



# Papua New Guinea Development Planning & Budgeting Overview

Asia-Pacific Workshop on  
Mainstreaming the  
Sustainable Development  
Goals into Planning,  
Budgetary, Financing and  
Investment Processes

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# Presentation Outline

1. Background of PNG
2. Development Planning
3. Rationale for MTDP III & Framework
4. Financing the MTDP III, Resource Envelope
5. Overview of Achievements & Budget 2011-2017
6. Monitoring & Evaluation
7. Issues & Challenges
8. Way Forward



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# Background about PNG

- PNG is located in the South Pacific Region and a Melanesian Country
- There over 7.5 million people with a population growth rate of 3.5 (2011 Census)
- PNG has a Land mass of 462,840 square km of which about 90% is customarily owned
- PNG is reach with both renewable and non-renewable resources with diverse culture
- Average of 10% annual GDP growth for the last 10 years
- PNG has tropical climate and highly venerable to climate change effects & disaster risks
- PNG adopts the west minister system of which a Prime Minister is elected by member of the Parliament with a political cycle of 5 years
- PNG has a centralized government system. Delegated powers are given to the 22 provinces at the sub-national level



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# National Development Planning Framework

## NATIONAL PLANNING FRAMEWORK



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# Development Agenda – Cascading Logic



Vision 2050 (HDI)

**MTDP**  
2018-2022

Sector and Provincial Plans

Annual Budgets

- Integrate or embed SDGs and StaRS in the new MTDP 2018-2022
- Development Partners align their Country Development Strategies to MTDP



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# Rational for MTDP III

Ultimately PNG wants to be among the Middle Income Countries by 2030 and top 50 in HDI by 2050.

- MDTP III builds on the positive gains and lessons learnt from the two previous Medium Term Development Plans, the MTDP 1 (2011-2015) and the Bridging MTDP II (2016-2017).
- The MTDP III is the first medium term development plan to align to the parliamentary cycle of five years. Every new Government will have its own five-year Medium Term Development Plans.
- **Shift of Focus of MTDP from spending to revenues and economic growth.**
- The theme of the MTDP III is to *“Secure our future through inclusive and sustained Economic Growth”*.
- Sectors have been mapped out to position themselves to grow the economy and improve the economic and social indicators of the country.
- MTDP III will focus on the 8 Key Result Areas (KRAs) to achieve the 5 head-line Growth Goals
- MTDP III is the first medium-term plan to implement SDGs with 46 indicators intergrated



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# Structure of MTDP III Policy & Planning Levels

Government – Development Agenda

5 Growth Goals

8 Key Result Areas

**GOALS:**

- Economic Growth Goal (7)
- Infrastructure Growth Goal (1)
- Social Development Goals (7)
- Law and Justice Goal (2)
- Goods and Service Delivery Goal (2)
- Governance Goal (1)
- Responsible Sustainable Development (4)
- Population Management Goal (1)

41 Targets

151 Indicators of which 46 are SDG Indicators



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# Policy & Budget Linkage

Key Result Area

Goals

Targets (Indicators, Baseline and 2022 Targets)

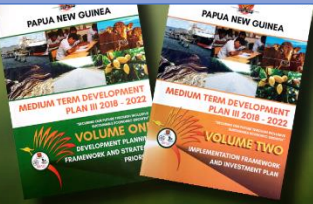
Strategies

Core of PIP

Investment Programmes/Projects

Details of Investment Plans with Estimated Costs

Volume 2



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# MTDP III Logframe

e.g Health Sector

**Goal** To improve access to basic primary health care

Growth Strategy (GS)	Indicator (unit)	Source	Baseline (year)	2018	2019	2020	2021	2022
GS5	1. Maternal mortality rate per 100,000 live births	2016 Health Sector Performance Annual Review	210 (2010)	200	180	160	140	100
	2. Infant mortality rate (%) per 1,000 live births	2016 Health Sector Performance Annual Review	42 (2005)	38	34	30	25	20
<b>Lead Government Agency</b>		Department of Health (DoH)						
<b>Executing Agency</b>		Department of Health						

No.	Sector Strategy	Provincial/Sector Plan or Policy Reference
1	Improve health service delivery model and mechanisms	National Health Plan 2011-2020
2	Improve Maternal health and child survival	National Health Plan 2011-2020

