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DECENT WORK COUNTRY PROGRAMME
PAPUA NEW GUINEA



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On the occasion of the completion of the Decent Work Country Programme (DWCP) for Papua New Guinea, 23rd November 2008, at the Fu Gui Village, Port Moresby, PNG,

For the Government of Papua New Guinea represented by the Honourable Mark Maipakai, Minister for Labour & Industrial Relations,

For the Employers Federation of PNG represented by Ms. Florence Willie – Executive Director; and

For the Trade Union Congress of PNG, represented by Mr. Michael Malabag – President.

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Minister
Ministry of Labour &
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International Labour Office

Decent Work Country Programme

Papua New Guinea

(2009-2012)

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List of Abbreviations

ACP states	African, Caribbean and Pacific states
ADB	Asian Development Bank
AusAID	Australian Agency for International Development
CEARC	Committee of Experts on the Application of Conventions and Recommendations
DLIR	Department of Labour and Industrial Relations
DWCP	Decent Work Country Programme
EC	European Commission
EDF	European Development Fund
EFPNG	Employers' Federation of PNG
EPA	Economic Partnership Agreement
EU	European Union
FOA/CB	Freedom of Association and Collective Bargaining
FTA	Free Trade Agreement
HDI	Human Development Index
HRD	Human Resource Development
ILO	International Labour Organisation
ILS	International Labour Standards
IPEC	International Programme on the Elimination of Child Labour
IR	Industrial Relations
ITC-ILO	International Training Centre of the ILO
KAB	"Know About Business"
LMIS	Labour Market Information System
MDGs	Millennium Development Goals
MTDS	Medium Term Development Strategy
NSO	National Statistical Office
NTCC	National Tripartite Consultative Committee
NZAID	New Zealand Agency for International Development

OSH	Occupational Safety and Health
PACER	Pacific Agreement on Closer Economic Relations
PICTA	Pacific Island Countries Trade Agreement
PNG	Papua New Guinea
PNGTUC	PNG Trade Union Congress
PYS2010	Pacific Youth Strategy
RO	Regional Office
SIYB	Start and Improve Your Business
SRO	Sub-Regional Office
STAGE	Skills Training for Gainful Employment
TACKLE	“Tackling Child Labour through Education” project
UNCP	United Nations Country Programme
UNDP	United Nations Development Programme
WTO	World Trade Organisation

Introduction

The primary goal of ILO is to promote opportunities for women and men to obtain decent and productive work in conditions of freedom, equity, security and human dignity. Decent work country programmes (DWCPs) promote decent work as a key component of development policies and at the same time as a national policy objective of governments and social partners. The present country programme is aligned with international and regional development agendas including the Millennium Development Goals (MDGs), the Pacific Plan and the United Nations Country Programme (UNCP) Papua New Guinea 2008 – 2012, as well as national development objectives as expressed in Papua New Guinea's Medium Term Development Strategy (MTDS) 2005 – 2010. The DWCP is the product of tripartite consultations. During an ILO mission to PNG in May 2008, separate consultations with the PNG Trade Union Congress (PNGTUC), the Employers' Federation of PNG (EFPNG), and the Department of Labour and Industrial Relations (DLIR), were followed by tripartite consultations during which priorities were agreed on. The priorities in PNG also take due account of the outcomes of the regional Tripartite Technical Meeting on Decent Work held in Nadi, Fiji between 26 and 28 November 2007. The programme details the policies, strategies and results required to realise progress towards decent work for all. It reflects the strategic planning of ILO cooperation activities with Papua New Guinea (PNG) for the period 2009 – 2012, in alignment with the UNCP. Reflecting the constituents' as well as the ILO experts' assessment of past cooperation the programme aims at ensuring a strong coherence of ILO activities in PNG and thus to contribute to the achievement of sustainable impacts.

I. Country context

The demographic, social and economic situation

The mainland of PNG, together with its six hundred other islands, has a population of some 6.2 million including 3.2 million men (52%) and 3.0 million women (48%). The population is ethnically, culturally and linguistically extremely diverse. Approximately 87% of the population live in rural areas. After several years of contraction, the PNG economy has been growing since 2003. The economy grew at 5.2 % in 2007, and PNG Treasury projects growth of 6.6 % for 2008. Other macroeconomic indicators have also improved, with inflation rates and interest rates remaining low, foreign reserves at historic levels and employment in the formal sector growing. PNG is rich in natural and agricultural resources. Migration to major city centres in the past decade has contributed to urban unemployment and social problems. Crime is a major factor hampering economic growth and the development of employment opportunities.

In 2005, the labour force participation rate was 73% for women and 75% for men. The bulk of the population is engaged in the informal economy and subsistence agriculture. The low level of formal sector employment in PNG has been attributed, among other things, to the insufficient development of human resources and a widespread lack of adequate and relevant skills. This situation is caused by a complex mix of reasons including the nature of the school system which prepares school leavers for urban white-collar work while failing to teach technical and vocational skills. The majority of people who will be absorbed in village agriculture and the informal economy gain few useful skills in the school system. The absence of a coherent employment policy and strategy is another major constraint.

There is a severe lack of labour market statistics in PNG, as a result of which the Government has found it difficult to formulate effective and targeted labour market strategies. Although scheduled for 1998, the country has never conducted a household labour force survey. Although the National Statistical Office (NSO) will conduct a Household Income & Expenditure Survey (HIES) in 2009, due to lack of

involvement of DLIR in this project, the HIES will likely provide only limited labour market information. The only current source of Labour Market Information is the PNG population census, with its latest edition in 2000 and the Central Bank of PNG regularly publishes some labour market data. To centralize labour market data storage and improve dissemination of labour market statistics, DLIR has recently introduced a “Labour Market Information System” (LMIS), which is a digital database launched in 2007. Technical assistance for the system has been provided by the ILO. The use of the LMIS to date has been limited and it has mainly been used to collect data on job applications and registered unemployment.

