (RAA).

Another long serving Council member and CEO of the PNG Manufacturer's Council Mr Chey Scovell reiterated the need for constructive and meaningful dialogue and partnerships stressing that the CIMC process should be valued and utilised.

He further highlighted that the CIMC facilitates targeted and constructive multi stakeholder discussions, hence all government and private sector agencies should look at ways to use this process to get quality outcomes in a cost effective manner.

These discussions were in light of a draft submission to government following a review conducted by the Department of National Planning and Monitoring in 2013 assessing the effectiveness, efficiency and relevance of the CIMC.

The submission calls for enhanced government support for the CIMC as it continues to play a critical and unique function maintaining a national broad based dialogue platform.

While supporting the submission, the Chairman cautioned not to increase in budget or create new entities and called on the CIMC to maintain the same funding levels but explore options to be effective including partnerships with other strategic partners.

The Council then agreed to host the 2016 National Development Forum (NDF) in early October. The Foms is one of two flagship dialogue mechanisms of the CIMC,

Freight Subsidy Framework to support rural agriculture

A Freight Subsidy Framework to support rural agriculture communities to transport produce to markets has been developed by the Department of Transport in conjunction with the Department of National Planning and Monitoring.

This was revealed by Transport Department representatives during a Consultative Implementation and Monitoring Council (CIMC) Agriculture Sectoral Committee meeting in June, 2016 held at the Ela Beach Hotel in Port Moresby.

According to Transport Department representatives at the meeting the framework was developed to assist farmers and was in response to their constant calls for Government to subsidise the high freight costs to get produce to the markets.

It was also highlighted that the initiative would also boost farmer morale and ensure they consistently maintained the quality of their products and produce in huge quantities in a timely manner to adequately supply markets.

This initiative would also accommodate measures to address the current issues and constraints experienced by farmers due to lack of an efficient transport system for transporting crops/livestock's from farm gates to markets.

The department representatives highlighted that roads and sea transport became the link between agricultural sites and markets, hence the national transport strategy (NTS) aligned with medium-term development plan and development strategic plan set targets for 95 per cent of potentially developed agricultural land to be with road or

water access by 2030.

The Committee noted that the transport sector is a key enabler for development, support service delivery and a link between agricultural sites and markets. As such the National Transport Strategy (NTS) and its Medium Term Transport Plan was well aligned with other sector plans including the National Agriculture Development Plan (NADP), the Development Strategic Plan (DSP) 2010-2030 and Vision 2050.



The strategy provides a chart for the future with a 20-30 year time horizon and a rolling five year investment plan for transport infrastructure and an action plan for policy and institutional development and a legislative programme.

The Committee recommended that mechanisms be put in place to guard against cost inflation and feeder roads should be built as part of the rehabilitation or upgrading package for major road projects to directly benefit residents and farmers living adjacent to project roads.

They highlighted that the Freight Subsidy Framework was necessary given PNG's challenging topography and climatic conditions that continues to threaten economic development and limits much of the population and farmers to market access and social services.



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the other being the Sectoral Committee consultations or dialogue process.

The primary purpose of the 2016 NDF is to showcase achievements and success stories of implementing development programs through various partnerships with government.

Examples of success stories resulting from meaningful partnerships with government discussed

at the Council meeting included; the Samaritan Medical Services in Sepik, YWAM Medical Services in Western and Gulf provinces, Manalos Aviation Medivac Services in Milne Bay province, the Rural Airstrips Agency, etc.

As Chairman, Minister Abel stated that the four CIMC annual Regional Development Forums be held bi-annually to ensure the forum recommendations

are digested and properly included in activity plans of affected state agencies.

This should also allow the CIMC to focus on the Sectoral Committee dialogue process to facilitate specific and targeted outcomes as well as monitor and report on the implementation of forum recommendations.

More Government investment in agriculture needed



Although 85 per cent of the population in Papua New Guinea depend on agriculture, the Government was still not investing enough in the sector.

This concern was raised in the CIMC's Agriculture Sectoral Committee meetings held in Port Moresby in June this year.

The Committee said the Government should invest heavily in agriculture and be keen to ensure innovation and expansion in agricultural and livestock projects throughout the country.

According to studies done by the Institute of National Affairs (INA), "Agriculture in Papua New Guinea has a more than 7,000 years old history. People in Papua New Guinea started practicing agriculture around 7,000 - 10,000 years ago".

It is a major source of income for most rural villagers. It provides informal employment for many people and is a significant contributor

to local development and export income. Agriculture's greatest contribution is to food security, local and regional development and national stability.