Deliverables	2018	2019	2020	2021	2022	No.	Programme
1. Aid Post Upgrade & Rehabilitation	261	261	261	261	261	1.1	Minor Maintenance and Refurbishment to the existing Aid Post to keep the flow of primary health care
2. Community Health Post Establishment	8	10	10	10	10	2.2	Total number projected in Health MTDP is 174 Aid post to be established over the 5 year period. 1. Upgrade of an existing Aid Post to CHP and 2. Construction of a new facility each year for each district

Prog. No.	Executing Agencies	2018 (K million)	2019 (K million)	2020 (K million)	2021 (K million)	2022 (K million)	Total estimated costs (K million)	Funding option
1.1	e.g DoH	2	2	2	2	2	10	GoPNG/Donors
2.2	e.g DoH	4	4	4	4	4	20	GoPNG/Donors
<b>TOTAL</b>		<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>30</b>	



# MTDP III Financing Requirement

MTDP III Sector	MTDP III Sectoral composition	MTDP 3 Requirements					
		2018	2019	2020	2021	2022	Total
Administration	10%	540.8	490.0	556.2	615.3	618.0	2,820.3
Community & Culture	1%	72.8	71.0	75.2	69.8	60.5	349.3
Economic	12%	631.3	686.9	627.9	648.5	648.6	3,243.2
Education	8%	355.9	385.3	446.6	490.7	502.9	2,181.4
Health	9%	462.2	432.7	490.7	520.4	572.5	2,478.4
Law & Justice	5%	183.9	263.3	275.3	240.7	268.3	1,231.3
Provinces	29%	1,343.8	1,493.2	1,586.8	1,640.8	1,691.5	7,756.1
Transport	19%	684.3	809.9	933.9	1,134.4	1,536.7	5,099.2
Utilities	8%	369.1	294.0	371.0	459.7	549.4	2,043.2
<b>Total</b>	<b>100%</b>	<b>4,643.9</b>	<b>4,926.2</b>	<b>5,363.6</b>	<b>5,820.2</b>	<b>6,448.5</b>	<b>27,202.4</b>

- The estimated resource required to fully implement MTDP III is K27.2 billion
- Government's own PIP funding contributions from its internal revenue will be around K16 billion.
- The rest of the balance will come from Loans, Grants, and Tax Credit Scheme



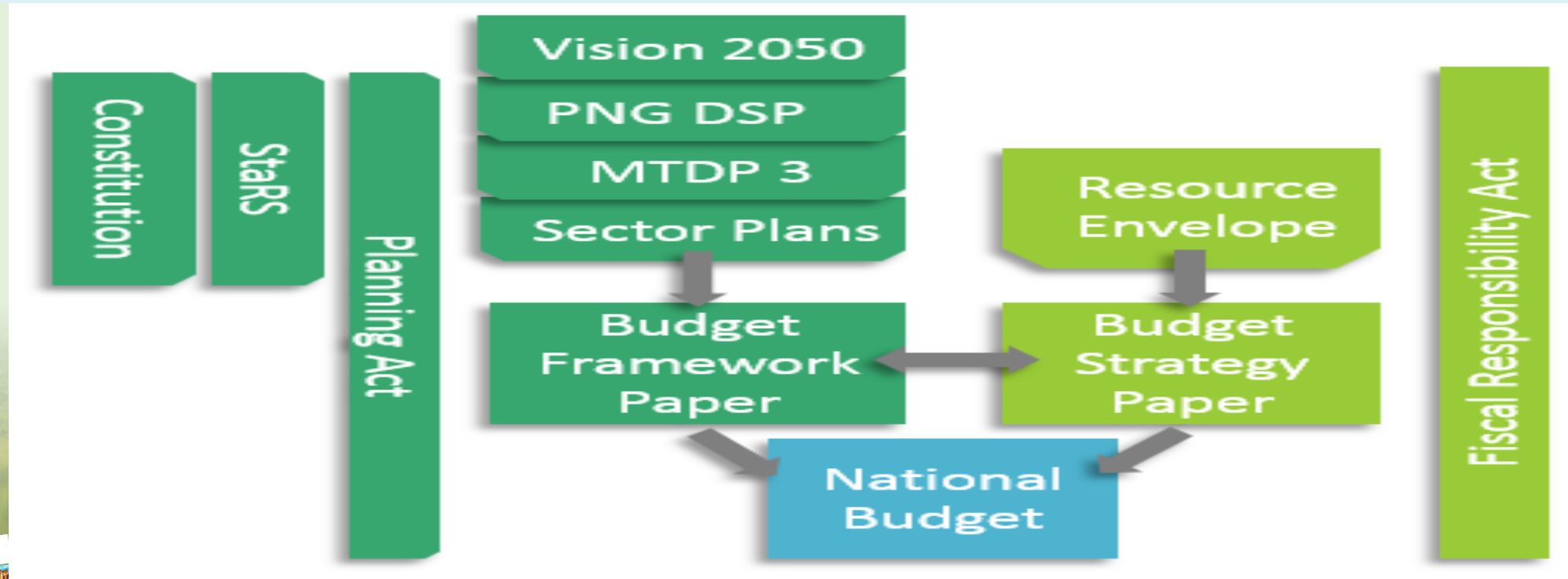
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# Policy-Driven Budgeting