PNG had a human development index (HDI) in 2005 of 0.530, ranking 145 out of 177 countries with data.¹ PNG had the lowest HDI among the ILO’s Pacific member countries. The only country in the region with a lower HDI was Timor Leste. The health indicators of PNG are among the worst in the Pacific. In 2002, PNG became the first Pacific Island country to have a generalized HIV epidemic, when the prevalence of HIV in the Port Moresby General Hospital among antenatal women reached 1 %. Having the highest prevalence rate of HIV in the Asia-Pacific Region, HIV/AIDS in PNG has moved far from being only a health problem to a human development challenge. PNG is also characterised by considerable income inequality and about 2 million people live on less than US\$ 1 a day.

PNG’s population is highly youthful with 39% of the population under 15 years of age. In 2004, there were 2.234 million young Papua New Guineans under 15 years of age, including 1.162 million males (52%) and 1.072 million females (48%). The population currently grows at a rate of 2.1% per year. The “youth bulge” is one of the most profound challenges facing politicians, planners and policy makers. Unemployment rates among young men and women are about three times higher than for the general population. Of the estimated 80,000 young people leaving school

¹ Each year since 1990 the Human Development Report has published the HDI which provides a composite measure of three dimensions of human development: living a long and healthy life (measured by life expectancy), being educated (measured by adult literacy and enrolment at the primary, secondary and tertiary level) and having a decent standard of living (measured by purchasing power parity, PPP, income). PNG’s index was a result of the following indicators: 56.9 years of life expectancy at birth, an adult literacy rate of 57.3%, a combined primary, secondary and tertiary enrolment ratio of 40.7% and a GDP per capita of PPP US\$ 2,563.

every year (over half of them before reaching the last grade of primary school), less than 10,000 enter the formal labour market. The low absorption of school leavers into formal employment presents a major challenge and has contributed to a serious deterioration of law and order.

Child labour and youth un- and underemployment exist side by side in PNG. While there is demand for certain types of labour that is met by children who should not be working, there is also a supply of labour from young people that is unutilised. While there are no official statistics available on the scale of child labour in PNG, given the numbers who do not attend school, the problem is likely to be significant. In urban areas increasing numbers of children out of school are found on the streets. A considerable number of children work as domestic servants, in the markets, in hotels, in the agricultural sector including coffee and tea plantations and are also involved in commercial sexual exploitation in bars and nightclubs. Education is neither compulsory nor free in PNG and not all children receive a basic education. Indeed, school survival to Grade 5 has fallen from 68% in 1998 to 51% in 2002. Girls are less likely to attend primary school than boys. The gross primary school enrolment ratio was 80% for boys and 70% for girls between 2000 and 2006. One reason for the relatively low participation rates in education, especially for girls, are school fees. Gender inequality is a significant feature of PNG's education system with adult literacy rates of females being considerably lower than of males.

The PNG government is in the process of negotiating three Free Trade Agreements (FTAs). The 1999 Forum Leaders' Meeting in Palau endorsed in principle a free trade area among Forum Members. In August 2001 nine Pacific Island Countries including PNG signed the Pacific Island Countries Trade Agreement (PICTA). PICTA is now in place, with the PICTA signatories having made a commitment to trade liberalisation. The Pacific Agreement on Closer Economic Relations (PACER), which has been signed and ratified by all Pacific Island Countries as well as Australia and New Zealand, is seen as an umbrella framework setting out possibilities for trade relations among all Forum members.

WTO Members agreed to let the European Union (EU) maintain its unilateral preference scheme for African, Caribbean and Pacific (ACP) states until the end of 2007. According to Article 36 of the Cotonou Agreement between the EU and ACP states, ACP states and the EU 'agree to conclude new WTO compatible trading arrangements'. On 29 November 2007, Fiji and PNG initialed 'interim' goods-only economic partnership agreements (EPAs) with the EU.

Involvement of trade unions in the FTA negotiations has been very weak in PNG and there has been virtually no consultation process. However, there was a joint meeting of trade unions and NGOs on FTAs in Port Moresby, as a result of which a joint task force on FTAs was set up that demands increased social dialogue with the government.

Development frameworks and development partners

To address the existing economic and social challenges, PNG has adopted several strategic frameworks. The 8 **MDGs** form a blueprint agreed to by all the world's countries and all the world's leading development institutions. A detailed review and analysis of the present development situation and recent trends in PNG by the MDG Technical Working Group concluded that it would be very difficult to achieve most of the global targets by 2015. Five challenges have been identified as the most serious and crosscutting of all. These are: the HIV/AIDS epidemic; the continuing high population growth rate; problems of implementation of policies; political instability and law and order problems; and a gender culture that places women in a disadvantaged position.

The **Pacific Plan** was endorsed by Pacific Leaders at their Pacific Islands Forum Meeting in Port Moresby in October 2005. With an overall focus of regionalism and sub-regionalism, the Pacific Plan's four pillars are: Economic Growth; Sustainable Development; Good Governance; and Security. There are 13 strategic objectives under the four pillars, namely 1) Increased sustainable trade (including services), and investment; 2) Improved efficiency and effectiveness of infrastructure development and associated service delivery; and 3) Increased private sector participation in, and contribution to, development under the pillar **Economic Growth**; 4) Reduced

poverty; 5) Improved natural resource and environmental management; 6) Improved health; 7) Improved education and training; 8) Improved gender equality; 9) Enhanced involvement of youth; 10) Increased levels of participation and achievements in sports; and 11) Recognised and protected cultural values, identities and traditional knowledge under the pillar **Sustainable development**; 12) Improved transparency, accountability, equity and efficiency in the management and use of resources in the Pacific under the pillar **Good governance**; and 13) Improved political and social conditions for stability and safety under the pillar **Security**.

The **Pacific Youth Strategy** (PYS2010) was adopted as the regional framework for youth development in the Pacific region between 2006 and 2010 and beyond and includes 7 thematic components.

The **UNCP** for PNG 2008-2012 was developed in partnership between the Government and the UN including ILO. It highlights a number of pressing human development challenges for PNG and identifies five areas of UN cooperation with PNG, taking into account the UN's comparative advantage and track record as well as the national development context. These are: **Improved governance and crisis management; Foundations for human development; Sustainable livelihoods and population; Gender; and HIV and AIDS**. One priority area under which ILO is specifically listed as a partner is the area of "gender". ILO is also foreseen to cooperate with UNDP to ensure that the Government ratifies ILO conventions. In the UNCP, **child and youth development** are covered under the area "Foundations for human development". The PNG Government has proposed that a specific component of the UNCP be devoted to youth and the development of policies, programmes and monitoring systems to support their development and participation in economic and social development. Proposed UN support will be in the areas of education and vocational training, sports, arts and crafts, culture and employment. It will also include continued support for improved reproductive health, particularly relating to sexual health and HIV/AIDS.

