



DEVELOPMENT EFFECTIVENESS BRIEF

PAPUA NEW GUINEA

HARNESSING NATURAL
RESOURCE WEALTH TO UPLIFT
THE LIVES OF THE POOR



DEVELOPMENT EFFECTIVENESS BRIEF

PAPUA NEW GUINEA

HARNESSING NATURAL
RESOURCE WEALTH TO UPLIFT
THE LIVES OF THE POOR





Creative Commons Attribution 3.0 IGO license (CC BY 3.0 IGO)

© 2016 Asian Development Bank
6 ADB Avenue, Mandaluyong City, 1550 Metro Manila, Philippines
Tel +63 2 632 4444; Fax +63 2 636 2444
www.adb.org; openaccess.adb.org
OARsupport@adb.org; publications@adb.org

Some rights reserved. Published in 2016.
Printed in the Philippines.

Publication Stock No. ARM168042-2

The views expressed in this publication are those of the authors and do not necessarily reflect the views and policies of the Asian Development Bank (ADB) or its Board of Governors or the governments they represent. By making any designation of or reference to a particular territory or geographic area, or by using the term “country” in this document, ADB does not intend to make any judgments as to the legal or other status of any territory or area.

This work is available under the Creative Commons Attribution 3.0 IGO license (CC BY 3.0 IGO) <https://creativecommons.org/licenses/by/3.0/igo/>. By using the content of this publication, you agree to be bound by the terms of said license as well as the Terms of Use of the ADB Open Access Repository at openaccess.adb.org/termsfuse

The CC license does not apply to non-ADB copyright materials in this publication.

Note: In this publication, “\$” refers to US dollars.

Photo source: ADB photo library—pages v, vi, and 26; Border Development Authority—page 9 (left and right); Core International Implementing Agency, Department of Works—page 7 (bottom); Department of Works and Civil Works Contractor—page 6 (left and right); Highlands Region Maintenance Group, Department of Works—page 8 (top); Kewlyn Browne—page 16; Kumul Consolidated Holdings—page 12; Muhammed A. Ingratubun—pages 7 (top left and right), 8 (bottom), and 13; National Airport Corporation—page 11 (bottom); Ninebeth Carandang—page 18 and 19 (top and bottom); Sally Shute-Trembath—cover, pages 3, 10 (top and bottom), 11 (top), 20, 21, 22, and 25; Stanley Mando—page 17.

CONTENTS

Papua New Guinea and ADB: A Growing Partnership	1
ADB's Contribution to Development and Poverty Reduction	4
Land Transport	5
Air Transport: Rehabilitating National Airports	10
Water Transport: Improving Safety and Expanding Capacity	12
Widening Access to Clean, Renewable Energy	14
Promoting Public–Private Partnerships	15
Partnerships to Revitalize Rural Primary Health Services	15
Expanding Microfinance	20
Operational Effectiveness: Improving Efficiency and Performance	23
Raising Success Rates	23
Promoting Sustainability	24
Strengthening Partnerships	24
Future Challenges	25
Appendix	27
ADB Loans and Grants in Papua New Guinea, 2005–2015 (\$ million)	27





Papua New Guinea Development Indicators	2000			2014	
Population (million)	5.2			7.6	
Average annual population growth rate (%) 2009–2014				2.9	
Life expectancy at birth (years)	58.8			62.3 ^a	
Maternal mortality ratio (per 100,000 live births)	340			220 ^b	
Infant mortality rate per 1,000 live births	58			47 ^b	
Adult literacy (%)	57.3			62.4	
Primary school gross enrollment (%)	71.0			60.1	
Population living below the poverty line (%)	37.5 ^c			39.9 ^a	
Population using an improved drinking water source (%)	35			40 ^a	
Population using an improved sanitation facility (%)	19			19 ^a	
Urban population (%)				12.6 ^a	
	2011	2012	2013	2014	2015
GDP growth (% in constant prices)	10.7	8.1	5.0	13.3	9.9

GDP = gross domestic product.

^a 2012.

^b 2013.

^c 1996.

Sources: ADB. 2015. *Basic Statistics 2015*. Manila; ADB. 2015. *Asian Development Outlook 2016: Financing Asia's Future Growth*. Manila; World Bank. 2015. *World Development Indicators 2015*. Washington, DC.



PAPUA NEW GUINEA AND ADB: A GROWING PARTNERSHIP

Papua New Guinea (PNG) comprises the eastern half of New Guinea—the world’s second-largest island—and hundreds of scattered volcanic islands to the east. With a rugged core of high mountains, deep valleys clothed in rainforest, PNG has some of the most difficult terrain of any country. Its rich soils are farmed by peoples of unrivaled cultural, ethnic, and linguistic diversity who live much as they have done for thousands of years, their societies focused on traditional subsistence farming and organized around clan-based structures. These characteristics alone present a uniquely challenging context for development.

A rich endowment of natural resources, including gold, timber, fish, and natural gas, fuels PNG’s economy. Booming exports of these commodities, and strong prices until the recent downturn, have underpinned a continuous period of economic growth since 2002. A \$20 billion liquefied natural gas project, begun in 2010 and now operational, has helped push growth in the Pacific’s largest economy to 9% in 2015, yielding windfall revenues with which to tackle the country’s development challenges. To date, however, growth has mainly bypassed the 88% of Papua New Guineans who live in rural areas; poverty levels have changed little and inequality has worsened.

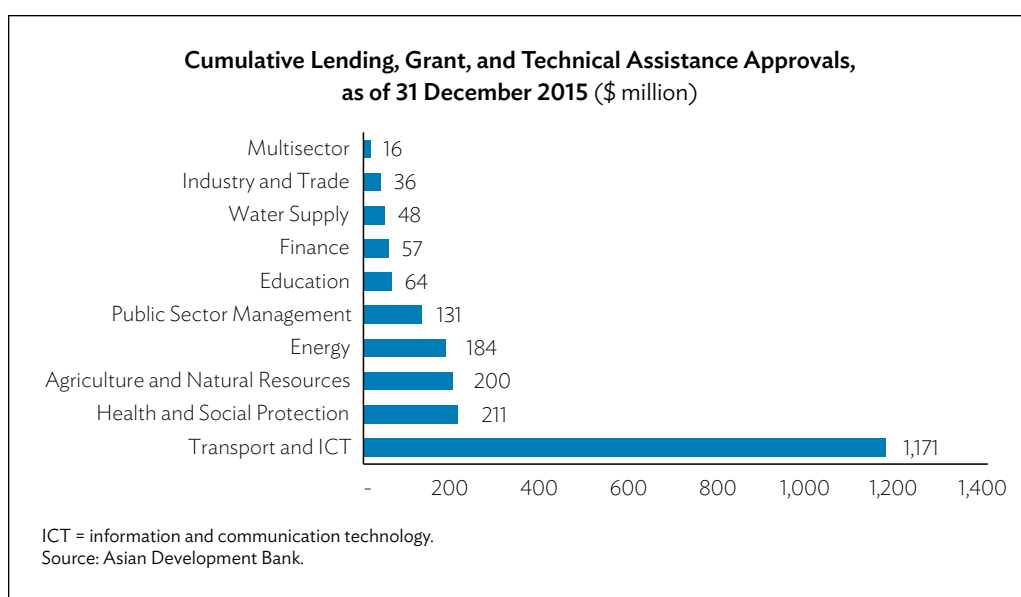
The government’s Vision 2050 aims to ensure that economic growth will be more broadly based, less reliant on the mining and energy sectors, and conducive to creating new income-earning opportunities and welfare improvements. Its Development Strategic Plan, 2010–2030 provides a framework for extending the benefits of economic growth to the most disadvantaged regions and communities by upgrading the transport and utilities networks, and providing quality education and health services. These improvements are intended to benefit the large number of Papua New Guineans who depend on a growing subsistence and cash-crop-based agriculture sector, producing coffee, tea, cocoa, and vegetable oils for local and world markets.