The Budget is framed within the policy priorities of the National Planning Framework and the parameters of the Fiscal Responsibility Act, through the sector allocations and priorities of the Budget Framework Paper.

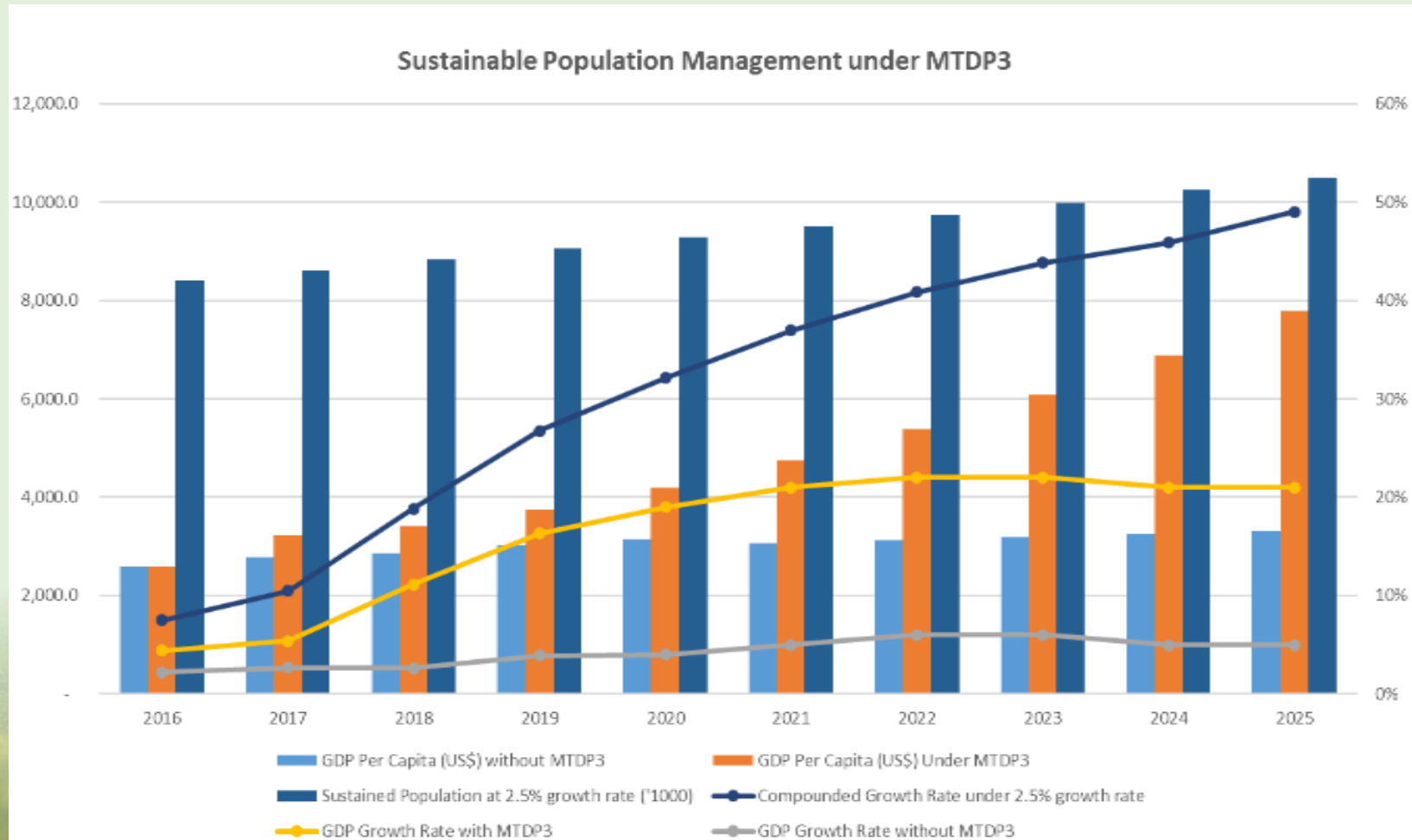


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# Sustainable Population Management



If we secure up to K20 billion from Internal Revenue by 2022 we are able to:

1. Improve GDP per capita to Middle income country level

2. Enable the economy to have the carrying capacity to service our sustained population

3. Promote Quality Life for our people

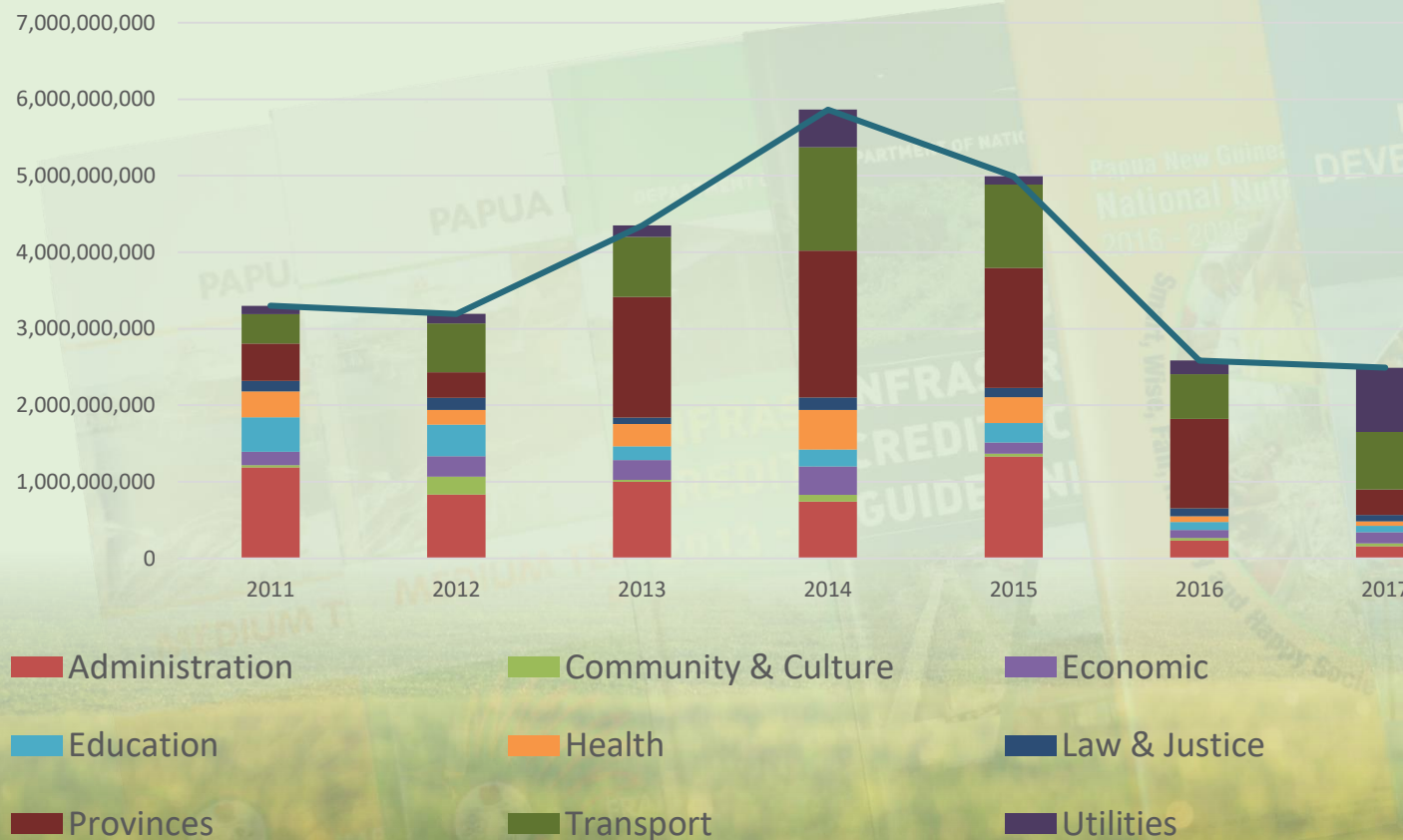


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# Development Expenditure: 2011-2017



Grand Total



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PAPUA NEW GUINEA  
INDEPENDENT STATE OF PAPUA NEW GUINEA

# Development Achievements

## Broad-based economic capacity

Non-Mining & Petroleum share of GNP : Increase from 40% in 1980 to 72% now

## Education

- Gross enrolment ration (GER) : 54.4 % in 1975 to 114.7% in 2012 ( 1.3 million school aged students enrolled). Big Improvement

## Health

- Average Life-span : 52-years in 1975 to 65 years in 2016. Improved
- Death per 1000 births : 120 in 1975 to 60 in 2016 : Improved

## Infrastructure connectivity.

- PNG was able to build infrastructure connectivity of 30,000 kilometers of road transport network: 8,740 national roads and 21,00 kilometers of provincial and district road infrastructure assets, sufficient marine transport infrastructures as well as air transport infrastructure.

## Public Service and Services Delivery

- At independence the public service delivery system was largely centralised within a centralised governance framework to serve under to 2 million people. Legislative reforms since then provides a useful network and human resource capacity to implement key socioeconomic polices throughout the country to serve over 7 million people.








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# Monitoring & Evaluation Education Sector Performance

Indicator (unit)	Source	2013	2014	2015	2016	2017	DSP Target (2015)	Performance
Gross enrolment ratio in Elementary (%)	NDoE	133.9	137	141.6	143.8	148	74.3	
Net enrolment ratio in Primary (%)	NDoE	50.24	49	50.6	54	55	72	
Gross enrolment ratio in primary (%)	NDoE	83.3	84	83.1	82	87	75	
Pupil to teacher ratio	NDoE	1:35	1:35	1:33	1:35	1:32	1:44	
Completion rate to level 8 (%)	NDoE	49	53	52	49	49	49.4	



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# Issues and Challenges

- Capacity issues especially at the Sub-national Level