During a meeting between representatives of ILO, UNDP and the UN Coordination Office in Port Moresby in May 2008, the alignment of the DWCP with the UNCP was

discussed. The UNCP annual workplan and strategic plan for 2009 will be finalised during a joint UN meeting in November 2008 at which ILO will be represented.

The **MTDS** 2005-2010 was adopted in 2004 as the main government document on PNG's development goals and strategy. Its six key objectives are: **Economic growth; Social sector development; HIV/AIDS; Population growth; Urbanisation; and Information and communications technologies**. The MTDS focuses on export-driven growth and social development which includes human resource development, employment promotion and private sector growth.

Finally, the notes that were adopted at the **Tripartite Technical Meeting on Decent Work** held in Nadi, Fiji between 26 to 28 November 2007 identify common regional priorities for ILO assistance.

PNG is fully supported by international and regional institutions and bilateral donors which endeavour to closely align their contributions to the country's priorities. **Australia** is PNG's largest bilateral donor and runs a comprehensive aid programme in PNG aimed at helping the PNG Government implement its own medium term development goals. The program focuses on the four areas of **Improved governance and nation building; Sustainable broad-based economic growth and increased productivity; Improved service delivery and stability; and a Strengthened, coordinated and effective response to the HIV/AIDS epidemic**. In August 2008, the governments of PNG and Australia signed a **Partnership for Development** which commits Australia and PNG to work together to meet common challenges, in particular to make faster progress towards achieving the MDGs and PNG's development goals. Australia has committed itself to provide new and additional bilateral assistance over time. The Partnership is focused on five priority outcomes: better access to markets and services through improved infrastructure; faster progress towards universal basic education; improved health outcomes; strengthened public administration, including at the provincial and district levels; and to launch a new approach to providing sound development data, including a national census in 2010. The **EU** is another major donor in PNG with assistance under the

10th EDF (2008-2013) having the focal sectors **Education, Human Resources Development, Rural Economy**. ADB's Country Strategy and Program for PNG (2006-2010) focuses on several key strategic areas, including **Public financial management, Private sector development, the Transport sector, and Health and HIV/AIDS**. In addition, reforming public sector enterprises remains a key issue.

ILO's partnership with PNG

PNG has ratified 26 ILO Conventions. Twenty-four ILO Conventions remain in force, including ILO's eight Fundamental Conventions, while two have been denounced. Although the PNG Government is obliged to supply reports on the application of ratified conventions, reports have not always been received by the ILO supervisory system as noted by ILO's Committee of Experts on the Application of Conventions and Recommendations (CEARC).

The social partners are the Employers' Federation of PNG (EFPNG) and the PNG Trade Union Congress (PNGTUC). Identified strengths of PNG's tripartite system are a considerable commitment to tripartism and social dialogue within the government and social partners. An important tripartite institution, the National Tripartite Consultative Committee (NTCC), has been created. Despite these positive conditions, PNG's record on social dialogue has been mixed in practice.

The position of DLIR within the wider government is comparatively weak, as evidenced by the lack of ability of DLIR to influence wider policy development and reform. For instance, apart from calling for a need to develop a human resource strategy to address skill shortages and lift workforce productivity to international standards, the decent work agenda has not been incorporated into the MTDS. DLIR lacks resources and expertise to mainstream labour issues into general government policies and increase its stake in the wider government. It is a declared aim of DLIR to mainstream the DWCP into PNG's next MTDS. Currently there is an interest within DLIR to learn more about the ILO supervisory system. The administration of the Labour Inspectorate and the quality of labour inspections need to be improved. Currently, knowledge on the actual terms and conditions of employment is largely

based on anecdotal evidence. DLIR includes the National Employment Service division. This division has not been able to fulfil the role of providing employment services due to an unavailability of data and resources. An effective use of the LMIS would allow for better career guidance and help youth in their school-to-work transition. Generally, the continuing lack of labour market data means that there is only fragmented knowledge of the demand and supply side of the labour market. Yet, a successful labour market policy relies on such data to identify labour market issues and policy priorities.

The autonomous National Tripartite Consultative Committee (NTCC) was created in 1991 by the Industrial Relations (Amendment) Act of Parliament as a statutory body providing support for the tripartite process and a consultation platform on key policy issues. It consists of 22 members appointed for two years, including the Minister of Labour and Industrial Relations, and three other Ministers with responsibilities for finance and planning matters, trade and industry matters, and minerals and energy matters; and representatives of EFPNG and PNGTUC. The NTCC has a permanent secretariat and provides an annual salary to its members. The NTCC has appointed a designated official to oversee the Decent Work Country Programme progress and report to the Committee. While the NTCC can potentially play a key role in facilitating policy dialogue, it has not yet reached its full potential to do so. NTCC meetings were not held twice a year as required by its charter and a quorum was often not achieved.

The EFPNG is the professional organisation of employers in PNG. It was established in 1963 with the main purpose of representing employers on the issues of industrial relations and labour legislation. Today, it has 150 members who collectively employ some 40% of formal sector workers. The EFPNG provides industrial relations services to its members and private sector employers. Sound financial management enabled the EFPNG to achieve high levels of financial sustainability and enabled it to invest in human resources. While the EFPNG is generally well equipped and managed, it may benefit from further capacity building in organizational management as well as specific areas such as labour and employment law. The latter is particularly important in the context of the ongoing labour law review.

