

APPENDIXES

Number	Title	Page	Cited on (page, para)
1	Economic Indicators	9	1, 1
2	Social and Environment Indicators	10	1, 2
3	Strategy Statement	12	2, 10
4	Sector Policies	13	2, 10
5	Portfolio Performance Indicators	15	5, 25
6	Lending and Technical Assistance Program	17	6, 30
7	Economic and Sector Work Program	21	7, 33
8	Project Selection Briefs	23	7, 33
9	Technical Assistance Concept Papers	38	7, 33

ECONOMIC INDICATORS

Item	1995	1996	1997	1998	1999	2000	2001
A. Income and Growth							
1. GDP per Capita (dollars, current)	1,089	1,249	1,161	884	743	787	727
2. GDP Growth (% , in constant prices)	-3.3	7.7	-3.9	-3.8	3.2	0.3	0.3
Agriculture	-0.1	11.0	2.0	-14.0	3.7	—	—
Industry	-8.6	10.1	-17.0	9.7	4.3	—	—
Services	0.0	3.4	5.9	-7.6	4.7	—	—
B. Saving and Investment (current market prices)							
				(percent of GDP)			
1. Gross Domestic Investment	22.1	22.7	21.1	17.7	—	—	—
2. Gross Domestic Saving	41.2	31.0	22.4	22.4	—	—	—
C. Money and Inflation							
				(annual percent change)			
1. Consumer Prices (annual average)	17.2	11.9	3.9	13.6	14.9	15.6	9.2
2. Broad Money (M2)	10.7	32.0	6.9	1.8	8.9	5.4	10.0
D. Government Finance							
				(percent of GDP)			
1. Total Revenue and Grants	27.4	26.7	31.2	29.2	28.4	28.9	29.8
2. Total Expenditure and Net Lending	29.8	27.0	31.0	31.6	30.8	30.3	32.1
3. Overall Surplus/Deficit (-) /a	0.8	-3.0	-1.7	-1.7	-3.6	-1.4	-2.3
E. Balance of Payments							
1. Merchandise Trade Balance (% of GDP)	29.2	15.6	4.3	11.1	13.9	16.8	13.3
2. Current Account Balance (% of GDP)	18.4	5.5	-5.3	0.6	1.5	5.7	-0.8
3. Export (\$) growth (annual percent change)	2.6	-8.0	-16.0	-15.4	9.2	9.2	-6.8
4. Import (\$) growth (annual percent change)	-2.0	16.9	10.1	-27.7	7.0	2.6	1.2
F. External Payments Indicators							
1. International Reserves (\$ million, end of period)	—	—	—	—	—	—	268.0
- months of nonmineral imports	—	—	—	—	—	—	3.1
2. External Debt Service (% of exports of goods & services)	20.8	17.7	17.0	22.5	27.3	16.9	14.2
3. External Debt (% of GDP)	29.2	26.3	30.7	34.4	41.9	39.6	37.8
G. Memorandum Items							
GDP (current prices, kina million)	5,888.3	6,881.3	7,063.7	7,863.4	9,089.6	10,306.9	10,758.6
Exchange Rate (kina per dollar, annual average)	1.33	1.32	1.43	2.06	2.55	2.70	3.03

GDP = gross domestic product, GNP = gross national product, — = not available.

^a The residual deficit is the difference between identified revenues and expenditures, and financing.

Source: staff estimate.

SOCIAL AND ENVIRONMENT INDICATORS

Table A2.1: Population and Social Indicators

Item	1985	1990	Latest Year
Population Indicators			
Total Population (millions)	3.4	3.7	5.2
Annual Population Growth Rate (% change)	1.80	2.10	2.50 (1990-2002)
Social Indicators			
Total Fertility Rate (births per woman)	5.4	5.4	5.2
Maternal Mortality Rate (per hundred thousand live births)	900	900	370
Infant Mortality Rate (below 1 year; per '000 live births)	86	73	77
Life Expectancy at Birth (years)			
Female	54	57	54
Male	51	55	55
Adult Literacy (%)			28
Primary School Enrollment (% of school age population)			
Female	—	—	31/30
Secondary School Enrollment (% of school age population)			
Female	—	—	23/19
Child Malnutrition (% of under age 5)	—	—	29
Population Below Poverty Line (%)	15.7	—	37
Income Ratio of Highest 20% to Lowest 20%			9.5
Population with Access to Safe Water (%)	20	22	24
Population with Access to Sanitation (%)	56	57	25
Public Education Expenditure as % of GNP	—	—	5.2
Public Health Expenditure as % of GDP	—	—	2.0
Human Development Index	—	—	0.314
Human Development Ranking			164
Human Poverty Index			52.2

GDP = Gross domestic product, GNP = Gross national product.

Source: Pacific Human Development Report 1999.

Table A2.2: Environment Indicators

Item	1985	1990	Latest Year	
Forestry	85	85	84	—
Deforestation	—	—	—	—
Total Area	—	—	—	—
Annual deforestation	—	—	—	—
Biodiversity				
Nationally protected area	—	—	—	—
Area	—	—	—	—
Number	—	—	—	—
As % of land area	—	—	—	—
Biosphere reserves	—	—	—	—
Area	—	—	—	—
Number	—	—	—	—
World Heritage sites (number)	—	—	—	—
Wetlands of international importance	—	—	—	—
Area	—	—	—	—
Number	—	—	—	—
Land Use	—	—	—	—
Cropland; permanent pasture		0.13	0.13	(1992)
Air Pollution (Ambient concentrations)				
Particulates	—	—	—	—
SO ₂	—	—	—	—
Water Pollution (concentration of pollutants in water bodies)				
Biochemical Oxygen Demand	—	—	—	—
Chemical Oxygen Demand	—	—	—	—
Global Environmental Problems				
CO ₂ emissions (total and per capita)	—	—	—	—

CO₂ = Carbon Dioxide, SO₂ = Sulfur Dioxide.

Source: Pacific Human Development Report 1999.

STRATEGY STATEMENT

1. The Asian Development Bank (ADB) strategy for Papua New Guinea (PNG), which was discussed by the ADB Board in October 1998, focuses on reducing poverty by improving governance, developing the private sector, and improving social indicators. The strategy supports a mix of long-term systemic development and more direct poverty interventions
2. Poor governance and inadequate public sector management are the country's main development problems. All ADB loans will support improvement of governance. ADB focuses on helping the Government strengthen (i) public sector financial management, (ii) public sector management by focusing on national and provincial output and performance, and (iii) good-governance institutions.
3. Private sector development is critical to reduce poverty. In addition to helping improve the functioning of Government agencies, ADB will (i) strengthen sector policy and institutional frameworks; (ii) improve factor productivity; and (iii) enhance market access, especially by rehabilitating and maintaining transport infrastructure. ADB's efforts will focus on measurable improvements.
4. PNG's social indicators remain too low, especially for women. Through public sector reforms, ADB will help improve the management and governance of the social service delivery agencies. ADB will continue to be involved in (i) policy development, especially in health and in water supply and sanitation; (ii) promotion of infrastructure investments; and (iii) improvement of social service delivery. ADB will (i) address gender and population concerns, (ii) focus on measurable service improvements, and (iii) emphasize women's participation in decision making in all sectors.