The Asian Development Bank (ADB) has been PNG’s stable and trusted development partner since 1971. Over the 45 years of engagement, ADB has devoted substantial financial resources and technical expertise to improving the welfare of Papua New Guineans. The establishment of the PNG Resident Mission in 2003 helped ADB scale up its assistance and provide closer supervision, while the introduction of multitranche financing facilities (MFFs) led to more long-term and predictable assistance. Cumulative ADB assistance to the country rose sharply from \$1.27 billion in 2009 to \$2.13 billion in 2015, making ADB the country’s largest multilateral development partner. The active portfolio expanded from \$350 million in 2010 to \$1.04 billion at the end of 2015.

ADB has focused mainly on rehabilitating and maintaining transport infrastructure—roads, bridges, civil aviation, and ports—to improve connectivity to markets and social services, particularly in rural areas. ADB's operations are concentrated in the Highlands—the region with the highest incidence of poverty. More recently, ADB has scaled up its assistance for power infrastructure, with an emphasis on clean energy solutions, in line with government's prioritization of power sector development. In parallel, ADB is expanding microfinance outreach and providing basic health services to remote rural populations. ADB also supports private sector development by facilitating reforms to create a more enterprise-friendly environment.

In March 2015, ADB approved a new country partnership strategy for 2016–2020, which will assist PNG in planning and implementing a successful conversion of its resource wealth into inclusive and environmentally sustainable economic growth. ADB's work program will continue to emphasize removing infrastructure bottlenecks and barriers to job and business creation.

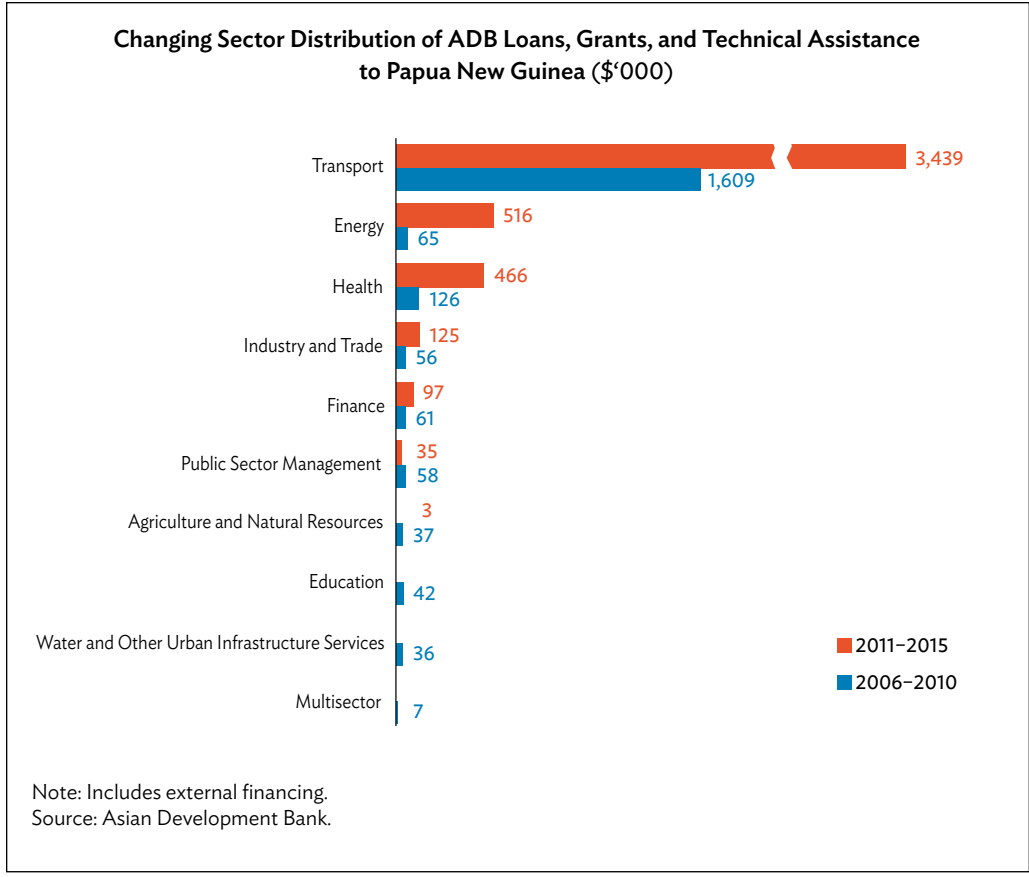
PNG is ADB's largest borrower in the Pacific, with an active portfolio that includes 19 ongoing loan and grant projects, 8 technical assistance projects, and 2 private sector loan and equity operations.



**ADB Loans, Grants, and Technical Assistance Commitments to Papua New Guinea
(\$ million)**

Approvals All Sectors	1971–2009	2010	2011	2012	2013	2014	2015
Total	1,339.56	77.49	242.52	49.50	306.68	0.07	32.07
Loans	1,246.99	70.30	199.12	41.50	305.70	0	0
Grants	34.39	6.00	40.00	5.00	0	0	31.87
Technical Assistance	58.18	1.19	3.40	3.00	0.98	0.07	0.20

Note: Active portfolio as of 31 December 2015: \$1.04 billion.
Source: Asian Development Bank.



ADB'S CONTRIBUTION TO DEVELOPMENT AND POVERTY REDUCTION

ADB's operations in PNG have helped restore connectivity to reduce isolation, improve access to social services, and create income-earning opportunities. During 2010–2015, ADB-supported projects rehabilitated and upgraded 602 kilometers (km) of national, provincial, and rural roads, helping reconnect rural communities to markets and essential services. Air transport accessibility, reliability, and safety were improved with the completion of upgrades at five national airports. The country's main port, at Lae, was expanded, boosting business opportunities nationally and regionally. Assistance to rural microfinance transformed the rural financial landscape, allowing thousands of unbanked rural people borrow and save for the first time. More than 72,000 people were trained in financial literacy, and more than 184,000 microfinance loan accounts were opened.

One of the government's most urgent priorities is to improve the condition of the country's transport infrastructure. By the end of 2015, ADB had provided \$1.17 billion to the sector through loan, grant, and technical assistance projects. Disbursement to transport projects increased from \$10 million–\$20 million per year in 2006–2010 to more than \$127 million per year in 2013–2015. ADB's assistance has been comprehensive, spanning upgrading and maintaining roads and bridges; developing civil aviation capacity and safety; upgrading ports, community water transport, and navigational safety; and reforming transport policies.

ADB Share of Development Partner Support to Transport, 2011–2015 (%)



ADB = Asian Development Bank; Others = Governments of Australia, the People's Republic of China, and New Zealand; Japan International Cooperation Agency; Organization of the Petroleum Exporting Countries Fund for International Development; United Nations Development Programme; and World Bank.

Source: Government of Papua New Guinea.