Compared to the EFPNG, the PNGTUC is severely constrained by a lack of resources. The PNGTUC currently has 26 affiliates and 85,000 members. The membership base is small for a country with a labour force of some 2.7 million, though the vast majority of workers are subsistence farmers or engaged in the informal economy. The total number of registered trade unions in PNG is 73 (as of May 2008), and there is good potential for the PNGTUC to expand its representation by organising hitherto unaffiliated unions into the TUC. The office of the PNGTUC is poorly equipped and located in a residential area. The PNGTUC faces difficulties with communication due to unreliable telephone and internet connections. This makes it very difficult for the PNGTUC to fulfil its role as the umbrella body for unions. With the exception of the key public sector unions most unions in PNG face organisational challenges. Annual union elections required under the current law have acted as a significant block against the development of experienced long serving elected union officials. There is a lack of understanding of negotiation strategies, collective bargaining and dispute settlement, and therefore capacity building programmes are urgently needed in these areas. The PNGTUC strives to enhance its financial base and management to strengthen its services and improve communication with its members.

PNG currently has outdated and weak labour legislation. Both the Employment Act 1978 and the Industrial Relations Act 1962 are colonial pieces of legislation prepared and implemented by Australia as the administering power of PNG. The Employment Ordinance was introduced in 1958 and was subject to minimal change until it became the Employment Act 1978. The outdated nature and lack of alignment of the current labour legislation with some provisions in ILO Conventions have necessitated a review of the labour legislation. The process of reviewing the existing Industrial Relations Act and drafting a new replacement Act has been underway for about 10 years. The 5th Draft IR Bill is ready to be considered and adopted by the NTCC and can then be processed through the normal machinery of government provisions to become law. The review of the Industrial Relations Act and the Employment Act is closely followed by the ILO supervisory bodies. The CEACR has expressed some concern that certain provisions in consecutive drafts of the IR Bill continue to be contrary to a number of ILO conventions, including Conventions Nos. 87, 98, 100,

105, 111 and 138. The CEACR has also made a number of recommendations with regard to certain provisions of the Employment Act.

In the past years ILO provided assistance to DLIR to support the process of **labour law reform**. Labour law reform in PNG has also been supported by AusAID over several years and AusAID's reports form the basis on which ILO intends to work in the future. The implementation of ILO Conventions ratified by PNG as well as the fulfilment of reporting obligations have been a focal area between ILO and the constituents. Through technical assistance and training programmes, **capacity building of the tripartite constituents** has been a priority. ILO also provided technical assistance in establishing the **LMIS**. ILO's main technical cooperation programme, the **Start and Improve Your Business (SIYB)** project has been financially supported by AusAID and is currently in its third phase. It has produced a set of tools for enterprise development that are suited to the economic characteristics of PNG. Over 100 trainers have been trained and have acquired relevant national and international experience offering training country-wide. The programme also uses the "SYB" and "IYB" materials in high schools and vocational centres in an innovative way. ILO in collaboration with UNDP PNG has run the "**HIV/AIDS in the Workplace**" project. Under this project, a toolkit for the development and implementation of HIV/AIDS workplace policies was developed involving tripartite partners, and assistance was given to develop a legislative framework and workplace policy. This project was completed in 2006 but the toolkit continues to be used by employers and unions. Tangible outcomes of this project have been the adoption of HIV/AIDS workplace policies by the PNG National Constabulary and the Draft HIV/AIDS Workplace Policy adopted by DLIR which is regarded as a role model for other Government departments. The "Tackling Child Labour through Education" (TACKLE) project and the "Sub-regional Programme on Education, Employability and Decent Work for Youth in the Pacific Island Countries" were launched by ILO in PNG in early 2008. A pipeline project in PNG is the regional project "Improving OSH in Ports" which will be implemented in PNG and four other Pacific Island countries.

II. Country Programme priorities

PNG has been proactive in pursuing Decent Work as a national goal and has developed a draft National Decent Work Policy in 2007. The 2009-2012 ILO Decent Work Country Programme will assist PNG in implementing its national decent work agenda. Based on the constituents' priorities, responding to the social and economic needs, corresponding with strategies and activities spelled out in the Pacific Plan, the UNCP and the MTDS, and based on ILO's comparative advantage against other development partners, ILO will concentrate on four country programme priorities in PNG within the overarching theme of "decent work for all men and women":

Priority 1. Capacity building of tripartite partners;

Priority 2. Completion and implementation of labour law reform and related legislation;

Priority 3. Promotion of productive and decent employment, particularly for young men and women;

Priority 4. Human resource development through skills development.

By focusing on these four priorities, ILO's DWCP will contribute to the priorities for development as set out by the MDGs, the Pacific Plan, and the MTDS. ILO's activities aimed at combating child labour (under DWCP priorities 2 and 3) will contribute to making progress towards **MDG2**, namely to achieve universal primary education. ILO's work on HIV/AIDS in the workplace will contribute to making progress towards **MDG6**, namely to combat HIV/AIDS, malaria and other diseases.

The Pacific Plan aims to achieve 13 objectives under 4 pillars and ILO's activities will contribute to several of these. ILO's focus on children and youth (under DWCP priority 3) will lead to **improved education and training and enhanced involvement of youth** which are part of the "sustainable development" pillar of the Pacific Plan. Similarly, ILO's work on HIV/AIDS will lead to **improved health** which is another objective under the same pillar. Capacity building within DLIR (under DWCP

priorities 1 and 2) will contribute to the “**good governance**” pillar of the Pacific Plan. In addition, increased employment, particular youth employment (under DWCP priority 3), will increase overall **security and social stability** in PNG (pillar 4 of Pacific Plan).

ILO’s activities are closely aligned to the first three key objectives of the MTDS. The first key objective, **economic growth**, depends on improvements in skills and productivity, and on support for informal economy among others. The DWCP priority 3 in particular addresses this issue. The second key objective of the MTDS is **social sector development** which includes education, health, empowering youth and protecting children are also addressed by the DWCP priorities 2 and 3. The third priority is **HIV/AIDS** – an area in which ILO has ongoing activities.

Although ILO does not yet feature prominently in the UNCP, there is great potential to include ILO’s activities in several areas in future annual workplans and strategic plans. Indeed, ILO’s activities under the DWCP will fall under all five areas of UN cooperation: **improved governance and crisis management** (through capacity building of DLIR); **foundations for human development** (through child and youth development); **sustainable livelihoods and population** (through promotion of decent employment and human resource development); **gender** (which is mainstreamed throughout the DWCP); and **HIV and AIDS** (through its HIV/AIDS in the workplace project). Given the recognition that employment is a key element in the poverty reduction agenda, there are clear opportunities for ILO in PNG to spearhead the UN’s role in promoting employment, in particular for youth.