SECTOR POLICIES

A. Agriculture and Rural Development

1. Agriculture is key to improving living standards since about 85 percent of the population produce food crops for own-consumption and cash crops for sale. Semisubsistence activities predominate. Income-generating opportunities are mostly in tree crops (coffee, cocoa, oil palm, coconut) suited to the climate. Smallholders account for 96 percent of agricultural output and two thirds of agricultural exports, and have proved remarkably resilient in the face of variable export prices. Use of land and male labor surplus would permit an increase in agricultural production and improvement of rural living standards. Extension services have been deteriorating. Limited access to markets is a major constraint. One quarter of the nonurban roads in Papua New Guinea (PNG) are either impassable or cannot always be used; the poor quality of the rest adds significantly to transport costs. Road rehabilitation, and improved air and water transport facilities are priorities for rural development.

2. The Asian Development Bank (ADB) has been helping strengthen support services for smallholders. It is also preparing a project to exploit the potential of innovative agro-industry interventions to reduce poverty in a sustainable manner through partnerships with the private sector. Based on an agriculture policy to be developed with technical assistance (TA), a rural development project will build on the lessons learned from the ongoing smallholder support services project, directly addressing poverty concerns. Later regional development efforts (Sepik, Sandaun) will aim to reduce poverty, rehabilitate road and maritime infrastructure, and pay particular attention to gender analysis.

B. Natural Resources

3. Exploitation of PNG's accessible hardwood forest of about 15 million hectares, mainly harvested by foreign companies for log export, is a significant revenue generator for the Government and contributes about 5 percent of exports. Little revenue from logging reaches local communities. With assistance from the World Bank and other international agencies, the Government is working to improve overall governance in the sector and, in particular, to improve sustainability and equitable distribution of the benefits.

4. Fisheries is an underexploited resource in terms of the benefits flowing to national interests. PNG's waters are rich in marine resources, but the sector contributes little to overall economic activity. Artisanal fishing is commonplace, largely for subsistence. Rent from fisheries is derived mostly as distant-water license fees. However, the domestically based fleet has been growing rapidly and showing signs of potential. It is vital that the resource be properly managed. ADB has been helping strengthen the National Fisheries Authority to address issues of licensing, management, surveillance, and monitoring. Further support for provincial coastal waters fisheries development is envisaged to benefit disadvantaged coastal communities.

5. Mining (gold and copper), and petroleum and gas extraction have been major revenue sources. In 2000, mining and petroleum accounted for about 24 percent of gross domestic product. Despite good prospects, exploration activities declined significantly during the 1990s because PNG was seen as an increasingly risky country for investment due to growing peace-and-order problems, political instability, an unfavorable fiscal environment, and frequently changing policy on state equity in projects. With ADB assistance, in 2000 the Government greatly improved the fiscal environment for mining and hydrocarbons and has stabilized equity

treatment of mineral projects, which should improve the sector's long-term prospects. In the short term, prospects depend on two major possible developments: the Ramu nickel project, where preparations are advanced; and the PNG-Queensland gas project, which would involve collecting and processing Highlands gas and transporting it by pipeline to Queensland. The gas project would require investments of about \$3 billion. ADB is helping the Government develop its position relative to the project; ADB may also participate in the project.

C. Transport

6. Because of its critical importance for poverty reduction and economic growth, transport will remain a priority for ADB. The deterioration of the existing road system, especially of feeder roads, must be stopped. Building on the ADB-assisted road asset management system, the ADB is already helping rehabilitate and maintain roads in the Highlands. A similar project is envisaged in the southern region. Close coordination and cooperation with other funders is required. ADB emphasizes catalyzing private sector participation in infrastructure financing and asset management. Building on earlier assistance, ADB will also help establish a road authority, which will improve management and cost recovery.

7. Given the importance of sea and inland waterways transport, especially for the poor, infrastructure and institutional investments yield suitable economic returns. ADB is helping restore the system of maritime navigation aids and establish a sustainable institutional framework. Another project will help develop local water transport facilities, together with an appropriate institutional framework.

D. Social Infrastructure

8. ADB's attempts to reduce poverty also focus on improving education and health, especially of women. The Government's health policy centers on (i) revitalizing primary care and improving access, (ii) ensuring minimum standards of service, and (iii) employing cost-effective and proven interventions. Further loan assistance may be considered based on (i) a TA-supported review of the health sector and the options for continued ADB participation in the sector, (ii) adoption of a sector-wide approach, (iii) assessment of absorptive capacity, and (iv) growing Australian involvement in the sector. In education and training, ADB will continue to focus on the large numbers of people who have not benefited fully from formal education. ADB will (i) build on the results of the ongoing skills development pilot project, (ii) provide loans for informal and adult education and training, (iii) ensure appropriate targeting, and (iv) focus on education and sensitization of men. ADB will assist in the area of population and gender, complementing the traditional health sector focus with a wider multidimensional approach. Traditionally, ADB has been involved in water and sanitation in towns, taking a lead role in the sector. This involvement is expected to continue, albeit at reduced levels to accommodate the growing interest in the sector from other funders.

E. Governance and Public Administration

9. ADB emphasizes (i) improving governance, (ii) development administration, and (iii) public sector financial management. The ADB also gives program support to the Government's public sector reform, encompassing (i) improved management of the civil service (by focusing on performance); (ii) strengthened institutions of good governance; and (iii) improved delivery of basic services, especially at the provincial and local levels. Building on the financial management improvement program, ADB will help build up provincial and local government management capacities, as required to decentralize Government operations.

PORTFOLIO PERFORMANCE INDICATORS

Table A5.1: Implementation, Disbursement Performance and Postevaluation Results of Public Sector Projects
(as of 31 December 2000)

A. Project Portfolio	Net Loan Amount \$ million %		Rating (No.) ^a										
			Total		Implementation Progress				Development Objectives				
			No.	%	HS	S	PS	U	HS	S	PS	U	
Agriculture and Natural Resources	14.11	5.7	2	14.3	0	2	0	0	0	0	2	0	0
Energy	0.00	0.0	0	0.0	0	0	0	0	0	0	0	0	0
Finance	9.59	3.9	1	7.1	0	1	0	0	0	0	1	0	0
Social Infrastructure	78.68	32.0	6	42.9	0	4	1	1	0	5	1	0	0
Transport and Communications	117.76	47.9	4	28.6	0	2	2	0	0	2	2	0	0
Others	25.80	10.5	1	7.1	0	1	0	0	0	1	0	0	0
Total	245.94	100.0	14	100.0	0	10	3	1	0	11	3	0	0

B. Disbursements	OCR	ADF	Total
(1) Total funds available for withdrawal (\$ mn, active loans only)	133.21	82.76	215.98
(2) Disbursed amount (\$million, cumulative, active loans only)	31.71	52.13	83.84
(3) Percentage disbursed [(2)/(1)] (%)	23.80	62.99	38.82
(4) Disbursements (\$million, active loans only, latest year)	8.03	4.98	13.01
(5) Disbursement ratio (%) ^b	7.33	13.19	8.83

C. Net Transfer of Resources (\$million)	OCR	ADF	Total
Net transfer in 1996	(15.3)	0.4	(14.9)
Net transfer in 1997	(6.3)	5.2	(1.2)
Net transfer in 1998	(1.3)	0.3	(1.0)
Net transfer in 1999	4.8	0.8	5.7
Net transfer in 2000	(15.1)	(2.5)	(17.6)

D. Postevaluated Projects (by year of approval) ^c												1996–2000	
1. Postevaluation Rating (as of 31 Dec 2000)												No.	%
Highly Successful (HS)												2	40.0
Successful (S)												1	20.0
Partly Successful (PS)												2	40.0
Unsuccessful (U)												0	0.0
No Rating (NR)												0	0.0
Total												5	100.0

2. Postevaluation Rating by Sector 1996–2000 (as of 31 Dec 2000)	HS		S		PS		U		NR		Total	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Agriculture and Natural Resources	2	100.0	0	0.0	1	50.0	0	0.0	0	0.0	3	60.0
Energy	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Finance	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Social Infrastructure	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Transport and Communications	0	0.0	1	100.0	1	50.0	0	0.0	0	0.0	2	40.0
Others	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Total	2	100.0	1	100.0	2	100.0	0	0.0	0	0.0	5	100.0

^a HS = Highly satisfactory, NR = No rating, S = Satisfactory, PS = Partly satisfactory, U = Unsatisfactory, US = Unsuccessful.