Other reports show that subsistence agriculture is the primary economic activity for people in the rural areas, therefore, increasing domestic agricultural production and exports will benefit the poor rural majority in the country.

The Committee noted that agriculture in PNG has a bright future with the mix of activities undertaken by farmers and so it required equal or increased support from Government through funding and effective research and innovative support initiatives.

The Committee also urged the Government to learn from past success and build on them to support the industry flourish adding that major reforms with fiscal and trade policies were

expected to induce an upsurge in investor interest in the agricultural sector so the Government should start committing to create a conducive environment for that to happen.

Other areas the Government needs to consider to support the industry is to build adequate infrastructure such as roads, cool storage facilities along market supply chains for fresh produce and factories for tree crops like cocoa, coffee, oil palm to keep the sector going.

Government should also reintroduce enough freight subsidies to reduce the high freight costs incurred to transport crops and support farmer extension services. The Committee also noted that although there are some freight subsidies and cool storage facilities they are only in certain locations and not in most parts of the country.

The Committee said there is considerable potential for the expansion and development of many more crops for export, including fresh fruit and vegetables and processed products so called on Government to put in more support to the sector.



Rubber Industry needs Government support to flourish

Inadequate Government funding to the rubber industry in the country has been singled out as the main reason the industry continues to lag although it has a huge export potential with good returns.

This was revealed at the Consultative Implementation and Monitoring Council (CIMC) Agriculture Sectoral Committee meeting held in June at the Ela Beach hotel in Port Moresby.

Committee members were informed that lack of Government funding was a constraint to the industry and a threat that could potentially see the demise of the industry in the country.

Chairman of North Fly Rubber Limited and Chairman of the CIMC Agriculture Sectoral Committee, Mr Warren Dutton said rubber was an important industry for the country especially for the small farmers in the rural areas because rubber is a friendly crop.

Unlike other crops it is non-seasonal and less intensive as well as rubber productions starts only after 5-6 years of tree growth and continues to produce thereon. Unfortunately the PNG Government provides no real money whatsoever for smallholder rubber development.

The Committee was told that North Fly Rubber Limited for nearly 20 years has used the proceeds from the Ok Tedi Copper Mine to assist 10,000 new village families, throughout 202 villages in all three Districts of the Western Province, to plant new hybrid rubber trees on their traditional land.



It was also highlighted that the private sector was willing to get involved in the rubber industry to assist small holders but the absence of a proper independent rubber Board and a general lack of direction was causing frustrations.

A freight subsidy was again another issue faced by the industry given that most growers are rural local families.

The Committee noted that if Government supported the industry with funding, farmers could still be supported through subsidy schemes when prices are low. It also noted that due to the lack of funding, there was lack of activities and even the Rubber Board was unable to provide basic rubber production statistics for the country.

The Committee noted that with appropriate funding the Board would be able to get all rubber production information completed in all rubber provinces to show the exact production statistics so that plans can be done properly.

The other issue noted by the Committee is that the Board had encouraged operations and productions

of cup lumps. Later it was found that this was a contributing factor to the production of rubber with poor quality which caused the eventual drop in rubber price.

The current Board decided to put a moratorium and ban to all cup lump exports and allow only processed silk rubber in the form of CR10 and CR20 to be exported.

Following this the Rubber Board has spent money on simple technologies including rubber machines so farmers can use them to process their rubber and sell to the factories for a better price.

The Committee also noted that research and development in the rubber industry was also lacking and required development and also for the industry to have a proper Board or structure in place with funding to ensure efficient function.



The Committee was told that rubber has more potential like oil palm in PNG and a large expansion program could be very attractive, particularly to diversify production and offering an important source of income and employment to areas not suitable for other major export crops.

Papua New Guinea has recently witnessed a renewed level of investment activity in rubber projects and the trend is expected to continue in the medium term. Going forward the Committee resolved that projects have to be driven by models that worked and must be economically sustainable. It also noted the need for key players to work together so that they are aware of the challenges and find ways to overcome the issues. Rubber is a good model that is working and there are some rubber projects in the country which operate efficiently and profitably. Hence the Committee strongly hinted that the industry should be supported by government through partnerships with the private sector.



More Information on Paitim Toktalk can be sourced from CIMC by calling the numbers listed below or by calling into our Office at IPA Haus

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CIMC is an independent organisation that brings together all civil society, private sector and government partners to develop policy and directly influence and monitor government decision making for the long term development of Papua New Guinea.

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