In addition to the alignment with all major development agendas, the priorities and activities under the DWCP offer considerable potential for collaboration with and potentially funding by other development partners including AusAID, the EU and ADB on the basis of overlapping interests (see summary of their programmes above).

III. Country Programme outcomes, indicators and brief strategy

Each Country Programme priority includes at least one outcome. Outcome indicators will be used to measure achievement of the outcomes and targets are set for each indicator. Brief strategy summaries describe the activities and outputs that will lead to the achievement of the outcomes.

Priority 1. Capacity building of tripartite partners

Outcome 1.1: The social partners are strengthened to increase the effectiveness of their institutions and to provide meaningful services to their members.

Outcome indicators:

1.1.1. The extent to which PNGTUC will have upgraded its capacity in communicating with its affiliated organizations, organizing new members, and engaging in collective bargaining.

Target 1: PNGTUC will have regular communications with its affiliated organizations;

Target 2: PNGTUC will have upgraded technical skills in organizing and collective bargaining, and be able to support its affiliates conduct effective organizing and bargaining.

1.1.2. The extent to which staff of EFPNG will have upgraded management skills.

Target: At least five key staff of EFPNG will have received management training and experience sharing opportunities by 2010.

1.1.3. Involvement of social partners in reports due under the ILO supervisory system.

Target: Reports due under the ILO supervisory system will involve the social partners starting in 2009.

Outcome 1.2: The enforcement of international and national labour standards is improved through strengthened labour administration.

Outcome indicators:

1.2.1. The number of reports provided by labour inspectors.

Target: The number of reports provided by labour inspectors will have doubled by 2012 compared to 2007.

1.2.2. The quality of labour inspections.

Target: Labour inspections and the reports provided by labour inspectors will routinely cover FOA/CB, non-discrimination, forced/compulsory labour, OSH, HIV/AIDS and child labour as well as the core and ratified Conventions by 2012.

1.2.3. The tripartite reports prepared and submitted under the ILO supervisory system.

Target: Annual reports due under the Article 22 of the ILO Constitution on ratified Conventions will be prepared involving the social partners and sent on time to the ILO.

Strategy to achieve outcomes 1.1 and 1.2:

ILO has a long history of capacity building of the tripartite partners in PNG through technical assistance and training programmes. Being the only development partner working closely with trade unions and employers' organisations, ILO has developed an in-depth understanding of the particular needs of the constituents.

A "capacity assessment" of the constituents will be conducted in the first year of the DWCP in order to determine the required organisational capacities and staff skills to deliver DWCP priorities. ILO's International Training Centre (ITC-ILO) will assist with this activity and determine a range of targeted training interventions over the DWCP period. Training will also be provided by ITC-ILO, either in Turin or in the region.

Some specific training needs of the constituents have already been identified during meetings with constituents in PNG: ILO will assist to upgrade the skills of the tripartite constituents to understand and comment on existing and proposed ILO Conventions and Recommendations and the ILO supervisory mechanism. This is an area where

ILO's International Labour Standards Department (NORMES) and the International Labour Standards (ILS) specialists in the field will be of particular assistance.

ILO will assist DLIR with a view to strengthening its ability to influence policy development and reform. DLIR will be assisted to promote its decent work agenda and proactively engage with National Planning in order to promote the explicit incorporation of decent work into PNG's next MTDS. Generally, DLIR requires assistance to increase its stake in the wider government. ILO will also assist DLIR to strengthen its function of carrying out labour inspections.

The skills of EFPNG and PNGTUC staff in establishing and managing their organisations need to be upgraded. The capacity of EFPNG and PNGTUC to effectively participate in policy formulation also needs to be improved. ILO will provide technical assistance to address these areas of need. The representation of employers' views on the issues of skills, employability and training, especially for youth, need to be enhanced. Management training and experience sharing opportunities for key staff of EFPNG will be facilitated by ILO's Bureau for Employers' Activities ACT/EMP, ensuring equal participation of women and men.

ILO will assist to upgrade the capacity of PNGTUC and its affiliated organizations to provide better protection and services to their members and workers in general. As a result, it is envisaged that the number of affiliates of PNGTUC will increase. The capacity of elected union officials to effectively run their unions will be developed by providing leadership training. ILO's strategy will include the participation of union leaders in overseas attachments and training courses. Women will be encouraged to be trade union officials with a view to representing the specific interests of women in the process of collective bargaining. In addition, infrastructure support for education and research will be provided to unions.

Outcome 1.3: Effective tripartite and bipartite social dialogue mechanism is institutionalized to make tangible progress in promoting Decent Work.

Outcome indicators:

1.3.1. Number of annual meetings of the NTCC.

Target: The NTCC meets at least twice a year as required by law starting in 2009.

1.3.2. Attendance rate of NTCC members.

Target: The attendance rate of the NTCC members will have increased to the level of meeting a quorum by 2009.

Strategy to achieve outcome 1.3:

An outcome of the completion and implementation of labour law reform that is supported by ILO through technical assistance will be the strengthening of tripartite structures and social dialogue. An analysis of the NTCC as the major social dialogue institution will be conducted and recommendations for improvement will be provided and implemented by ILO.

ILO will assist to upgrade the skills of staff of DLIR, EFPNG and PNGTUC in collective bargaining techniques and procedures and dispute resolution by providing technical assistance and training. As part of this assistance, PNG will be encouraged to ratify the Tripartite Consultation (International Labour Standards) Convention, 1976 (C.144).

Priority 2. Completion and implementation of labour law reform and related legislation

Outcome 2.1: The revised labour laws are fully in compliance with the International Labour Standards.

Outcome indicators:

2.1.1. Compatibility of the revised Industrial Relations Bill with ILO Conventions.

Target: The technical memorandum of the ILO will conclude that the new IR Bill is fully compatible with the ILO Constitution, fundamental Conventions and the other Conventions ratified by PNG.

Outcome 2.2: The new Industrial Relations Act (including Employment provisions) is effectively implemented.

