

## DEVELOPMENT COORDINATION

### A. Major Development Partners: Strategic Foci and Key Activities

1. Development assistance plays an important role in Papua New Guinea (PNG). In 2016, net official development assistance received by the country amounted to 13.8% of government expenses and to 21.1% of its total health expenditure.<sup>1</sup> Multilateral agencies providing loans to PNG are the Asian Development Bank (ADB) and the World Bank. The International Monetary Fund carries out economic surveillance and provides technical assistance. PNG's other main development partners are the Government of Australia, Japan, the European Union, the United States, the People's Republic of China, and several United Nations agencies. This is complemented by other health partners such as the Global Fund to Fight AIDS, Tuberculosis and Malaria; Oil Search Foundation; and GAVI Alliance. The table below summarizes major partner activities in PNG's health sector and public sector management.

**Table 1: Major Development Partners for Health**

Development Partner	Project Name	Duration	Amount (\$ million)
<b>Health</b>			
ADB	Rural Primary Health Services Development Project (cofinanced with Government of Australia, OPEC, and in-kind from Government of Japan, WHO, UNICEF)	2011–2020	96.65
Government of Australia	Health and HIV Implementation Services Provider	2013–2018	400.0
	ANGAU Hospital Redevelopment Project	ongoing	200.0
	Health Sector Improvement Program	2012–2018	20.0
	Technical assistance through WHO	annual	10.0
	TB Emergency Response (cofinanced with World Bank)	2017–2020	24.0
GAVI	PNG Governance Fund	2016–2020	368.0
	Incentive Fund	annual	5.0
GAVI	Health System Strengthening (EPI branch of DOH)	2012–2020	6.0
	Vaccine procurement	2012–2020	24.0
Global Fund	TB through World Vision	2018–2020	11.4
	HIV/AIDS with Oil Search Foundation	2018–2020	8.2
	Malaria Control through PNG Rotary	2018–2020	23.6
Government of Cuba	MOU to supply 30 Cuban doctors	2018	... (in kind)
Oil Search Foundation	Health System Strengthening in three (3) Provinces	ongoing	90.0
UNAIDS, UNICEF, UNFPA, WHO	Health System Strengthening	2017–2020	2.0 (in kind)
USAID/CDC/Australia	Bloomberg death certification and research		...
World Bank	TB Emergency Response	2017–2020	24.0
<b>Public Sector Management</b>			
ADB	Supporting Public Financial Management (Phase 3)	2016–2019	1.0
	Regional: Mapping Resilience to Fragility and Conflict in Asia and the Pacific	2014–2018	0.9
Government of Australia	Papua New Guinea Governance Facility	2016–2020	285.0
European Union	Technical Cooperation Facility	2014–2020	2.3
IMF	Regional: Pacific Financial Technical Assistance Centre	2016–2022	35.3

<sup>1</sup> World Bank. World Development Indicators. <http://databank.worldbank.org/data/reports.aspx?source=world-development-indicators> (accessed 15 February 2018).

Development Partner	Project Name	Duration	Amount (\$ million)
World Bank	Development Policy Operation (in preparation)	2018	

... = data not available; ADB = Asian Development Bank; CDC = United States Centre for Disease Control; DOH = Department of Health; EPI = expanded program of immunization; GAVI = Global Alliance for Vaccines and Immunization; Global Fund = The Global Fund to Fight AIDS, Tuberculosis and Malaria; IMF = International Monetary Fund; MOU = memorandum of understanding; OPEC = Organization of the Petroleum Exporting Countries; PNG = Papua New Guinea; TB = tuberculosis; UNAIDS = Joint United Nations Program on HIV/AIDS; UNICEF = United Nations Children's Fund; UNFPA = United Nations Population Fund; USAID = United States Agency for International Development; WHO = World Health Organization.

Sources: Government of Papua New Guinea. Development Partner Summit October 2017 Briefing Pack; and development partners' websites.