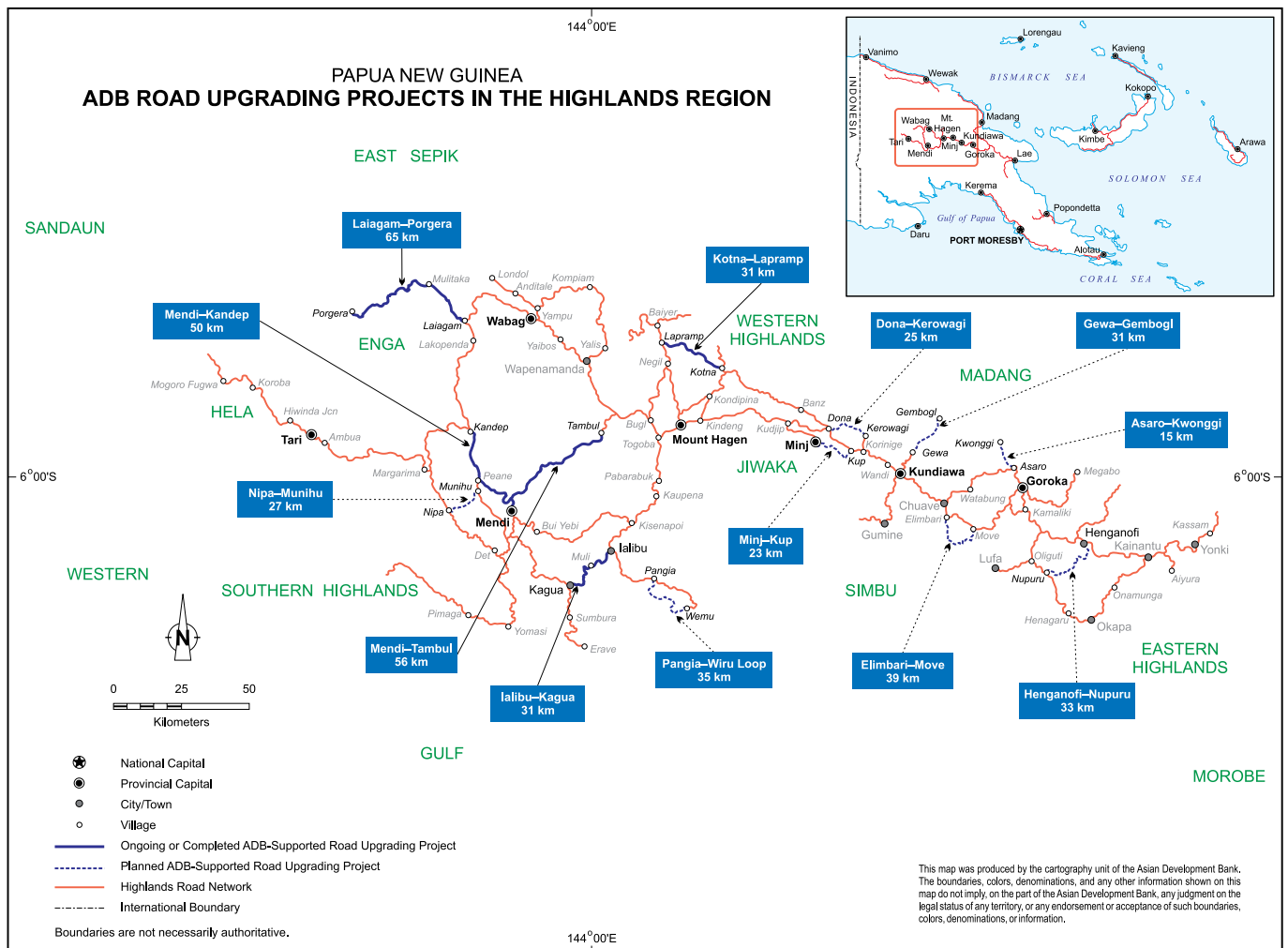
Land Transport

Rehabilitating the Highlands Region road network

PNG's mountainous, landslide-prone terrain and heavy rainfall present extremely challenging conditions for road infrastructure provision. Most of the country's 7,600 km national road network needs rehabilitation or reconstruction to restore it to maintainable condition. The poor state of the roads entrenches poverty and hobbles industry. Conversely, when communities are connected to a paved road, school enrollments rise, teachers are more willing to move to rural areas, subsistence farmers can earn cash for their crops at roadside stalls and markets, and diseases and pregnancy complications no longer take such a heavy toll when hospitals can be reached more easily. For investors, reliable roads mean employees can get to work and goods can be delivered to the port and onward to world markets. Living standards may ultimately rise and poverty rates fall.

Revamping the road network is therefore one of PNG's most pressing development challenges. The government's Development Strategic Plan, 2010–2030 targets include increasing the share of national roads in good condition from 32% in 2010 to 100% in 2030. The 2013 National Transport Strategy emphasizes restoring and maintaining PNG's existing road network.

ADB's focus is on the road network of the Highlands, a resource-rich region with 40% of the PNG population and the highest poverty rates in the country. Better connectivity is expected to transform the economic and social development of the Highlands Region and of the country as



a whole. Between 2010 and 2015, ADB-supported upgrading of national, provincial, district, and rural roads accounted for about 17% of development partners' investments in the road subsector.

In 1999, when ADB approved a loan of \$53 million for the Road Maintenance and Upgrading (Sector) Project to repair deteriorated roads, the farming communities in the fertile valleys of the Highlands Region were becoming increasingly isolated. Social conditions were worsening and law and order was breaking down; business income from exports was falling.

By the time the project closed, 10 years later, it had constructed or rehabilitated 291 km of roads. An additional 132 km were completed with government funds. The road improvements greatly enhanced accessibility, reducing travel times by 30%–60%. More buses now ply these routes, travel costs have declined, and faster access to markets is increasing trading activity. Roadside stalls selling local produce have multiplied, earning vendors higher incomes, and wholesale buyers can now reach rural farming areas.

The successor project—the Highlands Region Road Improvement Investment Program (HRRRIIP), a multitranche financing facility (MFF)—aims to invest \$750 million to improve 1,400 km of priority roads in four tranches by 2018. The \$102.3 million first tranche contracted four locally owned construction firms employing more than 500 nationals to rehabilitate 50 km of roads from Mendi to Kandep and 65 km from Laiagam to Porgera. The upgraded roads have improved access to markets, ports, and livelihood opportunities for the people of Enga and Southern Highlands provinces. Opportunities for cash crop growing and livestock raising will put money in the pockets of farmers and market vendors.

A vital lesson from past initiatives is the need to ensure sustainable institutions and maintenance funding to prevent the roads from falling into disrepair from heavy use and rainfall damage. The MFF provides the long-term support needed to institutionalize road maintenance. Tranche 1 helped the National Road Authority prepare bid documents for the long-term maintenance of 2,500 km of the Highlands core road network and implement policies to improve road maintenance financing. The civil works contractors that rehabilitated the roads will receive performance-based payments to maintain them to a specified standard for the remainder of a 10-year contract period.

As traffic speeds increase, there is a risk that road accidents may rise. The program includes a \$500,000 road safety initiative, which is taking road safety campaigns to schools and villages to raise the road safety awareness of roadside communities.



A collapsed bridge on the Mendi–Kandep road, Southern Highlands Province, July 2013.



The newly completed road and bridge in October 2015.



Part of the Kotna–Lampramp (left) and lalibu–Kagua (right) roads to be improved under tranche 2 of the Highlands Region Road Improvement Investment Program.

The MFF's \$172 million second tranche, begun in 2014, aims to improve 118 km of priority national roads and provide maintenance arrangements for 500 km of roads. A third tranche is under development. A new MFF is being drawn up at the government's request to rehabilitate an additional 1,000 km of the network, starting in 2017. ADB is bringing together several partners to assemble the \$1.2 billion needed to finance the program.

Linking rural communities to upgraded roads

Connecting remote communities to the upgraded roads is a top priority of locals in the Highlands Region, where one in four people lives at least 5 km from a road. Building on the rehabilitation works under the ADB-supported road projects, the government proposes a long-term strategy to sustainably and cost-effectively rehabilitate and maintain rural roads across the region.

Recently, ADB successfully tested a low-technology, low-cost, labor-based approach to rural road rehabilitation under the \$2 million Extending the Socioeconomic Benefits of an Improved Road Network to Roadside Communities Project.

Community Road Empowerment, a Japanese nongovernment organization (NGO), was hired by the project to test the approach. Locals learned how to lay rows of gravel-filled sacks (*do-nou*) two layers deep in a dug-out section of dirt road, compacting them using basic hand tools. Once topped off with packed gravel, the repaired road is strong enough to allow buses and trucks to reach previously cut-off communities.