Outcome indicators:

2.2.1. Establishment of an effective and appropriate minimum wages system.

Target: An effective and appropriate minimum wages system will have been established by 2010 in the form of a functioning, transparent and independent Minimum Wages Board with full involvement and representation of the social partners.

2.2.2. Improvement of the functioning of the Industrial Relations Commission.

Target: All industrial matters will be heard in a timely fashion and will be determined before the Industrial Relations Commission from 2010 onwards.

2.2.3. The number of collective bargaining agreements (Awards) newly registered.

Target: The number of collective bargaining agreements (Awards) will have increased by 20% by 2012, compared to 2007.

Strategy to achieve outcomes 2.1 and 2.2:

The Industrial Relations Act has been subject to a significant review which has resulted in the 5th Draft **Industrial Relations Act** being agreed between the social partners in December 2007. The Bill needs to be progressed through the machinery of government. Milestones in this process are envisaged to be the approval of the Industrial Relations Act by NTCC and Government by 2009 and its passage through Parliament by 2010.

In a review of PNG labour law in 2008, it was recommended that the social partners initiate a tripartite plus consultative process to review and rewrite the existing **Employment Act** so that it reflects a minimum of conditions of employment in accordance with PNG's obligations under the core and ratified ILO Conventions and UN Conventions, and the principles of ILO Conventions and Recommendations that deal with minimum conditions of employment in a modern world. It was also recommended to merge the Industrial Relations Act and the Employment Act into one Act.

Milestones in the process of reviewing the Employment Act are envisaged to be the preparation of a draft Employment Act both in relation to its substantive provisions and as an amendment to the Industrial Relations Act by 2009; the approval of the Employment Act by NTCC and Government by 2010; and the passage of the new consolidated Industrial Relations Act (including Employment provisions) through Parliament by 2011.

ILO will continue to provide assistance in reviewing and revising the draft labour legislations, taking account of international labour standards. ILO will provide training in labour and employment law to the tripartite constituents, ensuring equal participation of women and men. This will involve training in employment relations, conditions of work, minimum wage fixing, collective employment relations, and international labour standards. It will be ensured that the ILO conventions ratified by PNG are included in the revised laws.

ILO technical assistance will also strongly advise that CEARC's comments are reflected in the revised labour legislation. In regards to C.111, CEARC has specifically requested the Government to provide information on concrete measures taken or envisaged to promote equality of opportunity and treatment in employment

and occupation in practice with respect to gender, race, colour, ethnic minority and indigenous status. As part of ILO's technical assistance provided for the review of labour legislation, a comprehensive gender-sensitive assessment will be conducted on whether any inequalities, in law and practice, in employment and occupation exist with respect to certain groups of the population.

In 2008, CEARC has requested the Government to amend sections 151 and 152 of the third draft Industrial Relations Bill, in order to ensure compatibility with the Right to Organise and Collective Bargaining Convention, 1949 (C.98) which PNG signed in 1976. The Government has also been asked in 2008 to ensure that the Termination of Employment Convention, 1982 (C.158) that PNG ratified in 2000 is reflected in national legislation.

Another concern of CEARC, raised in 2008, concerns ongoing issues of non-conformity of PNG's Seamen (Foreign) Act and Merchant Shipping Act with the Abolition of Forced Labour Convention, 1957 (C.105) which PNG ratified in 1976. PNG has ratified the Underground Work (Women) Convention, 1935 (C.45), which is considered a convention no longer up-to-date. From a gender equality point of view, an analysis should be undertaken whether the total prohibition of women working underground is still valid in the current circumstances. CEACR has recommended the Government to consider ratification of the more recent Safety and Health in Mines Convention, 1995 (C.176).

In addition, training will be provided to increase the knowledge and understanding of the Maritime Labour Convention (MLC) among the tripartite constituents, with a view to possible ratification of the convention.

ILO will provide technical assistance to assist the implementation of labour laws including assistance for the proposed new Minimum Wages Board and the improvement of the IR Commission.

Outcome 2.3: Effective progress is made towards the elimination of child labour.

Outcome indicators:

2.3.1. Progress towards developing a National Action Plan for the Elimination of the Worst Forms of Child Labour.

Target: A National Action Plan for the Elimination of the Worst Forms of Child Labour will have been drafted and implemented by 2010, taking into account the particular needs of girl and boy children.

2.3.2. Mainstreaming of child labour issues into national policies and programmes.

Target: Child labour issues will have been mainstreamed into at least two national policies and programmes including the revised Employment Act by 2010.

2.3.3. Progress towards implementation of the Minimum Age Convention, 1973 (C.138) and the Worst Forms of Child Labour Convention, 1999 (C.182).

Target: Labour, education, family and child protection (Lukautem Pikinini) and criminal legislation will have been reviewed to ensure their conformity with the ratified Minimum Age Convention, 1973 (C.138) and the Worst Forms of Child Labour Convention, 1999 (C.182) by 2010.

Strategy to achieve outcome 2.3:

PNG ratified the Minimum Age Convention, 1973 (C.138) and the Worst Forms of Child Labour Convention, 1999 (C.182) in 2000. PNG law sets the minimum age for employment at 16 years and protects children under 18 years from working in hazardous conditions. While laws have been passed to protect children, enforcement of these laws by DLIR and the Department of Police has been poor and there are no labour inspectors specifically addressing child labour.

Operating in 11 countries from the ACP, including PNG, the EU-funded 4-year project entitled “**Tackling Child Labour through Education**” (**TACKLE**) which is implemented by ILO-IPEC was launched as part of an effort to accelerate the fight against poverty and the achievement of the MDGs. It aims to address child labour

issues through strengthened legal frameworks and policies, strengthened capacity leading to improved implementation of child labour laws, the creation of replicable models for direct interventions to remove children from hazardous work and give them access to appropriate educational alternatives, taking into account the specific needs of girl and boy children, and an enhanced knowledge base and networks on child labour and education. ILO will help the constituents in building up capacity for the application of C.138 and C.182 with a view to developing and implementing interventions against the worst forms of child labour. Technical assistance will be given for improving the enforcement of existing laws protecting children, and the creation of new employment standards relating to child labour as part of the revised Employment Act, and for the mainstreaming of child labour in national policies and programmes. ILO will assist in harmonising the national legislation with standards related to the protection of children from labour and sexual exploitation. ILO will assist the Government in drafting and implementing a National Plan of Action for the Elimination of the Worst Forms of Child Labour. As required by C.182, ILO will assist the social partners to construct a list of hazardous work for children in PNG. ILO will achieve this outcome through the TACKLE project which will provide technical advice, missions and workshops.