## B. Institutional Arrangements and Processes for Development Coordination

2. ADB is committed to sharing sector information and experience with its developing member countries and other international development agencies. Reflecting the 2005 Paris Declaration and the 2008 Accra Agenda for Action, ADB continues to harmonize its policies, procedures, and practices with key development partners in PNG through parallel implementation structures, technical working groups, and joint missions. Development partner support in PNG is aligned to the country's cascading strategic planning framework, including the PNG Development Strategic Plan (2010–2030), and the current government's priorities stipulated in the Alotau Accord II, which identify health and governance as critical foundations for development.<sup>2</sup>

3. ADB in PNG plays a central role in identifying lessons in project processing and implementation, and in sharing knowledge and experience with other development partners. The health sector in PNG is the focus of monthly development partner meetings and half-yearly development partner summits, convened by the Department of Health (DOH), chaired by the Secretary of the Department of Planning and Monitoring, and attended by about 60 key state and nonstate stakeholders. Every effort is made by development partners to ensure synergies and leverages with each other's work, and development partner activities are aligned with the various government plans as requested. One result is increased multidonor investment in projects and programs such as ADB's Rural Primary Health Care Services Delivery Project, which is cofinanced by the Government of Australia, and the Organization of the Petroleum Exporting Countries (OPEC), and supported in kind by the Government of Japan, the World Health Organization, and the United Nations Children's Fund (UNICEF).<sup>3</sup> In public sector management, the main partners (ADB, Australia, the International Monetary Fund, and the World Bank) coordinate their support closely, including through regular public finance management working group meetings.

4. The Minister of Health has called for revitalization of the 2004 sectorwide program-based approach that used a single trust fund (HSIP). Unsatisfactory audit results and other issues led donors to either freeze their funds (Australia) or no longer contribute (ADB, World Bank). At the October 2017 Donor Partner Summit, development partners agreed to convene a small working party to explore program-based approaches. ADB's Health Services Sector Development Program is an example of a program-based approach using government systems for budgeting, financial management, and reporting of loan funds (with some project management unit support for the implementation of project activities).

<sup>2</sup> Government of PNG. 2010. *Papua New Guinea Development Strategic Plan, 2010–2030*. Port Moresby; Government of PNG. 2017. *Alotau Accord II*. Port Moresby.

<sup>3</sup> ADB. 2011. *Report and Recommendation of the President to the Board of Directors: Proposed Loan and Administration of Grant and Loan to Papua New Guinea for the Rural Primary Health Services Delivery Project*. Manila.

5. ADB continues to engage with nonstate actors. These include the Oil Search Foundation with its work on supporting improved health authority efficiency and effectiveness in three provinces, civil works collaboration with oil and palm oil industries in some provinces, and greater collaboration and coordination with faith-based health providers who deliver 60% of rural health services in PNG.

### **C. Achievements and Issues**

6. ADB's country partnership strategy, 2016–2020 and country operations business plan, 2016–2018 for PNG clarify that public expenditure and health reforms are key areas for ADB assistance in the country.<sup>4</sup> The total ADB commitment to PNG since 2011 is \$32.6 million. ADB is the second-largest development partner in PNG after the Australian government. ADB is the lead development partner to strengthen the PNG health system through the current Rural Primary Health Services Delivery Project.

7. ADB sees a continued need to support harmonizing and sequencing of development partner assistance to support public expenditure and health reforms through the proposed Health Services Support Development Program. This program will help strengthen public financial management and health expenditure reforms, including legislative reforms, and boost health service delivery efforts through (i) policy-based loans totaling \$300 million, disbursed against agreed reform milestones; and (ii) a \$95 million complementary project investment. Together they will support government efforts to integrate curative and public health services through decentralized provincial health authorities, to reduce budget and service delivery fragmentation, and to improve health indicators in line with government plans and strategies as well as the action plans being developed for the 100-day plans of the Minister for Health and the Treasurer since the national elections in mid-2017.

8. The World Bank is resuming health system-strengthening support in PNG through a tuberculosis case identification project in selected provinces, and is at an early stage of its strategic thinking for a broader health system investment. Australia has yet to complete its design work for health system support but has signalled that it will ensure synergies with the ADB program. The Oil Search Foundation, which has focused support to the health sector on Hela and Southern Provinces, has indicated interest to formally partner with ADB.

### **D. Summary and Recommendations**

9. Well-targeted development partner investments and continuous improvement of development coordination will help increase development effectiveness. Hard and soft development interventions carried out in concerted and coordinated ways will help remove critical constraints to health sector development and more robust public sector management in PNG. ADB will continue to strengthen its close coordination with development partners, especially in sharing lessons and innovative approaches in project processing and implementation. Strengthened development coordination in PNG will contribute to minimizing transaction costs, maximizing responsiveness, addressing policy issues more systematically, providing greater support for reforms and capacity building, and promoting increased accountability to achieve better development impact.

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<sup>4</sup> ADB. 2016. *Country Partnership Strategy: Papua New Guinea, 2016–2020*. Manila; ADB. 2016. *Country Operations Business Plan: Papua New Guinea, 2016–2020*. Manila.