Yoshinori Fukubayashi, the civil engineer who led the project team, explained: "We only use tools and materials available in rural areas for repairing roads. Everything is low cost and easy to maintain. Villagers are quick to learn the skills, and being able to fix the roads themselves builds people's confidence in initiating their own development."



Villagers quickly master the *do-nou* method of rebuilding and maintaining rural roads.

The project promoted gender-sensitive transport services to enable women to travel more safely.



By the time the project ended in September 2013, 81 kilometers of once-impassable rural roads in Enga and Southern Highlands provinces had been rehabilitated through the paid efforts of 2,780 community laborers, 41% of them women, and ongoing maintenance had been established.

“One may think that the roads that were built are too remote or too short to be of much significance,” notes Ninebeth Carandang, ADB social development specialist, “but better roads play a profound role in reducing poverty.”

The project trained hundreds of community members in pig and fish raising, and microfinance to enhance its poverty reduction impact. Many more attended workshops to raise awareness of basic maternal and child health, HIV/AIDS, violence against women, and tribal conflict reduction.

The *do-nou* model is set to be replicated with \$25 million in cofinancing from the European Union (EU) during the third tranche of the HRRIP to connect the Highlands roads with EU-funded agriculture and microfinance initiatives. The approach has also received support from local governments.

Replacing worn-out bridges

Bridges provide another crucial link between rural communities and market centers. Most of PNG’s 700 or more temporary single-lane steel bridges that span its network of turbulent rivers were hastily built before 1975 and have deteriorated over long years of service. The aging structures have become a safety hazard and a weak link in the two-lane national road system.

One of the temporary bridges along the Ramu Highway scheduled for replacement by a permanent structure.



The \$100 million Bridge Replacement for Improved Rural Access Sector Project is the first stage of a long-term program to replace these worn-out bridges with permanent two-lane structures. Approved in September 2011 and scheduled to close in 2017, it is financed by a \$90 million ADB loan.

The project will replace 27 decades-old steel bridges along five of the 16 priority national highways—Magi, Hiritano, Ramu, New Britain, and Sepik. The new bridges will have concrete stairways to provide safe and easy access to the river, as well as pedestrian walkways, which will especially benefit women and children.

Work is progressing on four of the six bridges identified for replacement in Central Province and six of 12 in West New Britain. A further nine bridges on the Ramu and Sepik highways will be upgraded with \$50 million in additional financing from the European Investment Bank. Ganiga Ganiga, Senior Project Officer for infrastructure at the PNG Resident Mission, sees this as part of an encouraging trend. “A very positive note in the last 10 years or so is that a lot of development partners want to come in and partner with ADB,” he says, “and those that are already here also want to seek guidance from ADB’s Pacific Department and PNG Resident Mission.”

Promoting cross-border trade

One part of PNG that has few roads and has seen little development is West Sepik Province, in the northwest corner of the country. The best prospects for development of this poor and isolated area lie in strengthening economic ties with neighboring Indonesia and expanding cross-border trade. In November 2009, ADB and the government took the first step to transform this area into a dynamic economic growth center for PNG by signing the \$30 million Pilot Border Trade and Investment Development Project. Now complete, the project has upgraded border facilities at Wutung, a village on the border and is helping to kindle private sector activity. A technical assistance grant of \$900,000 assisted with investment legislation and a telecommunication strategy to enhance the province’s appeal to investors. The project is also directly improving lives in the border villages by installing power connections, septic tanks, and household toilets.

The greater accessibility is expected to provide people in the province with a wider range of goods and services at lower cost, increase market access for PNG exports, boost business and job creation, and reduce poverty. A doubling of trade volumes and government revenues is expected by December 2017.



Before (left) and after (right) views of the border facilities. Completed facilities include new border staff houses and two office complexes with communications and scanning equipment. A quarantine building, bonded warehouse, guardhouses, vehicle inspection point, bus stop, and crafts market are ready for use.

Air Transport: Rehabilitating National Airports

The upgraded Kagamuga international airport terminal at Mount Hagen, inaugurated in November 2015, is a model for airports across the country.



PNG's rugged terrain makes air travel an essential mode of transport and a lifeline for the more remote parts of the country. The government launched a long-term plan to rehabilitate and upgrade its national airports to reverse years of underinvestment. ADB is providing support with a loan of \$480 million for the \$640 million Civil Aviation Development Investment Program (CADIP). Approved in 2009, the program will run for 10 years. CADIP targets sweeping improvements to all 21 national airports, which together serve more than 3 million people each year. Extensive upgrades to runways, airport service equipment, air navigation systems, and airport security will make civil aviation in PNG safer, more accessible, and more reliable.

By December 2015, work was complete on the highest-priority national airports. Port Moresby's Jackson Airport now has a larger domestic aircraft parking apron and an updated instrument landing system; Hoskins Airport in West New Britain Province is benefiting from a longer runway that accommodates larger airplanes; and Mount Hagen's Kagamuga Airport in the Western Highlands boasts an impressive new international airport terminal.

The shape of the new Mount Hagen terminal is inspired by local artifact, the Mount Hagen axe. This came about because ADB engaged local communities on aspects of the project design and promoted their ownership in the success of the refurbished airport right from

the start. "The axe is an emblem of our ancestors," said Onda Kiap, a landowner from nearby Kala village. "This new airport will be a model for PNG's future airports. We appreciated being consulted on the terminal's design and the end result reflects our ideas."

Airport security officer Jessica Jim believes that the new terminal will promote business. "People around here have security firms, hotels, motels, and all that, so the new terminal will be good for them," she says.



Jessica Jim, a 29-year-old mother of three, is an aviation security officer at the airport. She looks forward to using the new computerized technology to screen bags and passengers. But it is the ecofriendly aspects of the building, that

make it stand out from other airports in the country. It boasts the latest low-energy features, and ecofriendly wastewater management facilities.

Other new facilities include a covered market to allow local people, especially women, to sell produce inside the airport. The old market was many blocks away from the airport and there was no shelter. Forty-five-year-old Apoa Komia, from Yalibu in the Southern Highlands makes and sells traditional woven wool bags known as *bilums*. She hopes that more people coming through the new terminal will buy her bags. “With the money I earn from selling *bilums* I must provide for my unemployed husband and our nine children. I buy food and clothes, and pay for school fees,” she adds. Car rental agencies and other businesses are also moving in to cater to the growing volume of passengers.

Airport safety and security have been strengthened with the installation of fences around Hoskins, Wewak, Kavieng, Chimbu, Gurney, Vanimo, and Goroka airports to comply with International Civil Aviation Organization safety and security standards. ADB has also helped establish the National Airports Corporation, the Civil Aviation Safety Authority, and PNG Airport Services.



Apoa Komia hopes more people coming through the new terminal will buy her colorful hand-woven woolen bags.



The upgraded Hoskins Airport in West New Britain Western Province was officially opened on 16 June 2015. Its extended 1,900-meter runway will allow larger aircraft to safely land and take off, boosting domestic and regional air services and connectivity between West New Britain and the rest of PNG.

Water Transport: Improving Safety and Expanding Capacity

Expanding Lae Port

Dancers in traditional costume perform at the completion ceremony of phase 1 of the Lae Port expansion on 17 December 2014.



Traditional dances marked the end of phase 1 of the expansion of Lae Port and signified the completion of ADB's largest project in the Pacific—the Lae Port Development Project. Lying at the terminus of the Highlands Highway and with easy access to the islands, this busy gateway is well placed to boost tourism and trade in the country. It currently handles 50% of the country's exports, including 90% of its coffee. Despite being PNG's single most

important cargo-handling port, Lae Port had suffered from many years of underinvestment and badly needed modernizing to meet the demands of global containerized trade.

