



2014 NATIONAL HUMAN DEVELOPMENT REPORT PAPUA NEW GUINEA

*From Wealth to Wellbeing:
Translating Resource Revenue into Sustainable Human Development*



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4 Purposes of the NHDR:

- 1) Review link: extractive industries & human development;
- 2) Reveal lessons from other countries;
- 3) Highlight innovations from PNG;
- 4) Stimulate, inform and shift the debate in PNG

Why UNDP and Extractives?



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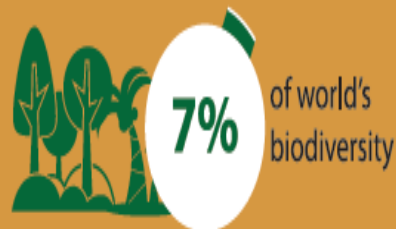
- 1) Can draw on a range of global and regional expertise that spans economic, social and environmental areas;
- 2) 2012 *Global Strategy on Extractive Industries and Development*;
- 3) UNDP primary thematic focus on human development rather than economic growth;
- 4) Already engaged with government and other parties in a broad range of parallel areas (MDG/SDG, REDD+ etc)



PNG is rich in natural resources...

PAPUA NEW GUINEA NATURAL RESOURCES:

The country is rich in natural resources, including





...but resource wealth is not translating into increased opportunities for all citizens



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PARADOX OF PLENTY:

Situation when abundant natural resources contribute to economic stagnation because capital and labour generate increases in tradable exports, but fail to strengthen knowledge, skills and expertise of citizens. The mismanagement of natural resource abundance produces weak states, little to no growth and conflict.





Despite some measurable improvements in human development, many indicators, including levels of hardship and inequalities, have shown less positive progress during the last 15 years...



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25%
of children are not attending schools



PNG ranks in the bottom ten countries of the gender inequality index with estimated two out of three women having experienced gender-based violence

Almost 40%
Almost 40% of the country's population lives on less than one dollar per day



In the 2013 Global Human Development Index, Papua New Guinea ranks

156 out of 187
(level of low human development)

Papua New Guinea is unlikely to meet any of the internationally agreed Millennium Development Goals by 2015

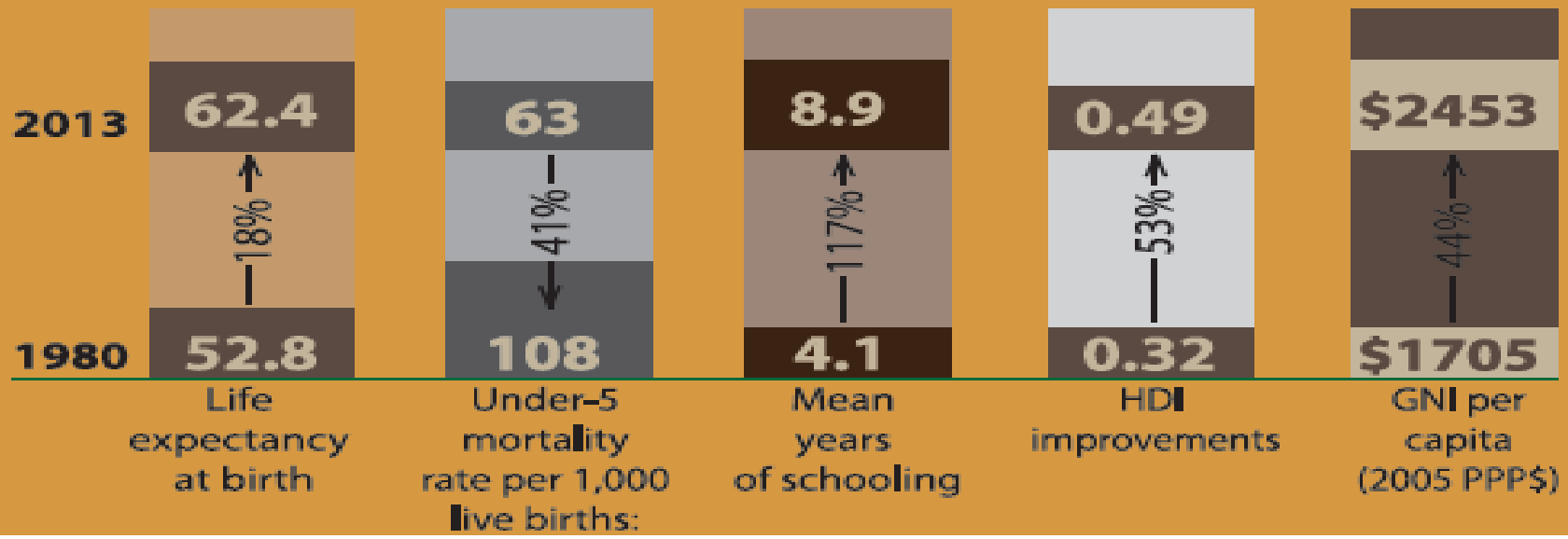


Extractive sector contributed positively to development through revenue generation allowing for cutting edge policy innovations that enhanced levels of social sector investments...



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SOCIAL INDICATORS OF PAPUA NEW GUINEA⁷





POLICY OPTIONS FOR SUSTAINABLE EXTRACTIVE INDUSTRIES IN PAPUA NEW GUINEA



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1. LEGAL, INSTITUTIONAL & POLICY FRAMEWORKS

2. PRUDENT REVENUE COLLECTION AND MANAGEMENT

3. PEOPLE-CENTERED EXPLORATION AND EXTRACTION

4. INVESTMENT IN HUMAN, PHYSICAL, FINANCIAL, SOCIAL CAPITAL



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Policy Options for National Government

- Improve service delivery & identify areas of ‘highest rate of return’
- Review costs/benefits of state & shared mineral ownership
- Establish formal grievance mechanisms, e.g. Mining Ombudsman
- Better revenue transparency & accountability (EITI etc.)
- Diversify assets (agriculture, eco-tourism, science & industry)
- Institutionalize companies’ minimum spending on community dev.



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Policy Options for Sub-National Governments

- Integrate SIPs with planning & accountability mechanisms
- Institutionalize representation of marginalized groups in all stages of negotiation and development processes;
- Refine mechanisms of benefit distribution



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Policy Options for Private Sector Companies

- **Encourage consultations with local communities at all stages of development**
- **Undertake social mapping to identify marginalized groups**
- **Ensure accurate & timely data collection and impact monitoring**
- **Establish biodiversity offset programmes**



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Policy Options for Civil Society Organizations

- Engage marginalized groups in community decision-making processes and benefit distribution
- Continue to support service delivery
- Advocate for & support better environmental management
- Act as ‘watchdog’ for better transparency and accountability



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Policy Options for International Development Partners

- **Stimulate and inform debate**
- **Facilitate multi-stakeholder dialogue and collaboration**
- **Provide international good experience**
- **Strengthen results-based community development**



In summary



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- Papua New Guinea at a critical moment
- Historical resource-derived growth has not driven sustained and equitable improvements in human development
- The myth of LNG will not magically solve these development challenges...
- But neither will doing nothing... shape policy for the better
- NHDR report offers sets of Policy Options as a basis for public and policy dialogue and debate



...Critical decisions and timely action needed!



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Thank you!