^b Ratio of disbursement during the year over the undisbursed net loan balance less cancellations at the beginning of the year. Effective loans during the year have also been added to the beginning balance of undisbursed loans.

^c Source: Postevaluation Information System (PEIS)

Table A5.2: Status of Project Implementation
Public Sector Projects
(as of 31 December 2000)

Sector	Project Title	Net Loan Amount		Approval Date	Effectivity Date	Closing Date		Project Progress (% complete)	Cum Contract Awards (\$ million)	Cummulative Disbursement (\$ million)	Project Performance Rating	
		OCR (\$ million)	ADF			Original	Revised				Implementation Progress	Development Objective
T&C	Transport Infrastructure Development Project	19.000		14 Jan 92	23 Jun 92	30 Jun 97	31 Jan 01	75%	13.69	17.68	PS	PS
T&C	Transport Infrastructure Development Project		15.163	14 Jan 92	23 Jun 92	30 Jun 97	31 Jan 01	75%	13.81	14.46	PS	PS
SOC	Third Urban Water Supply Project	11.300		15 Dec 92	07 Dec 94	30 Nov 96	31 Oct 01	65%	7.26	5.01	S	S
SOC	Higher Education Project		16.539	01 Apr 93	02 Mar 94	30 Jun 99	30 Sep 01	96%	14.70	14.43	S	S
SOC	Population and Family Planning Project		7.000	01 Apr 93	02 Mar 94	31 Dec 98	31 Dec 00	80%	5.17	4.91	PS	S
SOC	Health Sector Investment Project		9.216	20 Mar 97	23 Oct 97	31 Dec 01		20%	1.01	1.65	U	PS
AGR	Smallholder Support Services Pilot Project	7.600		10 Dec 98	21 Dec 99	31 Dec 04		8%	1.69	0.86	S	S
AGR	Fisheries Development Project	6.514		11 Dec 98	18 Jun 99	30 Jun 03		30%	2.14	1.87	S	S
OTH	Financial Management Project	25.800		21 Oct 99	27 Oct 99	30 Jun 05		6%	2.53	4.87	S	S
SOC	Employment Oriented Skills Development Project		19.006	28 Oct 99	26 Jun 00	30 Jun 06		1%	3.05	0.84	S	S
T&C	Road Maintenance and Upgrading (Sector) Project	63.000		16 Nov 99	15 Feb 00	30 Jun 06		3%	9.24	1.42	S	S
T&C	Rehabilitation of the Maritime Navigation Aids System	20.600		12 Sep 00		30 Apr 06		0%	0.00	0.00	S	S
F	Microfinance and Employment Project		9.586	19 Oct 00		31 Dec 06		0%	0.00	0.00	S	S
SOC	Provincial Towns Water Supply and Sanitation Project		15.615	14 Dec 00		30 Sep 05		0%	0.00	0.00	S	S
Total		153.814	92.125						74.28	68.00		

ADF = Asian Development Fund, AGR = agriculture and natural resources, F = finance, O = others, OCR = ordinary capital resources, PS = partly satisfactory, S = satisfactory, SOC = social infrastructure, T&C = transport and communications, U = unsatisfactory.

LENDING AND TECHNICAL ASSISTANCE PROGRAM

Table A6.1: Lending Scenario and Performance Triggers

Low Case	Base Case	High Case
<p>Reversal of recent gains in economic management and governance:</p> <ul style="list-style-type: none"> • increasing budget deficit, financed nonconcessionally; • poor budget management, with off-budget expenditures, build-up of arrears, and inadequate development expenditure; • regression in public sector reform, financial sector reform, privatization. 	<p>Recent pace of improvements in economic management and governance maintained:</p> <ul style="list-style-type: none"> • stable macroeconomic outlook, with restrained budget deficit, financed concessionally; • continued improvement in fiscal management, with improved prioritization and (rural health and education expenditures maintained in real per capita terms); • maintenance of public sector reform, financial sector reform, privatization; • continued decentralization of planning and implementation; • price controls reviewed. 	<p>Rapid and successful implementation of reform program, with development of further reform agenda:</p> <ul style="list-style-type: none"> • continuing macroeconomic stability and growth, with declining domestic public debt; • stronger budget prioritization (rural health and education expenditures rising); • financial sector reform completed; privatization completed (all major entities); public sector reform successful (turnover, rapid decision making, field level service delivery); • decentralization ongoing; • Prices decontrolled, competition policy reviewed, and recommendations implemented.

Table A6.2: Lending Program 2002-2004

Sector/Project Name	Poverty Classification	Crosscutting Operational Priority	Year of PPTA	PROJECT COST (in \$ million)					
				Total	ADB		Govt.	Cofinancing (Others)	
					OCR	ADF	Total		
2002 Loan Pipeline									
Agriculture and Natural Resources									
1 Coastal Waters Fisheries Mgmt&Devt	PI	PSD	2000	18.0	0.0	8.0	8.0	5.0	5.0
Subtotal				18.0	0.0	8.0	8.0	5.0	5.0
Transport and Communications									
1 Community Water Transport	PI/NC	PSD	2000	42.0	10.0	15.0	25.0	17.0	0.0
2 Road Authority	NC	PSD	2001	17.0	7.0	0.0	7.0	5.0	5.0
Subtotal				59.0	17.0	15.0	32.0	22.0	5.0
Total				77.0	17.0	23.0	40.0	27.0	10.0
2002 Other Loans									
Energy									
1 Gas Pipeline	NC	PSD	—	—	30.0	0.0	30.0	—	—
Subtotal				0.0	30.0	0.0	30.0	0.0	0.0
Total				0.0	30.0	0.0	30.0	0.0	0.0
2003 Loan Pipeline									
Transport and Communications									
1 Road Sector Maintenance (Southern Region)	PI	PSD	2001	60.0	30.0	0.0	30.0	20.0	10.0
Subtotal				60.0	30.0	0.0	30.0	20.0	10.0
Social Infrastructure									
1 Gender and Population	CPI	GAD/HD	2002	22.0	0.0	10.0	10.0	7.0	5.0
2 Health Sector	PI	HD	2002	44.0	13.0	7.0	20.0	14.0	10.0
Subtotal				66.0	13.0	17.0	30.0	21.0	15.0
Total				126.0	43.0	17.0	60.0	41.0	25.0
2004 Loan Pipeline									
Agriculture and Natural Resources									
1 Rural Development	PI/CPI	PSD	2003	33.0	15.0	5.0	20.0	13.0	0.0
Subtotal				33.0	15.0	5.0	20.0	13.0	0.0
Social Infrastructure									
1 Adult/Informal Education	CPI	HD	2003	50.0	17.0	8.0	25.0	15.0	10.0
Subtotal				50.0	17.0	8.0	25.0	15.0	10.0
Others/Multisector									
1 Provincial/Local Level Management	NC	GG	2002	30.0	10.0	5.0	15.0	10.0	5.0
Subtotal				30.0	10.0	5.0	15.0	10.0	5.0
Total				113.0	42.0	18.0	60.0	38.0	15.0