The project ran from 2007 to December 2014 and was financed by ADB (\$189 million), the OPEC Fund for International Development (OFID) (\$6 million), the Government of Japan (\$1.25 million), the Government of Sweden (\$0.75 million), and the Government of PNG (\$95 million). The container-handling capacity of Lae Port has been increased by 50% with the addition of a tidal basin and multipurpose berth to provide a deep, protected harbor for large container-carrying vessels, and a 240-meter-long wharf and a container yard for offloading and storing cargo.

The work was completed ahead of time and on budget, despite the need to relocate 3,200 people in compliance with ADB's safeguard policy on involuntary resettlement. A successful livelihood enhancement and social improvement program, the Lae Port Livelihood and Social Improvement Project, paid for by a \$1.5 million grant from the Japan Fund for Poverty Reduction (JFPR), engaged 11 NGOs to help vulnerable and indigenous groups affected by the port project make the transition from subsistence to the cash economy. An HIV awareness and prevention program, financed by a \$0.75 million grant from the Cooperation Fund for Fighting HIV/AIDS in Asia and the Pacific, was implemented in parallel to reduce the prevalence of HIV in Lae and surrounding localities.

With the technically demanding first phase finished, the second phase of the port modernization is expected to involve a public-private partnership (PPP) arrangement. The impacts of these improvements will ripple both through the Pacific and into the farming hinterland of the Highlands Region.

Connecting coastal communities to markets

Water transport is a lifeline for the 65% of Papua New Guineans who live along the country's 17,000 km of coastline and inland waterways, often without access to roads. Bringing

progress to the maritime provinces requires more frequent and less expensive services so that communities can access basic services and necessities. The Community Water Transport Project, which ran from 2004 to 2013, helped remote coastal communities along the coastlines of New Britain, and New Ireland by sparking economic activity, such as fishing and growing copra, betel nuts, and coffee providing better access to health, education, and other government services. Workboat operators were encouraged to open up routes that connect these villages with the provincial capitals. Because villagers' incomes were too low to support fares sufficient for full cost recovery, the project financed a temporary catalytic subsidy for regular transport services. The project was financed by a \$19 million ADB loan and \$4 million from OFID.

By 2013, two successful franchise routes had become established along the south coast of New Britain and the southeast coast of New Ireland, providing a model for further development of franchise services in remote maritime and river-based communities.

The project also developed the institutional capacities of the National Maritime Safety Authority and the Rural Transport Infrastructure Development Division and contributed to improved water safety operations in the maritime and river provinces. Formal reporting and investigation of marine accidents was introduced, small-craft safety guidelines were prepared, boat registration and operator licensing systems were introduced and essential safety equipment mandated, a countrywide marine radio network for all coastal areas and river communities was established, and training was delivered for handling distress at sea.

Making coastal navigation safer

In PNG's dangerous reef-strewn waters, the safety of international and local shipping is a major concern. Lighthouses are indispensable for aiding navigation, but many have fallen into disrepair or have been vandalized. Since 2000, ADB has been supporting the upgrading of PNG's navigational aids, and has already repaired or replaced 211 beacons. The Maritime and Waterways Safety Project, approved in December 2012 with an ADB loan of \$40.4 million and \$6.6 million from the Government of PNG, will continue this work, repairing or replacing a further 132 lighthouses and navigational aids. Navigational charts will also be compiled and the operations and administration of the National Maritime Safety Authority will be strengthened.

These improvements will make the coastal shipping safer and more efficient, and decrease vessel accidents and losses. International traffic navigating PNG waters will benefit from better maritime safety information and a more effective search and rescue capacity, and passenger and cargo services. PNG's remote coastal communities are expected to benefit from improved and easier access to health and education services. In addition to lighting the way for local and international vessels, the beacons provide a source of income for remote communities contracted to maintain and safeguard them from vandalism.



Lighthouses will be repaired and replaced under the Maritime and Waterways Safety Project to make coastal shipping safer.

Widening Access to Clean, Renewable Energy

Limited power supply outside urban areas is another major handicap for businesses and job creation in rural areas. It also hampers the delivery of basic services. At present, because of underinvestment in the power sector, only about 12% of Papua New Guineans have access to power. Most live in the larger urban areas, but even there, frequent power outages mean that even households and businesses with an electricity connection must fall back on expensive, inefficient back-up generators. Funding shortages are leading to further deterioration in services even as demand rises due to economic and population growth.

As PNG's largest development partner in the energy sector, with \$179.7 million in cumulative support, ADB is working to improve the quality of the power supply and meet growing demands on the main power grids and in the provincial centers, and to find an affordable way to expand the power supply into rural areas. ADB helped the government develop a national power sector development plan, and has begun to implement three priority energy projects in the capital city, provincial urban centers, and rural communities.

In the capital, the \$66.7 million Port Moresby Power Grid Development Project, approved in 2013, seeks to reduce fossil fuel consumption, increase access to electricity, and improve the reliability of the Port Moresby power grid. The work will involve upgrading and rehabilitating of the Rouna 1 and Sirinumu hydropower plants, strengthening the distribution network, extending the grid to about 4,000 more households, and constructing a new substation and upgrading the existing ones.

Beyond the capital, 19 isolated independent power grids service the provincial centers using diesel-fired generators, which are costly to run. The government's 10-year power development plan envisages harnessing PNG's numerous rivers and high rainfall for hydropower to reduce the provinces' reliance on diesel generation. The ADB-supported Town Electrification Investment Program—a \$150 million MFF approved in 2010—will help the government implement the plan by constructing six run-of-river hydropower plants to replace diesel power generation in six provincial urban centers. Run-of-river plants do not require the construction of a dam and inundation of a large area of land, and therefore are a more benign alternative to large hydropower projects.

The first tranche of \$57.3 million will soon begin construction of two run-of-river plants to supply isolated provincial center grids in Popondetta in Northern Province and in the Autonomous Region of Bougainville, and a 150-kilometer transmission line connecting Bailla to Kimbe in West New Britain. The line will access spare generation capacity from the Lake Hargy hydropower plant and connect biomass power from nearby oil palm plantations. Additional financing of \$5 million from the Government of New Zealand will rehabilitate the Lake Hargy plant and extend the distribution grid to 2,500 additional households in the three provinces.

The transmission lines erected under this program provide an opportunity for provincial governments to connect rural communities along the alignment to the low-cost electricity generated by the new hydropower plants. The \$5 million Improved Energy Access for Rural Communities Project, cofinanced by the Government of New Zealand (\$2.5 million) and the JFPR (\$2.5 million), is being implemented in parallel with the Town Electrification Investment Program to test the potential of community-based civil works contracts and other low-cost models for power distribution line construction in remote settings.

About 4,500 households, 20 schools, and 20 medical facilities in dispersed rural communities of Northern Province, West New Britain, and the Autonomous Region of Bougainville are expected to be connected to an electricity supply through the pilot. Those connected will be introduced to the different ways to use their electricity connections productively and taught the essentials of electricity safety, operation of prepayment meters, energy efficiency, and household utility budgeting.

Promoting Public–Private Partnerships

There has been little private sector involvement in the energy sector so far, although the government recognizes that private investment is critical to expanding service delivery and technical know-how with limited funds. In the past, the absence of a formal, transparent, and predictable process for evaluating and processing PPP projects held back the development of PPPs because private companies were unwilling to take additional risks in an already high-cost business environment.

This is beginning to change with the government's endorsement in September 2014 of the new PPP Act. More than 5 years in the making, the act establishes a PPP center to help the government develop, tender, and implement PPPs. ADB provided policy guidance and support in drafting the legislation as part of wider reforms to increase private investment in the delivery of infrastructure services.

Implementation of the act is under way with ADB support, and will include the establishment of the PPP center and development of a PPP project pipeline. ADB's assistance is funded partly through its Pacific Private Sector Development Initiative (PSDI), a regional technical assistance facility cofinanced by ADB and the Governments of Australia and New Zealand.