Priority 3. Promotion of productive and decent employment, particularly for young men and women

Outcome 3.1: Youth employment policies are adopted and implemented.

Outcome indicators:

3.1.1. Mainstreaming of youth employment issues into national policies and programmes.

Target: Youth employment issues will have been mainstreamed into at least two national policies and programmes such as educational sector plans and strategies, poverty reduction programmes, health policy and programmes, or rural development schemes by 2012.

Strategy to achieve outcome 3.1:

ILO, in collaboration with social partners, launched the **Sub-regional Programme on Education, Employability and Decent Work for Youth in the Pacific Island Countries** (henceforth referred to as the “sub-regional programme”) in April 2008. The programme, funded by the Netherlands, is aimed at contributing to improved employability and decent work for young men and women in Papua New Guinea, Kiribati, Samoa, Solomon Islands and Vanuatu. In PNG, technical assistance will be provided to strengthen social partners’ capacity to influence planning and policy development for the promotion of productive employment and decent work for young men and women.

Through the sub-regional programme and ILO technical assistance, the influence of the social partners will be strengthened with the aim of stimulating concerted efforts aimed at mainstreaming employment concerns, with a focus on youth, into socio-economic planning and policy development. Meetings of stakeholders including unions and employers will be organised to discuss the mainstreaming of youth employment concerns into national planning and policies.

As part of the sub-regional programme, a desk review on the youth labour market and other youth employment issues will be conducted by 2009. The information will be presented and analysed in a gender-disaggregated way. Based on the desk

review, policy recommendations and action plans on youth employment will be developed. A school-to-work transition survey and child labour surveys will also be conducted by 2011 and the information will be differentiated by gender.

The constituents require assistance to analyse formal and non-formal education and training issues and youth employment issues, and to identify strategies to address the problem of youth unemployment, underemployment and inactivity, taking into account the particular and specific needs of young women and young men. The sub-regional programme will address these needs by conducting desk reviews on these issues and carrying out a school-to-work transition survey.

Meanwhile, the TACKLE project which focuses on child labour, will carry out child labour surveys and support the sub-regional programme's school-to-work transition surveys. Synergies between the sub-regional and TACKLE projects will be explored in consideration of the child labour and youth employment linkages. Much of the mainstreaming efforts of the two projects will be coordinated, with a view toward assisting PNG to adopt coherent, mutually reinforcing policies and programmes on child labour and youth employment.

Outcome 3.2: The access of young men and women to support services for wage and self-employment is increased.

Outcome indicators:

3.2.1. DLIR's role in supporting wage and self-employment of young men and women.

Target: DLIR undertakes employment agency functions and uses the LMIS for career guidance and job matching purposes, beginning in 2010, taking into account the particular needs of young women and men.

3.2.2. An increased number of young entrepreneurs / students will have accessed employment or business support services.

Target: 500 young entrepreneurs / students will have accessed employment or business support services by 2010. At least 50% of these will be young women.

3.2.3. Some child labourers will have been taken out of work and into formal or non-formal education or training.

Target: 300 child labourers will have been taken out of work and into formal or non-formal education or training by 2012. At least 50% of them will be girl children.

Strategy to achieve outcome 3.2:

Young men and women in PNG have limited access to support services that will help them secure wage or self-employment opportunities. Constituents require ILO assistance to offer such services.

DLIR launched the LMIS in 2007 and requires further technical assistance to effectively use the LMIS, also with a view to extend the functions of the system towards improvement of collection and dissemination of gender-disaggregated labour market data. An effective use of the LMIS will allow the National Employment Service within DLIR to provide career guidance for school leavers and young men and women and help youth in their school-to-work transition. ILO will provide training and technical assistance to DLIR to fulfil this role

Both the sub-regional programme and the TACKLE project will provide entrepreneurship training to young people about to leave school to allow them to engage in small-scale businesses and earn regular incomes. Entrepreneurship training will adopt ILO methodologies already tested in PNG and other countries like the “Start and Improve Your Business” (SIYB) and “Know About Business” (KAB). In addition, ILO will provide technical assistance to develop career guidance materials which are gender neutral.

Through the TACKLE project, ILO will work with the constituents to implement targeted actions to combat child labour by providing access to formal and non-formal education and skills training. In the context of the implementation of the National Plan Against Child Labour, these interventions will be replicated outside of the project’s geographical target areas.

In delivering on this priority, ILO can draw on extensive experience elsewhere including in the Pacific region. An important programme to consider in this regard is the five-year Skills Training for Gainful Employment (STAGE) Programme which is an initiative of ILO and UNDP Offices in Timor Leste which started in November 2004. It aims to reduce poverty and promote economic growth, building national capacity to deliver a demand driven micro enterprise and skills training, and contributing to the

establishment and development of income generating activities. STAGE provides the former Ministry of Labour and Community Reinsertion (MLCR) with the competences, instruments, and methodologies to coordinate and monitor vocational and micro enterprise skills and deliver effective employment services. The successful symbiosis between the STAGE project team and MLCR's staff represents the foundation on which the overall UNDP/ILO implementation strategy is built.

Outcome 3.3: Improved labour market statistics are collected and used.

Outcome indicators:

3.3.1. The quality of the LMIS.

Target: The LMIS is updated at least twice a year from 2010, will allow for inclusion of gender-disaggregated labour market data and will be used, as evidenced by an increased number of publications on labour market data by DLIR.

3.3.2. The 2010 Census questionnaire.

Target: The 2010 Census questionnaire will include a set of labour market related questions which allow for production of a full set of labour market statistics.