ADB = Asian Development Bank, ADF = Asian Development Fund, CPI = core poverty intervention, GAD = gender and development, GG = good governance, Govt. = government, HD = human development, NC = not clear, PI = poverty intervention, OCR = ordinary capital resources, ODI = other development

Table A6.3: Technical Assistance Program 2002-2004

Sector/Project Name		Responsible Division	Type of TA	Amount (\$ '000)		
				ADB	Others	Total
2002 Technical Assistance Pipeline						
Agriculture and Natural Resources						
1	Agriculture Policy	POHQ	AD	500.0		500.0
	Subtotal			500.0	0.0	500.0
Social Infrastructure						
1	Gender and Population	POHQ	PP	500.0		500.0
2	Health Sector	POHQ	PP	300.0		300.0
	Subtotal			800.0	0.0	800.0
Others/Multisector						
1	Provincial/Local Level Public Services Management	POHQ	PP	600.0		600.0
2	Monitoring and Evaluation for Planning	POHQ	AD	350.0		350.0
3	Statistical Systems	POHQ	AD	750.0		750.0
	Subtotal			1,700.0	0.0	1,700.0
	Total			3,000.0	0.0	3,000.0
2003 Technical Assistance Pipeline						
Agriculture and Natural Resources						
1	Rural Development	POHQ	PP	600.0		600.0
2	Regional Development (Sandaun - West Sepik)	POHQ	PP	500.0		500.0
	Subtotal			1,100.0	0.0	1,100.0
Social Infrastructure						
1	Gender and Population	POHQ	AD	250.0		250.0
2	Adult/Informal Education	POHQ	PP	600.0		600.0
	Subtotal			850.0	0.0	850.0
Others/Multisector						
1	Governance	POHQ	AD	300.0		300.0
2	Small/Medium Enterprise Development	POHQ	PP	750.0		750.0
	Subtotal			1,050.0	0.0	1,050.0
	Total			3,000.0	0.0	3,000.0
2004 Technical Assistance Pipeline						
Agriculture and Natural Resources						
1	Regional Development (Enga-Southern Highlands)	POHQ	PP	600.0		600.0
	Subtotal			600.0	0.0	600.0
Social Infrastructure						
1	Adult/Informal Education	POHQ	AD	400.0		400.0
2	Rural Water and Sanitation	POHQ	PP	750.0		750.0
	Subtotal			1,150.0	0.0	1,150.0
Others/Multisector						
1	Microfinance	POHQ	PP	750.0		750.0
2	Provincial/Local Level Management	POHQ	AD	500.0		500.0
	Subtotal			1,250.0	0.0	1,250.0
	Total			3,000.0	0.0	3,000.0

AD = advisory; POHQ = Pacific Operations Division, PP = project preparatory.

Table A6.4: Lending Program, 2002-2004
By Poverty Classification, Crosscutting Operational Priority and Sector

Classification	2002 (Firm)		2003-2004	
	No.	%	No.	%
A. By Poverty Classification				
1. Core Poverty Intervention	0	0.0	2	33.3
2. Poverty Intervention (Non-core)	2	66.7	3	50.0
3. Not Classified	1	0.0	1	16.7
Total	3	66.7	6	100.0
B. By Crosscutting Operational Priority				
1. Economic Growth	0	0.0	-	-
2. Environment	0	0.0	-	-
3. Gender and Development	0	0.0	1	16.7
4. Good Governance	0	0.0	1	16.7
5. Human Development	0	0.0	2	33.3
6. Private Sector Development	3	100.0	2	33.3
7. Regional Cooperation	0	0.0	-	-
Total	3	100.0	6	100.0
C. By Sector				
1. Agriculture and Natural Resources	1	33.3	1	16.7
2. Energy	-	-	-	-
3. Finance and Industry	-	-	-	-
4. Social Infrastructure	-	-	3	50.0
5. Transport and Communications	2	66.7	1	16.7
6. Others/Multisector	-	-	1	16.7
Total	3	100.0	6	100.0

ECONOMIC AND SECTOR WORK PROGRAM

Type of ESW	Strategic or Operational Objective	Modality
1. Economic Work		
Poverty Analysis	Help Government analyze poverty and develop a strategic program to reduce poverty	Staff Consultants and TA (2001–2003)
Economic Statistics	Improve the timeliness and quality of statistics	TA (2002–2003)
2. Thematic Work		
Improving Public Sector Management	Apply modern management procedures, mechanisms, and systems at all government levels	TA (2001, 2002, 2004)
	Improve planning	TA (2002)
Improving the Performance of Frontline Services	Enable frontline Government services to better identify and respond to public needs	TA (2001, 2004)
Gender and Population	Help improve low social indicators by assessing and addressing gender and population linkages	TA (2002, 2003)
Good Governance	Help strengthen the probity organizations	TA (2001)
	Assess and help address practical governance problems	TA (2003)
Economic Growth	Assess constraints to informal sector development	TA (2000)
	Assess constraints to small and medium-size enterprise development	TA (2003)

Type of ESW	Strategic or Operational Objective	Modality
3. Sector Work		
Health	Support health policy analysis and review the health sector	TA (2001, 2002)
Education	Review and support nonformal education and training, especially for adults	TA (2003, 2004)
Transport	Improve management and maintenance of road transport	TA (1999, 2001)
	Improve management and maintenance of water transport	TA (2000)
Agriculture and Rural Development	Improve agriculture production and rural development	TA (2002, 2003, 2004)

PROJECT SELECTION BRIEFS

Table A8.1: Coastal Waters Fisheries Management and Development

A. Data	
Project Number:	
Country:	Papua New Guinea
Sector:	Agriculture and Natural Resources
Subsector:	Fisheries
Project Division:	POHQ
Contact Person in Projects Division:	T. Gloerfelt-Tarp
Programs Division:	POHQ
Tentative Loan Amount According to CSP:	\$8.0 million ADF
Proposed Lending Modality:	Investment Project
PPTA:	TA 3604-PNG: Coastal Waters Fisheries
Proposed PPTA Amount:	\$340,000
Attached ADTA:	not applicable
Proposed ADTA Amount:	
Start Predesign Phase:	2000
Start Design Phase:	2001
Approval Year According to CSP:	2002
Proposed Executing Agency:	National Fisheries Authority (NFA)
Contact Person in Proposed Executing Agency:	L. Pitoi
B. Description	
Brief Rationale of Project:	Past assistance to coastal fishing communities has hardly ever been sustainable because of their remoteness and the lack of maintenance of provided infrastructure. This project will build on lessons being learned under Loan 1656: Fisheries Development for the Commercial Sector, aiming to forge a synergy between the commercial sector and the subsistence and artisanal communities. The project will help reduce poverty by improving income-earning opportunities.
Summary of Preparatory Work by DMC and/or ESW by ADB or Others:	The Fisheries Act and fisheries regulations have been passed. With ADB assistance NFA has refocused its priorities.
Comparative Advantage of ADB in Proposed Project:	ADB laid the foundation during Loan 1656, with the necessary institutional restructuring and policy implementation and development of the commercial sector.
Rationale and Scope of attached ADTA:	
Development Objective (thematic priority)	Economic growth
Environmental Classification:	B
Social Issues:	Traditional marine tenure systems by communities and/or clans

ADB = Asian Development Bank, ADF = Asian Development Fund, ADTA = advisory technical assistance, CSP = country strategy and program, DMC = developing member country, ESW = Economic and Sector Work, NFA = National Fisheries Authority, PNG = Papua New Guinea, POHQ = Pacific Operations Division, PPTA = project/program preparatory technical assistance.