The PSDI has also conducted a lot of work on state-owned enterprise (SOE) reform in PNG to try to reverse their declining financial performance and improve basic service delivery. It supported the development of a new Community Service Obligation Policy for SOEs, which aims to achieve full transparency in identifying, costing, and financing SOEs' community service obligations, and is supporting the piloting of the new requirements in three SOEs.

Partnerships to Revitalize Rural Primary Health Services

Providing health services to PNG's dispersed rural population is a challenging task that could also benefit from private sector assistance. The health status of PNG's population is poor compared with regional averages, particularly in the rural areas. About half of Papua New Guineans die from preventable diseases—such as malaria and diarrhea—and pregnancy complications, with women and children suffering the most. Community health facilities are the backbone of the health care system in rural areas, but about 40% of them are closed or not fully functional because of a lack of trained staff and inadequate funding and supervision. Upgrading these facilities and improving the care available could go a long way toward promoting health. The National Health Plan, 2011–2020 envisages the expansion of PPPs to help make this a reality.

ADB Share of Development Partner Financing for Health, 2011–2015



ADB = Asian Development Bank; Others = European Union; Governments of Australia, the People's Republic of China, and New Zealand; Japan International Cooperation Agency; and United Nations Development Programme.

Source: Government of Papua New Guinea.

Piggybacking rural health services on HIV prevention

In the early 2000s, rural mining, agriculture, and forestry enterprise operators were becoming concerned about the rising incidence of HIV in their workforces. Workers in these rural enclaves faced a high risk of HIV infection because of their risky sexual behaviors. The authorities were worried that HIV was spreading out from the rural enclaves and becoming established as a generalized epidemic.

This provided the opportunity for an innovative pilot project to use HIV as an entry point for improving health provision in rural areas. Under the HIV/AIDS Prevention and Control in Rural Development Enclaves Project, PPPs were established between the health authorities

in eight provinces and six large mining and agricultural companies to rehabilitate and upgrade health facilities. The provincial health authorities helped the companies not only deliver prevention and treatment services to their own employees, but also to extend their health care services into the surrounding communities. At the same time, church groups and NGOs worked with communities in HIV prevention, and a national HIV surveillance system was set up.

The project ran from 2006 to 2012 and was financed by a \$15 million Asian Development Fund grant, and \$3.5 million each from the governments of Australia and New Zealand.

The successful partnerships set up under the project contributed substantially not only to HIV prevention and care but also to limiting the deterioration of the country's primary health services. Health

Beneficiaries of a health outpost in Maguale-Oro that was renovated and equipped under the pilot HIV/AIDS Prevention and Control in Rural Development Enclaves Project.



facilities at 78 sites were revamped with the renovation of 154 buildings and the provision of general medical equipment to each facility, including machines for HIV diagnosis. The partnerships enabled the project to reach more than 250,000 people in surrounding communities, undertake more than 56,000 HIV tests by the end of 2010, and provide training and equipment in 111 facilities. People became more comfortable requesting HIV testing once the stigma associated with the disease was reduced, and HIV care improved thanks to the better health facilities, equipment, and staff knowledge. In addition, almost 4.3 million affordably priced condoms were distributed to hot spots of sexual activity around the country, such as nightclubs, truck stops, and hotels. People became much more aware of what constitutes risky sexual behavior, and condom use rose from 67% in 2008 to 77% in 2010.

The pilot project showed that PPPs can be an effective way to expand rural health services for HIV prevention as long as the partnership agreement is clearly defined and the company is committed and willing to expand its services to the surrounding communities.



Saiho Health Centre—one of the aid posts renovated by the pilot HIV/AIDS Prevention and Control in Rural Development Enclaves Project, with the old center inset.

Refining and scaling up the approach

The Rural Primary Health Services Delivery Project, approved in 2011 and due to be completed in 2020, is testing and refining the earlier project's approach to improve the coverage and quality of primary health care for eventual rollout across the country by the Ministry of Health. Through partnerships between provincial governments and nonstate health care providers, the project has begun to systematically rehabilitate rural primary health facilities across two whole districts in each of the provinces of Milne Bay, Eastern Highlands, East Sepik, Enga, Western Highlands, West New Britain, Monrobo, and the Autonomous Region of Bougainville. Revitalized health care services will improve the health and well-being of rural people and reduce the high rates of maternal and infant mortality.

The project is the collaborative effort of several development partners. Financing is being provided by ADB (\$20 million), the Government of Australia (\$40 million), OFID (\$9 million), the World Health Organization (WHO) (\$1 million), and the Government of PNG (\$11 million); while the Japan International Cooperation Agency, the United Nations Children's Fund (UNICEF), and WHO are supplying technical support.

As a first step, the project helped develop a community health post policy and implementation guidelines, and establish health partnership committees in all provinces to draw up formal health service agreements with existing and new partners. Then, between January 2013 and mid-2015, about 1,450 health workers were trained in obstetric care, midwifery, family planning, clinical supervision, sexual partnership counselling, the management of sexually transmitted infections, and other specializations.

With the agreements in place and human resource capacity added, work is currently under way to build and equip or upgrade two community health posts and upgrade and refurbish eight rural health facilities each of the 16 participating districts.

Construction is progressing at the Bubuleta community health post in Milne Bay Province.



In November 2013, in Bubuleta, a village of 1,200 people on the northern shores of Milne Bay Province, contractors broke ground on the first of 32 planned community health posts. Once it is up and running, the ill and injured will no longer have to rely on their small, run-down aid post or face the daunting 35-kilometer journey to the nearest hospital for treatment.

As of February 2016, 11 more community health posts have been contracted for civil works, and the project is successfully working with local politicians to tap their discretionary funds to pay for community health post sites, construction of staff housing, and purchase of medical equipment.

The project will also soon launch major local health promotion packages across the eight provinces. Community organizations are crafting health awareness and behavioral change activities based on action plans for local health promotion prepared by the community. Local people are keen to learn more about water and sanitation, malaria, nutrition, sexual health, and the prevention of gender-based violence.

To strengthen reporting of health indicators, the project is piloting the use of information and communication technology and geographic information systems in two provinces. An evaluation team is keeping a close watch on the project's progress, carrying out biannual mini assessments in each province to solve problems as they arise.



Mobile devices are being used in project districts in Milne Bay Province to collect health data for the National Health Information System.



Children of Yasubi in Eastern Highlands Province during the groundbreaking ceremony of their community health post in September 2014.

Expanding Microfinance

In 2016, the microfinance industry is growing rapidly in some of the poorest and most remote regions. But this is a recent development. Just 15 years ago, small-scale financing to support smallholder agriculture and microenterprises—the only income opportunities available to most rural people—was not offered, and villagers had nowhere safe to keep their savings. Banks saw farmers, small businesses, and poor households as a bad risk, and rough roads and unreliable electricity in many remote areas made operating bank branches too difficult in any case.

The Microfinance and Employment Project, approved in 2000 with support from ADB (\$9.6 million) and the Government of Australia (\$0.9 million), has helped transform this bleak rural financial landscape and open up opportunities for the unbanked in remote areas. To fill the large gap in the market, 37 customer-friendly savings and loan products were developed under the project and offered by microfinance institutions. A pilot microbanking scheme, Wau Microbank, field-tested the products and acted as a role model for other microfinance institutions. Now renamed Nationwide Microbank, or MiBank, it has grown to become the largest microfinance institution in the South Pacific, serving more than 100,000 customers with savings accounts through 12 branches across PNG. By June 2010, microfinance institutions, including MiBank, had reached more than 500,000 clients.

