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*“Promoting development that meets the needs of the present generation  
and establishes the foundation for continuing progress for future generations of Papua New Guineans”*

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## **PUBLIC STATEMENT**

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### **A new agenda for Western Province and PNG Sustainable Development Program**

PNG Sustainable Development Program Ltd has re-launched a number of development initiatives in Western Province after a four-year hiatus caused by the State's expropriation of its shares in the Ok Tedi mine.

Following that setback, the company has sought compensation in accordance with PNG law and has worked hard to protect the Long-Term Fund and the independence of its board of directors.

PNGSDP has also taken time to improve the way it manages the fund by introducing professional assistance to improve returns and manage the risks.

Under its Program Rules, PNGSDP can spend some of the income earned each year on development initiatives.

However, the loss of dividends from the mine (previously the company's main source of income) means less money is available than in the past.

Consequently, careful attention must be given to ensuring the money is spent wisely. Projects must be of lasting value to the people of Western Province and they must be implemented efficiently. In keeping with this, PNGSDP has:

- Consulted widely (for example, the company has been in active discussions with the new Governor and recently elected Open Members)
- Considered the development initiatives being undertaken by other organisations in Western Province to avoid duplicating their efforts
- Looked at what is happening elsewhere around the world to gather new ideas that can be harnessed to benefit Western Province
- Sought out high-quality partners to implement approved development initiatives
- Run a very lean organisation to minimise operating costs

PNGSDP's focus is now on education, health, infrastructure and livelihoods, with current projects reflecting the following priorities.

### **INFRASTRUCTURE**

PNGSDP is aiming to provide rapid and cost-effective access to remote communities by funding:

- A \$32.5 million telecommunications upgrade that will provide quality communications to connect people throughout the province. All existing towers are being repaired or replaced, new towers will be built to improve coverage, and the equipment will be updated so almost everyone in Western Province will be able to access a reliable 4G phone and internet service. The first cluster of towers is already delivering this new service and full coverage will be achieved by mid-year. An ongoing five-year maintenance program has already been put in place
- A rural airstrips upgrade (both initial refurbishment and on-going maintenance). Six months ago, only 12 were operational owing to the lack of maintenance. Already more than 20 are operational and by year-end more than 50 will have been refurbished and by early 2020 all 75 should be fully functional with systems and funding in place to keep them that way

Both initiatives will facilitate the rebuilding of services in remote communities and, just as importantly, provide the

capability to leap-frog traditional methods of delivering health, education and financial services.

For example:

- Tele-education can support distance education for remote communities by improving teacher capabilities, providing tools for classroom activities and self-learning, and accessing world-class education content
- Tele-medicine can be used to provide technical backup for village-based and mobile paramedics (e.g. remote diagnostic techniques, patient records, and on-line advice). This type of distributed system takes the service to the patient rather than patients to a centralised medical centre
- On-line financial services can be delivered through business models operating successfully in other countries.
- 4G technology can also be used to provide other business services such as improved extension for smallholders in the rubber industry.

PNGSDP is working with several leading development partners to bring these new services to Western Province.

## **CREATING LIVELIHOODS**

Ultimately it will be the creation of sustainable livelihoods in the cash economy that can provide a development path for the people of Western Province.

In recognition of this, PNGSDP has mounted two commercially oriented initiatives:

- Rebuilding the rubber industry. PNGSDP has developed a rigorous business plan for putting the industry on a sound commercial footing. It has also signed a memorandum with North Fly Rubber to strengthen its management by introducing a joint venture partner and to undertake other necessary reforms. Subject to satisfactory progress, PNGSDP will inject significant capital over 10 years to expand the industry and improve yields, logistics and other operating efficiencies. After this turnaround, the industry should support about 18,000 families with a sustainable income well above the rural minimum wage.
- The Daru fish hatchery is also being refurbished with the injection of professional management. Over the coming 12 months, a detailed business plan will be prepared as the next step towards using this facility as a platform for developing an integrated fish farming venture to provide livelihoods for other families.

## **HEALTH INITIATIVES**

PNGSDP is providing financial support to enable World Vision to expand its village hygiene (WASH) program, fund Marie Stopes' family planning program, and meet the costs of distributing mosquito nets by Rotarians Against Malaria.

The company is working with MAF to improve health care access by flying medical teams into remote communities.

They will set up camp for two days at each airstrip and from there they will offer a range of services (dental, ante-natal for pregnant mothers, treat eyesight problems, early detection and treatment of malaria, HIV and TB, treat other general illnesses, and evacuate the more acute cases).

It is intended that each community will be visited every three months or so.

PNGSDP is also exploring how best to use the upgraded (4G) telecommunications network to develop better village-based community health care capabilities with support through the network.

## **EDUCATION SUPPORT**

PNGSDP currently offers scholarships for Western Province students to be trained as teachers and health workers at the Kokoda Track Foundation campus in Oro Province.

Planning for a subsidiary campus in Western Province is now under way to train the local teachers and health workers needed for a major roll-out of internet-enabled health and education services.

In consultation with the Digicel Foundation, a pilot (proof-of-concept) scheme will use the upgraded telecommunications network to strengthen nine schools in remote areas with internet-enabled education materials and support.

This initiative will be launched in the first half of this year. Once in place its effectiveness will be reviewed and PNGSDP will then consider a widespread roll-out in Western Province.

PNGSDP recognises the struggle many Western Province families face when meeting the cost of educating their children and understands the importance of education as a pathway to a better future.

The company has therefore undertaken to provide support for schools based on enrolled student numbers (elementary to grade 12), taking care to ensure the allocated funds are properly spent as intended.

## **FUTURE PROGRAMS**

As well as existing initiatives, PNGSDP is working on several other ventures to be launched over the coming months:

- The company is working with international development partners to determine how best to configure and launch an internet-enabled mobile banking service for remote communities throughout the province
- PNGSDP also wants to ensure that some of its spending reflects the development priorities of the people's elected representatives. It will therefore support properly vetted and mutually approved projects sponsored by the Governor and each elected Member on a kina-for-kina basis. This commitment (capped at K1 million for each Member) is aimed at leveraging the funds they have available from their DSIP and PSG schemes.

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PNGSDP can only undertake these programs if it continues to protect the Long Term Fund and its independence as an organisation.

While it will consult widely with the people of Western Province, PNGSDP must be selective in what it chooses to do because the level of funding available for spending each year is strictly limited.

It must also manage the implementation of its programs efficiently and keep its operating costs under control as it expands its program of development initiatives.