Table A8.2: Community Water Transport

A. Data	
Project Number:	
Country:	Papua New Guinea
Sector:	Transport and Communications
Subsector:	Water Transport
Project Division:	POHQ
Contact Person in Projects Division:	S. Jarvenpaa
Programs Division:	POHQ
Tentative Loan Amount according to CSP:	\$25 million (\$10 million OCR, \$15 million ADF)
Proposed Lending Modality:	Investment Project
PPTA:	TA 3615-PNG: Community Water Transport
Proposed PPTA Amount:	\$580,000
Attached ADTA:	
Proposed ADTA Amount:	
Start Predesign Phase:	2000
Start Design Phase:	2001
Approval Year According to CSP:	2001
Proposed Executing Agency:	Department of Works and Transport
Contact Person in Proposed Executing Agency:	Secretary of Works and Transport, Alphonse Niggins Project Manager: Peter Aisi
B. Description	
Brief Rationale of Project	The project will improve delivery of essential services and food to remote and often isolated maritime communities to reduce their poverty and enhance their employment and marketing possibilities. With the TA, the Government aims to establish acceptable seafaring logistics with adequate safety prevention programs and facilities to induce development of remote areas.
Summary of Preparatory Work by DMC and/or ESW by ADB or Others:	The PPTA will commence in September 2001. DOWT will arrange extensive community consultations and workshops, and with the support of the PPTA consultants, develop mechanisms for communities to participate in project design and implementation.
Comparative Advantage of ADB in Proposed Project:	ADB has knowledge of conditions in remote islands, experience with low-volume transport services elsewhere in the Pacific and Asia, a long-term partnership with the Executing Agency and the Government, and a mix of ADF and OCR resources to finance the project.
Rationale and Scope of attached ADTA:	
Development Objective (thematic priority):	Pro-poor growth
Environmental Classification:	B
Social Issues:	Poverty incidence in PNG's coastal areas

	<p>exceeds that of the rest of the country. A large portion of coastal residents draw their primary income from fishing. Coastal communities have poor access to roads and are often far from airstrips. Most transport is by small craft. Boating practices are often unsafe, small craft frequently lost at sea, and accidents and deaths unacceptably common. Rescue operation is hindered by a lack of resources. Loss of life at sea could be reduced if all small craft were to be registered, safety equipment and seaworthiness required of all small craft, and reporting requirements and safety procedures as well as preferred routes made mandatory. The TA supports the Government's plan to establish an inland and maritime waterway transport system to identify (i) cost-effective means of improving small-boat services and infrastructure, inland navigational aids, and hydrographic surveys; and (ii) key infrastructure to encourage economic growth through safe and efficient inland waterways transport. Associated microscale and poverty-reducing programs will be reviewed to identify possible transport-related bottlenecks to improvement of standard of living.</p>
--	---

ADB = Asian Development Bank, ADF = Asian Development Fund, ADTA = advisory technical assistance, CSP = country strategy and program, DMC = developing member country, DOWT = Department of Works and Transport, ESW = Economic and Sector Work, OCR = ordinary capital resources, PNG = Papua New Guinea, POHQ = Pacific Operations Division, PPTA = project/programs preparatory technical assistance, TA = technical assistance.

Table A8.3: Road Authority

A. Data	
Project Number:	
Country:	Papua New Guinea
Sector:	Transport and Communications
Subsector:	Road Transport
Project Division:	POHQ
Contact Person in Projects Division:	S. Jarvenpaa
Programs Division:	POHQ
Tentative Loan Amount According to CSP:	\$7 million OCR
Proposed Lending Modality:	Investment Project
PPTA:	Road Authority
Proposed PPTA Amount:	\$700,000
Attached ADTA:	
Proposed ADTA Amount:	
Start Predesign Phase:	2000
Start Design Phase:	2001
Approval Year According to CSP:	2002
Proposed Executing Agency:	Department of Works and Transport
Contact Person in Proposed Executing Agency:	Secretary of Works and Transport
B. Description	
Brief Rationale of Project	The Government's road sector strategy includes transforming the road sector management from a public sector function funded from budget appropriation and administered under the public service guidelines into an autonomous road authority focused on direct accountability and management efficiency. The change needs to be planned carefully. The new agency must upgrade technical capacity, change the corporate culture and personnel management, and employ a works delivery mechanism based on contract management and focused on quality control and client relations. The project will implement a milestone-based, time-bound, and feasible step-by-step action plan to establish the new agency.
Summary of Preparatory Work by DMC and/or ESW by ADB or Others:	The National Transport Development Plan focuses on a progressive design and implementation of institutional reform in the transport sector. Organizational restructuring is expected to improve efficiency, effectiveness, and accountability in delivery of transport sector services. DOWT is the driver of this reform program and is envisaged to centralize transport planning to develop institutional capacity within a future

	<p>autonomous authority that will manage and maintain the national, provincial, and district road networks efficiently and effectively. The ADB's ESW in this sector has contributed a programmed approach to improving sector services: gradual establishment of technical capability through the field organization that is capable of becoming the autonomous authority, and support for the establishment of a road fund to ensure continuous and adequate resources for road maintenance. ESW under the project processing and implementation includes adoption of commercial approaches to road sector management, with an overall goal of enhancing the sector's contribution to economic development. The reform also addresses operational linkages between the planned roads authority and the road-related functions and responsibilities for policy and planning, road safety, and road transport regulation. The sector suffers from institutional weaknesses beyond the annual funding constraint. ADB's ESW, in this regard, addresses (i) the inadequate skills at all levels for planning maintenance and adhering to approved procedures; (ii) cumbersome requirements for managing contracts, and excessive outside influence; (iii) inefficient administration of maintenance funds, lack of accountability, political interference, and distortions resulting in ill-defined responsibilities within DOWT; and (iv) weaknesses in the disbursement procedure preventing timely payments to contractors and effective monitoring. The public sector lacks the ability to motivate employees to achieve the Government's road sector objectives. The ESW focuses on improving the sector agency's adherence to corporate policy and performance targets, client orientation and flexibility, and attention to cost-effectiveness.</p>
Comparative Advantage of ADB in Proposed Project:	ADB has a long-standing relationship with the Executing Agency and the Government, an established program approach to support the sector improvement, and knowledge of the challenges.
Rationale and Scope of Attached ADTA:	
Development Objective (thematic priority):	Pro-poor growth
Environmental Classification:	B

Social Issues:	The road sector's inefficiency hinders poverty reduction, development, and growth. The agency cannot operate as a commercially oriented entity due to its unmotivated employees, inability to attract well-qualified and skilled employees, lack of appropriate incentives, limited adherence to corporate policy and performance targets due to frequent external interference, lack of client orientation and flexibility, and lack of cost-effectiveness. The project will implement a road map for far-reaching organizational reform and establish an autonomous road authority that will focus on accountability, cost-effectiveness, quality control, and client relations.
----------------	--

ADB = Asian Development Bank, ADTA = advisory technical assistance, CSP = country strategy and program, DMC = developing member country, DOWT = Department of Works and Transport, ESW = Economic and Sector Work, OCR = ordinary capital resources, POHQ = Pacific Operations Division, PPTA = project/programs preparatory technical assistance.