Introducing mobile banking

MiBank also became the first licensed financial institution in PNG to introduce “mobile money”—an innovative way of making financial transactions using a mobile phone rather than visiting a bank branch. MiBank’s new product, MiCash, is a bank account operated through a mobile phone attached to the Digicel mobile network. “We realized we didn’t have enough capital to extend our branch network,” explains Tony Westaway, MiBank’s chief executive officer, “so we had to use technology like branchless banking to meet our objectives.”

Maino Trudi (left) and Kobo Davana have gained control of their finances, thanks to MiCash.



Eighty percent of MiBank’s “mobile wallet” cellphone accounts belong to rural people who, until recently, were unbanked and had never had any form of telecom coverage. ADB played a catalytic role in widening telecom coverage by providing technical assistance for reforming the information and communication technology sector and then partly financing the \$296 million Digicel Mobile Telecommunication Expansion Project. The \$18 million loan to Digicel PNG, ADB’s first private sector infrastructure investment in the Pacific, paved the way for network expansion, lower call rates, cheap handsets, and free SIM cards, making mobile banking possible for the poor.

Women have been major beneficiaries of the Microfinance and Employment Project. Maino Trudi, a 67-year-old widow with five children and eight grandchildren, uses Micash to save, earn interest, and make

payments through her mobile phone. She finds it safe, secure, and convenient for trading. “It’s a real joy,” says Maino, “It means I can do my banking via mobile phone without having to leave my vegetable garden.” Before she learned to use MiCash, she had no choice but to travel for many hours into town and lost valuable work time to visit the nearest branch of Mibank and do her banking twice a week.

Spreading financial literacy

A lack of basic financial literacy is another obstacle to making financial services available to the rural poor. To begin to address this, the Microfinance and Employment Project supported a pilot financial literacy training program aimed at potential clients in rural areas. More than 7,000 people were taught how to manage their money, balance household budgets, and open a bank account.

By the time the project closed in 2010, it had helped lay the foundations for a flourishing microfinance sector and had made it possible for poor rural households to access formal financial services for the first time. Loi Bakani, chair of the project’s steering committee and central bank governor, estimates that “before the project, 95% of Papua New Guineans had no access to financial services. Afterward, the percentage of unbanked people in PNG went down to about 80%.”

A successor project, the Microfinance Expansion Project—another collaboration between ADB (\$14 million) and the Government of Australia (\$8.85 million)—is building on the achievements of the earlier project. Launched in 2010 and due for completion in 2018, it aims to teach more than 120,000 people across the country to manage their money, balance budgets, open a bank account, and save money.



Leap Elijah (left) and Letom Kauip from Tsak Valley in Enga Province were among 4,700 participants who graduated from the Microfinance Expansion Project’s budgeting and savings courses on 16 October 2014. Almost half of the trainees are women.

By the end of 2015, the project had already delivered financial education training to more than 90,000 people nationwide through partnerships with regional NGOs, microbanks, and faith-based organizations. More than one-third of those trained opened bank accounts for the first time.

Leap Elijah, a mother of four from Enga Province, recently completed one of the courses. “Before, I knew nothing about budgeting and saving,” she says. “With the financial knowledge I’ve gained, I plan to open my first bank account.”

The project is also improving the capacity of existing financial institutions, developing best-practice industry-wide standards, and strengthening industry regulation and government oversight.

Catering to female clients

Another of the Microfinance Expansion Project’s achievements to date is the creation of the first bank in the Pacific established specifically to serve women. Licensed in August 2014, Women’s Micro Bank provides savings products and loan facilities, and conducts financial literacy training. It emerged from a nongovernment institution, PNG Women in Business, which has provided it with almost 10,000 customers, and is opening hundreds of new accounts. “We know women are better money managers than men in this country and women have particular special needs when it comes to banking services and finances,” says chief executive officer Thushari Hewapathirana.

The Deputy Governor of the Bank of PNG and Chairman of the Steering Committee of the Microfinance Expansion Project Benny Popoitai notes that “the demand for access to financial knowledge and services in rural areas is growing. Our challenge is to keep expanding our financial literacy activities to ensure more people are financially educated and help low income earners contribute to economic development.”

Anna Goi (left), who has a trading store and a tailoring business, banks with Women’s Micro Bank and is applying for a loan to help expand her tailoring business despite being illiterate.



OPERATIONAL EFFECTIVENESS: IMPROVING EFFICIENCY AND PERFORMANCE

Raising Success Rates

ADB's portfolio in PNG has grown in recent years and its performance has strengthened, as shown by a rise in annual average disbursement rates from \$24 million in 2001–2005 to \$112 million in 2011–2015. Nevertheless, completed projects demonstrate the challenges of project implementation. Delays were common: the Community Water Transport Project took an extra 18 months to complete because of design, tender, and contracting delays; almost 4 years were added to the implementation period of the Microfinance for Employment Project because the project had to be redesigned to respond to the rapidly changing operating context for microfinance in the country; and the Road Maintenance and Upgrading (Sector) Project needed an additional 4 years due in part to the shortage of qualified local contractors and lack of counterpart funds. Delays led to cost overruns of 50%–300% due to escalations in construction input prices, which in turn reduced the level of outputs achieved. This impacted the success ratings of completed projects: of 14 projects completed during 2001–2014, 36% were rated *successful* or *highly successful*, while 70% of completed technical assistance projects received the same rating.

Learning from experience, ADB has narrowed its sector focus from eight geographically scattered sectors to four sectors in which it has a strong comparative advantage. It also established the PNG Resident Mission in 2003 and built up a significant country presence with 15 national and international staff. Three in four projects are now delegated to the resident mission after 12 months, following development by headquarters-based sector specialists. This practice has improved portfolio performance and sharpened ADB's responsiveness to PNG's development challenges. ADB project officers now meet frequently with executing agencies to improve project design and implementation, and help them navigate ADB's procurement and safeguard requirements. The strong country presence also helps in the selection of contractors who can perform well in remote and challenging contexts.

The 2015 portfolio review reflects these improvements. Project delays have been reduced, the period between loan signing and effectiveness is shorter, and procurement and submission of audited financial statements are being completed more swiftly. Implementation times are being shortened, and disbursement performance is improving.

Another major reason behind the portfolio's stronger results is the increasing use of multitranche financing facilities (MFFs) for road, airport, and energy programs. The experience of the Highlands Region's Road Improvement Investment Program (HRRIP) has shown the benefits of a longer time horizon for institutionalizing road maintenance and building the

capacity of the road agencies, while also giving flexibility in the timing and scale of successive tranches. Lessons from earlier tranches inform subsequent ones, and both government and private contractors have the security to plan and budget over a longer period. For example, long-term capacity building under the Civil Aviation Development Investment Program (CADIP) has nurtured a critical mass of skilled civil engineers, and advance contracting under the MFF has put the program on course to deliver all outputs on time. The MMF model was also chosen for the Town Electrification Investment Program so that ADB could provide the long-term support needed to implement the 10-year power development plan and pursue sector reform. It also gives flexibility to stage implementation to match developing human resource capacity in the implementing agency.

ADB's technical assistance has also helped plug some institutional gaps that depress project performance. The national road, maritime, fishing, and civil aviation safety authorities, the National Airports Corporation, and PNG Airport Services were all established with ADB support. Departments across ADB also regularly engage with the authorities on improving financial management and procurement practices in response to government needs. Furthermore, ADB's stronger country presence enables its work to increasingly extend beyond loan and technical assistance projects and into economic policy dialogue and knowledge and advisory services.

Promoting Sustainability

With many large-scale infrastructure investments under way, asset management is more crucial than ever. The 2015 country assistance program evaluation highlighted the importance of increasing capacity for operation and maintenance. ADB is exploring the use of innovative contracts to maintain infrastructure, including long-term build-and-maintain contracts for the HRRIP roads and performance-based maintenance contracts with private companies for the CADIP. All new infrastructure is climate-proofed to make it more resilient to changing weather patterns and extreme events.