- Political Changes – shifting priorities
- Security Issues on illicit flow of goods and services
- Issues on Sustainable provision of Free Health and Education Services to the Growing Population
- Almost 80% of the population own and depend on land which is a threat to the environment biodiversity
- Issues on policy and regulations compliance and enforcement
- Adoption to emerging challenges such reforms, technologies, new business models, modalities , climate change and disaster



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# Current Key Investment Priority Programs

- Improve infrastructure with sustainable and disaster resilient quality to provide more environment for growth of economy and for the improvement of service delivery
- Providing Free Health and Education with improved facilities for healthy, educated and skilled population
- Improving law enforcement and court systems at the rural level to create safe environment for all
- Diversifying the economy through enhancing agriculture, fisheries, forestry and tourism sectors
- Promoting Public Private Partnership and SME
- Improving Trade Facilitation and Downstream processing
- Investment on reforms on governance and institutional capacity
- Empower Sub-national level to provide effective service delivery to the rural Population



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# Way Forward

- Ensuring all sectoral and sub-national Plans are aligned to MTDP III
- PNG Strategy for Development Statistics – Calls for centralized data management to track the development indicators and effective implementation of MTDP III
- Development Cooperation Policy - calls for Development Partners Support to be well coordinated to implement the MTDP III and attain the best value for money
- Reforms undertaken to strengthened Public Finance Management
- Mechanism Established to coordinate the approaches in addressing climate change and other cross-cutting issues
- Proceeding MTDPs (2022-2030) will continue to integrate SDG indicators for implementation and reported accordingly



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**Thank you**



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