Table A8.4: Gas Pipeline

A. Data	
Project Number:	
Country:	Papua New Guinea
Sector:	Energy
Subsector:	Natural Gas
Project Division:	POHQ
Contact Person in Projects Division:	W. Wicklein
Programs Division:	POHQ
Tentative Loan Amount According to CSP:	\$30 million
Proposed Lending Modality:	Investment Project
PPTA:	
Proposed PPTA Amount:	
Attached ADTA:	
Proposed ADTA Amount:	
Start Predesign Phase:	2001
Start Design Phase:	
Approval Year According to CSP:	2002
Proposed Executing Agency:	Treasury Department
Contact Person in Proposed Executing Agency:	
B. Description	
Brief Rationale of Project:	The project to send PNG gas to Queensland by pipeline is a unique opportunity to significantly improve PNG's development prospects: economic net impacts are estimated at 13-37 percent increase of GDP. The corresponding rise in Government revenue is estimated at 12-19 percent.
Summary of Preparatory Work by DMC and/or ESW by ADB or Others:	Associated Gas Pipeline Development Project, proposed for 2001, \$500,000
Comparative Advantage of ADB in Proposed Project:	Catalyst for other international lenders, especially the European Investment Bank
Rationale and Scope of Attached ADTA:	
Development Objective (thematic priority):	Pro-poor economic growth
Environmental Classification:	
Social Issues:	Landowner participation in the project is critical. Little or no resettlement is involved.

ADB = Asian Development Bank, ADTA = advisory technical assistance, CSP = country strategy and program, DMC = developing member country, ESW = Economic and Sector Work, GDP = gross domestic product, PNG = Papua New Guinea, POHQ = Pacific Operations Division, PPTA = project/programs preparatory technical assistance.

Table A8.5: Road Sector Maintenance (Southern Region)

A. Data	
Project Number:	
Country:	Papua New Guinea
Sector:	
Subsector:	Road Transport
Project Division:	POHQ
Contact Person in Projects Division:	S. Jarvenpaa
Programs Division:	POHQ
Tentative Loan Amount According to CSP:	\$30 million
Proposed Lending Modality:	Investment Project
PPTA:	Road Sector Maintenance (S. Region)
Proposed PPTA Amount:	
Attached ADTA:	
Proposed ADTA Amount:	
Start Predesign Phase:	2001
Start Design Phase:	2001
Approval Year According to CSP:	2003
Proposed Executing Agency:	
Contact Person in Proposed Executing Agency:	
B. Description	
Brief Rationale of Project:	
Summary of Preparatory Work by DMC and/or ESW by ADB or Others:	
Comparative Advantage of ADB in Proposed Project:	
Rationale and Scope of attached ADTA:	
Development Objective (thematic priority):	
Environmental Classification:	
Social Issues:	

ADB = Asian Development Bank, ADTA = advisory technical assistance, CSP = country strategy and program, DMC = developing member country, ESW = Economic and Sector Work, POHQ = Pacific Operations Division, PPTA = project/programs preparatory technical assistance.

Table A8.6: Gender and Population

A. Data	
Project Number:	
Country:	Papua New Guinea
Sector:	Social Infrastructure
Subsector:	
Project Division:	POHQ
Contact Person in Projects Division:	M. Dugue
Programs Division:	POHQ
Tentative Loan Amount According to CSP:	\$10 million
Proposed Lending Modality:	Investment Project
PPTA:	Gender and Population
Proposed PPTA Amount:	\$500,000
Attached ADTA:	Gender and Population
Proposed ADTA Amount:	\$150,000
Start Predesign Phase:	2001
Start Design Phase:	2001
Approval Year According to CSP:	2003
Proposed Executing Agency:	Department of National Planning
Contact Person in Proposed Executing Agency:	Camillus Midire, Secretary
B. Description	
Brief Rationale of Project:	The last census, conducted in 2000, showed a steady rate of population increase, particularly in the Highland provinces and urban areas. In the context of slow economic growth and acute law-and-order problems in urban areas, this trend is of major concern. The maternal mortality rate continues to be unacceptably high, and female education is still largely neglected. Most studies show that a women-centered strategy is of major importance for population management and should pay attention to improved educational and employment opportunities for women.
Summary of Preparatory Work by DMC and/or ESW by ADB or Others:	The National Population Policy was approved by the Government in 2000. Numerous studies were conducted during the preparation and implementation of the Population and Family Planning Project. ¹
Comparative Advantage of ADB in Proposed Project:	During the implementation of the Population and Family Planning Project, ADB was primarily involved with NGOs and health education, which would be the main focus of the proposed project. ADB thus has

¹ Loan 1225-PNG: *Population and Family Planning*, for \$7.1 million, approved 1 April 1993, cofinanced by AusAID (\$10.02 million) and World Bank (\$6.9 million). Loan closing date 31 June 2001.

	considerable experience in this area. ADB is also seen as a “neutral” rather than bilateral partner in this culturally sensitive and challenging sector.
Rationale and Scope of attached ADTA:	The scope of the ADTA will include building capacity and knowledge of women’s groups and NGOs to support the implementation of a new population management strategy.
Development Objective (thematic priority):	
Environmental Classification:	
Social Issues:	

ADB = Asian Development Bank, ADTA = advisory technical assistance, AusAID = Australian Agency for International Development, CSP = country strategy and program, DMC = developing member country, ESW = Economic and Sector Work, NGO = nongovernment organization, POHQ = Pacific Operations Division, PPTA = project/programs preparatory technical assistance.

Table A8.7: Health Sector

A. Data	
Project Number:	
Country:	Papua New Guinea
Sector:	Social Infrastructure
Subsector:	Health
Project Division:	POHQ
Contact Person in Projects Division:	M. Dugue
Programs Division:	POHQ
Tentative Loan Amount According to CSP:	\$20.0 million
Proposed Lending Modality:	Investment Project
PPTA:	Health Sector
Proposed PPTA Amount:	\$300,000
Attached ADTA:	
Proposed ADTA Amount:	
Start Predesign Phase:	2001
Start Design Phase:	2001
Approval Year According to CSP:	2003
Proposed Executing Agency:	Department of Health
Contact Person in Proposed Executing Agency:	Puka Temu, Secretary
B. Description	
Brief Rationale of Project:	Despite a number of key achievements in the health sector in recent years, PNG's health indicators are still typical of the poorest developing countries. A series of reforms to decentralize the system has been implemented and is expected to substantially improve the sector in the coming years. However, new approaches are needed as the Government is hampered by very tight financial constraints, which might lower the level of public funding for the health sector.
Summary of Preparatory Work by DMC and/or ESW by ADB or Others:	The reports of TA 2772-PNG: Strengthening the Health System Management and TA 3660-PNG: Health Policy Support ¹ will serve as a strong basis for the preparatory work. Numerous background studies have also been made by AusAID and WHO.
Comparative Advantage of ADB in Proposed Project:	ADB has been the major partner of the Government in health since 1985. As a result of the innovative approach brought by ADB through the Health Sector Development Program, ² funders and the Government are

¹ TA 2772-PNG: *Strengthening Financial Management of the Health Sector (Supplementary)*, for \$186,000, approved on 18 February 2000, and TA 3660-PNG: *Health Policy Support*, for \$229,000, approved on 30 May 2001.