Strengthening Partnerships

Strong, well-coordinated collaboration between PNG's development partners is increasing development impact and reducing aid fragmentation. Agencies divide their labor according to their comparative advantage, with ADB's infrastructure focus complementing other partners' support for agriculture, education, and social protection. In transport, ADB's focus on the Highlands Region avoids duplication with the World Bank's work in coastal areas, and ADB's bridge replacement work is well coordinated with that of the Japan International Cooperation Agency.

ADB leveraged more than \$70 million during 2005–2015 through partnerships with Australia, Japan, New Zealand, and the EU. The EU is set to provide a further \$25 million to the third tranche of the HRRIP for rural roads to connect EU-supported agricultural extension centers and microfinance initiatives with the Highlands road network. This link-up has the potential to multiply the socioeconomic benefits of improved connectivity. ADB-supported projects also draw on the indispensable local knowledge of civil society organizations during preparation, consultation, and implementation.

FUTURE CHALLENGES

PNG is ranked in the “low human development” group of the human development index. Despite recent progress in some areas, 2014 statistics indicate that the country is unlikely to have met any of the Millennium Development Goals (MDGs). Childbirth in PNG remains extremely hazardous and one in four children never goes to school. Limited progress in tackling entrenched gender inequity and gender-based violence is likely to have undermined the country’s MDG performance. A high population growth rate of more than 2.7% per annum is straining thinly spread education and health services and fueling migration to urban areas.

Looking ahead, with 40% of the population under the age of 15, productive employment is urgently needed for the growing number of young people. Climate change is another pressing concern. Studies show the PNG economy is likely to suffer more from climate change than any other Pacific country. Indeed, the impact of climate change is already being felt in the Highlands Region, which is experiencing the worst drought in 18 years.



Gola Ulgiti, a market seller in drought-stricken Mount Hagen laments, “If I can’t grow my produce and sell it. I have no other way of making money. We hope every day for rain.”

With changing weather patterns hurting households whose only source of income is subsistence agriculture, the overarching message is clear: there is an urgent need to safeguard and harness PNG’s rich resources to improve the quality of life of its people.

Against this backdrop, the government’s Vision 2050 aims to create a “smart, wise, fair and happy society by 2050” by tapping the potential of the country’s natural and human resources. The Development Strategic Plan, 2010–2030—the first of two 20-year plans that seek to make this vision a reality—intends to extend the economic benefits of growth to the most disadvantaged regions and communities through a more effective transport and utilities network, and quality education and health services. A 2014 addendum aims to reduce the economy’s reliance on nonrenewable resource extraction, and encourage the development of environmentally sustainable industries and low-carbon technologies.

In line with these priorities and the directions of ADB’s Midterm Review of Strategy 2020, ADB’s country partnership strategy, 2016–2020 aims to help PNG convert its resource wealth into inclusive and environmentally sustainable economic growth. ADB will emphasize upgrading transport infrastructure and expanding access to renewable energy. These investments are

intended to lower business and trade costs, and increase job and livelihood opportunities, especially in agriculture. By improving domestic and regional connectivity, they will also promote regional cooperation and integration. To reduce deprivation, ADB will continue its support for strengthening primary health delivery in rural areas; while in fast-growing urban areas, it will help the government promote water supply and sanitation coverage for the poor.

Underpinning this work, ADB will continue to promote access to finance, particularly for women, and to support improved public sector management to improve the transparency and accountability of budgeting practices for infrastructure and the management of natural resource revenues. Targeted knowledge products will be produced to influence trade policy, support country operations, and inform national policy debates. Continued support for private sector development will lower business transaction costs, helping to expand the number of small and medium-sized enterprises and create jobs in the formal economy.

In short, ADB's efforts aim to help PNG make a smooth transition from resource dependence to a more diverse, resilient economy. After all, says ADB country economist, Yurendra Basnett, "it is a richly endowed country and the potentials are boundless."



APPENDIX

ADB Loans and Grants in Papua New Guinea, 2005–2015 (\$ million)

Project Name	Approval Date	Type	OCR	ADF	ADF Grant	Others	Other Sources
Energy							
Town Electrification Investment Program–Tranche 1	06-Dec-10	Loan/Grant	40.90	16.40		4.77	NZ
Improved Energy Access for Rural Communities	19-Apr-12	Grant				5.00	JFPR/NZ
Port Moresby Power Grid Development	26-Apr-13	Loan	51.70	15.00			
Finance							
Microfinance Expansion	28-Oct-10	Loan/Grant		13.00		6.00	AUS
Microfinance Expansion–Additional Financing	09-Feb-15	Grant				2.85	AUS
Health							
HIV/AIDS Prevention and Control in Rural Development Enclaves	25-Apr-06	Grant			15.00	7.00	AUS/NZ
Lae Port Livelihood and Social Improvement Extending the Socioeconomic Benefits of an Improved Road Network to Roadside	18-Dec-07	Grant				1.50	JFPR
	02-Mar-09	Grant				2.00	JFPR
Rural Primary Health Services Delivery	30-Sep-11	Loan/Grant		20.00		40.00	AUS
Industry and Trade							
Pilot Border Trade and Investment Development	27-Nov-09	Loan		25.00			
Public Sector Management							
Building Resilience to Climate Change in Papua New Guinea	21-Oct-15	Grant				24.25	SCF-PPCR
Transport							
Road Maintenance and Upgrading (Sector) (Supplementary Loans) (Closed)	29-Jun-06	Loan	35.00	18.00			
Lae Port Development Project	18-Dec-07	Loan/Grant	60.00	40.00		0.75	HIV/AIDS
Lae Port Development (Additional Financing)	10-Nov-11	Loan	85.00	4.12			
Highlands Region Road Improvement Investment Program–Tranche 1	22-Dec-08	Loan		100.00			
Civil Aviation Development Investment Program–Tranche 1	01-Dec-09	Loan	25.00	70.00			
Bridge Replacement for Improved Rural Access Sector	28-Sep-11	Loan	40.00	50.00			
Maritime and Waterways Safety Project	18-Dec-12	Loan	41.50				
Civil Aviation Development Investment Program–Tranche 2	25-Nov-13	Loan	115.00	15.00			
Highlands Region Road Improvement Investment Program–Tranche 2	04-Dec-13	Loan	69.00	40.00			

ADF = Asian Development Fund, AUS = Government of Australia, HIV/AIDS = Cooperation Fund for Fighting HIV/AIDS in Asia and the Pacific, JFPR = Japan Fund for Poverty Reduction, NZ = Government of New Zealand, OCR = ordinary capital resources, SCF-PPCR = Strategic Climate Fund - Pilot Program for Climate Resilience.

Source: Asian Development Bank.

Development Effectiveness Brief: Papua New Guinea

Harnessing Natural Resource Wealth to Uplift the Lives of the Poor

The Asian Development Bank (ADB) has been Papua New Guinea's stable and trusted development partner since 1971. Over the 45 years of engagement, ADB has devoted substantial financial resources and technical expertise to improving the welfare of Papua New Guineans. The partnership has rehabilitated transport infrastructure and improved aviation safety, expanded microfinance outreach and removed other barriers to jobs and business creation, and provided basic health services to remote rural populations.

About the Asian Development Bank

ADB's vision is an Asia and Pacific region free of poverty. Its mission is to help its developing member countries reduce poverty and improve the quality of life of their people. Despite the region's many successes, it remains home to the majority of the world's poor. ADB is committed to reducing poverty through inclusive economic growth, environmentally sustainable growth, and regional integration.

Based in Manila, ADB is owned by 67 members, including 48 from the region. Its main instruments for helping its developing member countries are policy dialogue, loans, equity investments, guarantees, grants, and technical assistance.



ASIAN DEVELOPMENT BANK

6 ADB Avenue, Mandaluyong City

1550 Metro Manila, Philippines

www.adb.org