Strategy to achieve outcome 3.3:

Because of the limited amount of available labour market data, labour market analysis is virtually non-existent. Capacity building through ILO technical assistance in the field of labour market statistics (i.e. producing, understanding and using labour market indicators) and labour market analysis (i.e. using analytical software, understanding of economic and employment trends, editorial skills) will be provided to the Policy & Research Division of DLIR. Hence, ILO technical assistance will be focused on extending the LMIS and to build capacity within the DLIR to maintain the database and produce relevant statistics and labour market analysis from the database. This will enable DLIR officials to use and understand the LMIS for evidence-based policy formulation purposes.

The upcoming 2010 census provides a chance to produce a first complete set of labour market data in PNG: the NSO has agreed to include a set of labour market-

related questions, when these will be provided by DLIR. The Policy and Research Division is the appropriate unit in DLIR to develop such a questionnaire with technical assistance from the ILO.

Outcome 3.4: HIV/AIDS workplace policies will be adopted and implemented

Outcome indicators:

3.4.1. The number of workers covered by HIV/AIDS workplace policies.

Target: The number of workers covered by HIV/AIDS workplace policies will have doubled by 2012, compared to 2007.

Strategy to achieve outcome 3.4:

In PNG, HIV/AIDS has moved from being a health problem to being a general human development challenge, leading to a depletion of human resources and skills. ILO is uniquely placed to address the issue through workplace programmes and policies and has a successful record of making the workplace a platform for disseminating programmes on prevention, treatment and support to ensure universal access. Over the past few years, ILO has raised awareness of the social, economic and development impact of HIV/AIDS. ILO constituents have acknowledged the usefulness of the ILO Code of Practice on HIV/AIDS and the World of Work as a tool to guide workplace responses to HIV/AIDS. These will be disseminated further.

The awareness of the issue of HIV/AIDS in the workplace will be raised further within unions, employer federations and DLIR. The full and equal participation of men and women will be ensured. Technical assistance will be provided to establish a database on HIV/AIDS workplace policies. Constituents will be assisted to draft HIV/AIDS workplace policies in accordance with the ILO Code of Practice and International Labour Standards.

Through the project “Men as partners in reproductive health”, funded by UNFPA and implemented by ILO, the capacity of workers’ and employers’ organisations will be strengthened to deal with the issue of reproductive health and HIV/AIDS prevention.

Priority 4. Human resource development through skills development

Outcome 4.1.: Skills development is enhanced through training systems and policies

Outcome indicators:

4.1.1. The number of new labour market entrants who attended at least one technical and vocational education or training scheme.

Target: 4.1.1. The number of new male and female labour market entrants who attended at least one technical and vocational education or training scheme will have increased by 30% by 2012, compared to 2007.

4.1.2. Progress towards developing a national HRD policy.

Target: A national HRD policy will have been drafted by 2010.

4.1.3. Inclusion of skills development in national development strategies.

Target: Skills development through technical and vocational education and training will have been accorded a prominent place in national development strategies and programmes by 2012.

Strategy to achieve outcome 4.1:

While the improved use of the LMIS will make overall and gender-disaggregated labour market data available, targeted labour market and tracer studies are needed to identify in more detail existing skill gaps in certain industries, as well as the reasons behind these skill gaps. ILO will provide technical assistance to prepare and conduct relevant labour market and tracer studies that will assist the identification of strategies and interventions with a view to increasing the level of relevant skills of PNG's workforce.

In view of the importance of human resources for PNG's overall development, skills development through technical and vocational education and training has to obtain a more prominent place in national development strategies and programmes. ILO will assist this process by raising the awareness of the importance of technical and vocational education and training which need to be tailored to the particular and specific needs of women and men among its tripartite constituents.

The absence of a national HRD policy negatively affects human resource development in PNG. ILO will provide technical assistance to the tripartite constituents aimed at establishing a national advisory committee including the tripartite constituents and other stakeholders tasked with the development of a draft national HRD. Future milestones include the approval of the national HRD policy by Government by 2011, and its passage through Parliament by 2012.

IV. Implementation and management

The programme will be implemented by the Government of PNG, employers' and trade unions' organisations in close cooperation and with the assistance of ILO and on the basis and to the extent resources are available or can be mobilised. The implementation plan will be developed by ILO after the document is signed. The implementation plan will include biennial milestones with due regard for outputs by the ILO and tripartite constituents, including other implementing partners. Outputs and resources will be identified in accordance with current and pipeline projects, their goals and objectives. Extra-budgetary resources and ILO's regular budget resources will be used to finance the implementation of this programme. The ILO network will continue to seek further funding. A detailed resources plan will be developed by ILO, taking into account the many overlapping interests of ILO and donor agencies. The implementation plan will be developed on a biennial basis.

The implementation of the programme will be facilitated by the different ILO units including the ILO Office for the Pacific Island Countries in Suva, the Sub-Regional Office (SRO) in Manila including the workers' and employers' specialists based in the SRO, the Regional Office in Bangkok, the International Training Centre of the ILO (ITC-ILO) in Turin, and technical units at headquarters in Geneva on the side of ILO, and the NTCC on the side of PNG. The Programme implementation plan envisages close collaboration between ILO and tripartite constituents in PNG. ILO will continue its cooperation with other stakeholders in PNG such as UNDP, ADB, AusAID, NZAID and the EC Delegation.

The objectives of the programme will be pursued in particular through technical cooperation projects, advisory services, seminars and capacity building.

V. Performance monitoring and evaluation arrangements

Monitoring and evaluation of the progress of implementation will be undertaken in order to ensure progress towards achieving results as defined in country outcomes. A detailed Monitoring and Evaluation Plan will be prepared at the beginning of each biennium by the ILO Office for Pacific Island Countries in Suva with the assistance of a tripartite committee, preferably the NTCC or a subcommittee of it. The first plan will be developed within the first six months of the Decent Work Country Programme. The RO in Bangkok will be responsible for overseeing the Monitoring and Evaluation Plans. The ILO Office for Pacific Island Countries in Suva will also prepare six-monthly output progress reports and annual outcome progress reports.

In response to progress reports, adjustments will be made, if necessary, in order to secure the most efficient implementation of the DWCP, and take into account new developments and emerging issues. A comprehensive review of the DWCP will be done in 2010 to ensure alignment with PNG's new development strategy.