² Loans 1516, 1517, 1518-PNG: *Health Sector Development Program*, for \$50 million equivalent (two policy-based loans), \$10 million equivalent (investment loan), with a TA for \$600,000, approved on 20 March 1997.

	taking a sector-wide approach to health. The ADB-supported public sector reform program addresses basic service delivery issues, and the proposed reforms will benefit from a complementary approach in the health sector.
Rationale and Scope of attached ADTA:	
Development Objective (thematic priority):	Health
Environmental Classification:	
Social Issues:	

ADB = Asian Development Bank, ADTA = advisory technical assistance, AusAID = Australian Agency for International Development, CSP = country strategy and program, DMC = developing member country, ESW = Economic and Sector Work, PNG = Papua New Guinea, POHQ = Pacific Operations Division, PPTA = project/programs preparatory technical assistance, WHO = World Health Organization.

Table A8.8: Rural Development

A. Data	
Project Number:	
Country:	Papua New Guinea
Sector:	Agriculture and Natural Resources
Subsector:	Agriculture
Project Division:	POHQ
Contact Person in Projects Division:	D. Ponzi
Programs Division:	POHQ
Tentative Loan Amount according to CSP:	\$20 million
Proposed Lending Modality:	Investment Project
PPTA:	Rural Development
Proposed PPTA Amount:	\$600,000
Attached ADTA:	
Proposed ADTA Amount:	
Start Pre-design Phase:	2001
Start Design Phase:	2002
Approval Year According to CSP:	2004
Proposed Executing Agency:	Department of Agriculture and Livestock
Contact Person in Proposed Executing Agency:	Secretary
B. Description	
Brief Rationale of Project:	Eighty-five percent of the population and virtually all of the poor in PNG live in the rural areas. Improving their access to sustainable income-earning opportunities is thus critical to reducing poverty. This project will build on the lessons of the ongoing agriculture support services project. The proposed project's scope and geographic coverage will be determined during PPTA.
Summary of Preparatory Work by DMC and/or ESW by ADB or Others:	The Government, with assistance from ADB and other funders, is reviewing the country's experience to establish a rural development policy.
Comparative Advantage of ADB in Proposed Project:	ADB backs the provision of support services for smallholders, will help formulate agriculture policy, and is working with provincial governments to strengthen public sector management.
Rationale and Scope of attached ADTA:	
Development Objective (thematic priority):	Poverty reduction and economic growth
Environmental Classification:	
Social Issues:	

ADB = Asian Development Bank, ADTA = advisory technical assistance, CSP = country strategy and program, DMC = developing member country, ESW = Economic and Sector Work, PNG = Papua New Guinea, POHQ = Pacific Operations Division, PPTA = project/programs preparatory technical assistance.

Table A8.9: Adult and Informal Education

A. Data	
Project Number:	
Country:	Papua New Guinea
Sector:	Social Infrastructure
Subsector:	Education and Training
Project Division:	POHQ
Contact Person in Projects Division:	A. Iffland
Programs Division:	POHQ
Tentative Loan Amount According to CSP:	\$25 million
Proposed Lending Modality:	Investment Project
PPTA:	Adult and Informal Education
Proposed PPTA Amount:	\$600,000
Attached ADTA:	
Proposed ADTA Amount:	
Start Predesign Phase:	2002
Start Design Phase:	2003
Approval Year According to CSP:	2004
Proposed Executing Agency:	
Contact Person in Proposed Executing Agency:	
B. Description	
Brief Rationale of Project:	With its low enrolment and retention rates, and irrelevancy, the education system does not address the needs of most of the population, especially of the poor. Building on the lessons of the employment-oriented skills development project, the project will seek to develop a sustainable mechanism to ensure that those who have not benefited from the formal education system have access to relevant and demand-driven opportunities for skills enhancement.
Summary of Preparatory Work by DMC and/or ESW by ADB or Others:	Complementing the Government's recent update of its education policy, the Government will review the ongoing skills development project and other efforts.
Comparative Advantage of ADB in Proposed Project:	ADB is involved in the skills development subsector.
Rationale and Scope of attached ADTA:	
Development Objective (thematic priority)	Poverty reduction and human development
Environmental Classification:	
Social Issues:	

ADB = Asian Development Bank, ADTA = advisory technical assistance, CSP = country strategy and program, DMC = developing member country, ESW = Economic and Sector Work, POHQ = Pacific Operations Division, PPTA = project/program preparatory technical assistance.

Table A8.10: Provincial and Local Level Management

A. Data	
Project Number:	
Country:	Papua New Guinea
Sector:	Others
Subsector:	Public Sector Management
Project Division:	POHQ
Contact Person in Projects Division:	S. van der Tak
Programs Division:	POHQ
Tentative Loan Amount According to CSP:	\$15 million
Proposed Lending Modality:	Investment Project
PPTA:	Provincial and Local Level Management
Proposed PPTA Amount:	\$600,000
Attached ADTA:	Provincial and Local Level Management
Proposed ADTA Amount:	\$500,000
Start Predesign Phase:	2001
Start Design Phase:	2002
Approval Year According to CSP:	2004
Proposed Executing Agency:	Prime Minister and National Exec. Council
Contact Person in Proposed Executing Agency:	R. Igara, Chief Secretary
B. Description	
Brief Rationale of Project:	Inadequate public sector management at the subnational level, where responsibility for service delivery rests, is a key impediment to PNG's development.
Summary of Preparatory Work by DMC and/or ESW by ADB or Others:	As part of the ongoing public sector reform preparations, the Government and its development partners have been analyzing service delivery impediments across the public service and individual sectors.
Comparative Advantage of ADB in Proposed Project:	ADB has been taking a lead role in helping to improve public sector management.
Rationale and Scope of Attached ADTA:	ADTA is proposed to provide specialized consultant services to complement domestic resources.
Development Objective (thematic priority):	Good governance
Environmental Classification:	
Social Issues:	

ADB = Asian Development Bank, ADTA = advisory technical assistance, CSP = country strategy and program, DMC = developing member country, ESW = Economic and Sector Work, POHQ = Pacific Operations Division, PPTA = project/programs preparatory technical assistance.

TECHNICAL ASSISTANCE CONCEPT PAPERS

Table A9.1: Agriculture Policy

A. Profile	
Department, Division, RM, Officer Concerned:	D. Ponzi
Type of TA (ADTA, PPTA, RETA):	ADTA
Name of Loan Project to follow (if PPTA):	
Country/Region (as applicable):	Papua New Guinea
Sector/Subsector:	Agriculture
Poverty Classification and Thematic Priorities: ^a	Poverty intervention, Economic growth
Program Year: ^b	2002
Expected Approval Date (mo/yr):	2002
Estimated Completion Date:	2003
B. Concept and Design	
1. Rationale (specific problem/issues to be addressed in TA)	The Government's policies in agriculture have become fragmented and inconsistent, resulting in sometimes incoherent development efforts. The Government has requested external assistance in reviewing current policies, updating these policies in the light of changing circumstances, and drawing up institutional and action programs to implement these policies.
2. Relation to Strategic Objectives (How the TA addresses the following.) <ul style="list-style-type: none"> • poverty reduction/thematic priorities • country strategy (where applicable) • regional cooperation 	Improved agricultural production is essential to reduce poverty in PNG, where 85 percent of the population is rural.
3. Scope (specific major components, e.g. capacity building)	The ADB TA will complement assistance provided by other external agencies. The scope of the TA will include consulting services to help review policies and draw up action plans.
4. Expected Outcome and Monitorable Indicators	The expected ultimate outcome is increased agricultural production, especially of crops relevant to the poor. The immediately monitorable indicators will include agreed upon policies and action plans, with implementation underway.

^a Economic growth, human development, gender and development, good governance, environmental protection, private sector development, regional cooperation, and support for ADB operations.

^b Year of inclusion in the CSP or the CAP for transition period.

<p>5. Previous TA(s) on the Same Theme, in the sector, country, or region (last five years)</p> <ul style="list-style-type: none"> • name, amount, status • assessment of outcome 	<ul style="list-style-type: none"> • TA 2898- PNG: <i>Restructuring Plan for the Department of Agriculture and Livestock</i>, \$150,000, 21 October 1997 • Recommendations partially adopted. • TA 2960-PNG: <i>Improving Provincial Agricultural Support Services</i>, \$150,000, 22 December 1997 • Ensuing project (Loan 1652: <i>Smallholder Support Services</i>, \$7.6 million, 10 December 1998) being satisfactorily implemented. • TA 3545-PNG: <i>Agro-industry Development</i>, \$500,000, 14 November 2000 • Ensuing loan under processing.
<p>6. Executing agency, implementing agency, counterpart agency (for RETAs as applicable)</p>	<p>Department of Agriculture and Livestock</p>
<p>7. Cost and Financing Plan</p> <p>(i) ADB Financing (JSF,TASF) (ii) Sources other than JSF/TASF</p>	<p>\$500,000</p>
<p>8. Country, RETA IPF for relevant year</p>	

ADB = Asian Development Bank, ADBA = advisory technical assistance, CSP = country strategy and program, IPF = indicative planning figure, JSF = Japan Special Fund, PNG = Papua New Guinea, PPTA = project/program preparatory technical assistance, RETA = regional technical assistance, RM = resident mission, TA = technical assistance, TASF = Technical Assistance Special Fund.

Table A9.2: Monitoring and Evaluation for Planning

A. Profile	
Department, Division, RM, Officer Concerned:	S. van der Tak
Type of TA (ADTA, PPTA, RETA):	ADTA
Name of Loan Project to follow (if PPTA):	
Country/Region (as applicable):	Papua New Guinea
Sector/Subsector:	Public Sector Management
Poverty Classification and Thematic Priorities: ^a	Not clear, Good governance
Program Year: ^b	2002
Expected Approval Date (mo/yr):	2002
Estimated Completion Date:	2003
B. Concept and Design	
1. Rationale (specific problem/issues to be addressed in TA)	Planning capacity has deteriorated, in part because of inability to assess performance in terms of implementing policy. Rebuilding capacity to monitor and evaluate performance at project level is essential as is moving beyond that level to a broader focus on policy implementation. Financial and budgetary responsibility for projects is to move to the Department of Finance, while the Department of National Planning and Monitoring will focus on project performance and on monitoring and evaluating development performance.
2. Relation to Strategic Objectives (How the TA addresses the following.) <ul style="list-style-type: none"> • poverty reduction/thematic priorities • country strategy (where applicable) • regional cooperation 	Improved planning will help support efforts to address poverty and thematic priorities.
3. Scope (specific major components, e.g. capacity building)	The scope includes assistance in reviewing needs, and developing and implementing action plans to meet those needs. Significant institutional development and capacity building will be required.
4. Expected Outcome and Monitorable Indicators	The outcome will be better performance at project and policy levels. Indicators will include ADB (and other funder) assessments of project performance.

^a Economic growth, human development, gender and development, good governance, environmental protection, private sector development, regional cooperation, and support for ADB operations.

^b Year of inclusion in the CSP or the CAP for transition period.

<p>5. Previous TA(s) on the Same Theme, in the sector, country, or region (last five years)</p> <ul style="list-style-type: none"> • name, amount, status • assessment of outcome 	
<p>6. Executing agency, implementing agency, counterpart agency (for RETAs as applicable)</p>	<p>Department of National Planning and Monitoring</p>
<p>7. Cost and Financing Plan</p> <p>(i) ADB Financing (JSF, TASF)</p> <p>(ii) Sources other than JSF/TASF</p>	<p>\$750,000</p>
<p>8. Country, RETA IPF for relevant year</p>	

ADB = Asian Development Bank, ADTA = advisory technical assistance, CSP = country strategy and program, IPF = indicative planning figure, JSF = Japan Special Fund, PPTA = project/program preparatory technical assistance, RETA = regional technical assistance, RM = resident mission, TA = technical assistance, TASF = Technical Assistance Special Fund.

Table A9.3: Statistical Systems

A. Profile	
Department, Division, RM, Officer Concerned:	S. van der Tak
Type of TA (ADTA, PPTA, RETA):	ADTA
Name of Loan Project to follow (if PPTA):	
Country/Region (as applicable):	Papua New Guinea
Sector/Subsector:	Public Sector Management
Poverty Classification and Thematic Priorities: ^a	Not clear, Good governance
Program Year: ^b	2002
Expected Approval Date (mo/yr):	2002
Estimated Completion Date:	2003
B. Concept and Design	
1. Rationale (specific problem/issues to be addressed in TA)	The quality and timeliness of statistics produced by the National Statistics Office (NSO) have deteriorated since the mid-1990s. Alternative estimates have been developed but are not entirely reliable. NSO capacities need to be rebuilt.
2. Relation to Strategic Objectives (How the TA addresses the following.) <ul style="list-style-type: none"> • poverty reduction/thematic priorities • country strategy (where applicable) • regional cooperation 	<p>Improved statistics are essential to proper planning and evaluation of efforts to address poverty and thematic priorities.</p> <p>The TA directly addresses the improved governance and public sector management priorities of the country strategy.</p>
3. Scope (specific major components, e.g. capacity building)	The TA will include participatory development of options for and implementation of institutional strengthening, and capacity building.
4. Expected Outcome and Monitorable Indicators	<p>The outcome will be initial implementation of an agreed upon comprehensive program to improve key economic indicators, including measures to improve NSO efficiency and streamlining with other data collection agencies, and a plan of development activities to regain the confidence of data users, work within the NSO absorptive capacity, and ensure sustainability.</p> <p>Indicators will be satisfactory implementation of the program and, eventually, improved economic statistics.</p>

^a Economic growth, human development, gender and development, good governance, environmental protection, private sector development, regional cooperation, and support for ADB operations.

^b Year of inclusion in the CSP or the CAP for transition period.

<p>5. Previous TA(s) on the Same Theme, in the sector, country, or region (last five years)</p> <ul style="list-style-type: none"> • name, amount, status • assessment of outcome 	<p>No TAs specifically aimed at the NSO</p>
<p>6. Executing agency, implementing agency, counterpart agency (for RETAs as applicable)</p>	<p>NSO</p>
<p>7. Cost and Financing Plan</p> <p>(i) ADB Financing (JSF,TASF)</p> <p>(ii) Sources other than JSF/TASF</p>	<p>\$750,000</p>
<p>8. Country, RETA IPF for relevant year</p>	

ADB = Asian Development Bank, ADTA = advisory technical assistance, CSP = country strategy and program, IPF = indicative planning figure, JSF = Japan Special Fund, NSO = National Statistics Office, PPTA = project/program preparatory technical assistance, RETA = regional technical assistance, RM = resident mission, TA = technical assistance, TASF = Technical Assistance Special Fund.