

## DEVELOPMENT COORDINATION

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

1. Development assistance plays an important role in Papua New Guinea (PNG). In 2017, net official development assistance received by the country totaled 14.1% of government expenses, and in 2016, 22.1% of total current health expenditure was funded externally.<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, the European Union, Japan, the People's Republic of China, the United States, and several United Nations agencies. These funding sources are complemented by other health partners such as the Global Fund to Fight AIDS, Tuberculosis and Malaria; Oil Search Foundation; and GAVI Alliance. The table summarizes major partner activities in PNG's health sector and public sector management.

**Major Development Partners for Health and Public Sector Management**

Development Partner	Project Name	Duration	Amount (\$ million)
<b>Health</b>			
ADB	Rural Primary Health Services Development Project (cofinanced with the Government of Australia, OPEC, and in-kind from the Government of Japan, WHO, UNICEF)	2011–2020	96.65
GAVI	Health System Strengthening 2 and several smaller projects	2019–2020	15.3
Global Fund	Tackling TB and HIV Together in PNG 2018-20	2018–2020	20.3
Government of Australia	Health and HIV Implementation Services Provider	2013–2019	400.0
	Angau Hospital Redevelopment Project	ongoing	200.0
	Health Sector Improvement Program	2012–2019	20.0
	Technical assistance through WHO	annual	10.0
	TB Emergency Response (cofinanced with World Bank)	2017–2020	24.0
Oil Search Foundation	Health system strengthening in selected 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
	Technical assistance in health financing	ongoing	...
<b>Public Sector Management</b>			
ADB	Supporting Public Financial Management (Phase 3)	2016–2019	1.0
Government of Australia	Multiple partnerships (including Economic Governance and Inclusive Growth, and Decentralization and Citizen Participation)	2016–2020	285.0
European Union	Technical Cooperation Facility	2014–2020	2.3
IMF	Regional: Pacific Financial Technical Assistance Centre	2016–2022	35.3
World Bank	First Economic and Fiscal Resilience Development Policy Operation	2018–2020	300.0

... = data not available; ADB = Asian Development Bank; CDC = Centers for Disease Control and Prevention; DOH = Department of Health; 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; TB = tuberculosis; UNAIDS = Joint United Nations Program on HIV/AIDS; UNFPA = United Nations Population Fund; UNICEF = United Nations Children's Fund; USAID = United States Agency for International Development; WHO = World Health Organization.  
Sources: Government of Papua New Guinea and development partners' websites.

<sup>1</sup> World Bank. [World Development Indicators](#). (accessed 30 June 2019).

## B. Institutional Arrangements and Processes for Development Coordination

2. ADB shares 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 multi-donor 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 United Nations Children's Fund (UNICEF), and the World Health Organization.<sup>3</sup> In public sector management, the main partners (ADB, Australia, the European Union, the International Monetary Fund, and the World Bank) coordinate their support closely, including through regular public finance management working group meetings.

4. The Government of PNG and its DOH are promoting program-based approaches to avoid the establishment and maintenance of parallel systems next to country systems. However, past experiences with a sector-wide single trust fund approach have been mixed, with unsatisfactory audit results resulting in the freezing of funds. In this context, ADB's Health Services Sector Development Program (HSSDP) is an example of a program-based approach that uses government systems for budgeting, financial management, and reporting of loan funds while strengthening government systems through policy reforms and providing some project management unit support for the implementation of project activities.<sup>4</sup> Subject to government interest, the HSSDP technical working group could evolve into a broader government–development partner policy reform coordination mechanism in the future (as is good practice in other Pacific developing member countries).

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 selected provinces, civil works collaboration with oil and palm oil industries in some provinces, and greater

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<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.

<sup>4</sup> ADB. 2018. *Report and Recommendation of the President to the Board of Directors: Proposed Programmatic Approach, Policy-Based Loan for Subprogram 1, and Project Loans for the Papua New Guinea: Health Services Sector Development Program*. Manila.

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, 2019–2021 for PNG clarify that public expenditure and health reforms are key areas for ADB assistance in the country.<sup>5</sup> ADB is the second-largest development partner in PNG after the Australian government. ADB is the lead development partner in strengthening the PNG health system through the Rural Primary Health Services Delivery Project and the HSSDP.

7. ADB sees a continued need to support harmonizing, prioritizing, and sequencing of development partner assistance to support public expenditure and health reforms through the HSSDP. The program helps strengthen public financial management and health expenditure reforms, including legislative reforms, and boost health service delivery efforts through (i) policy-based loans totalling \$300 million, disbursed against agreed reform milestones; and (ii) a \$95 million complementary project investment. Together they 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.

8. The World Bank provides health-system-strengthening support in PNG through a tuberculosis case identification project in selected provinces, technical assistance in the health sector (including in the area of health financing and public financial management), and is processing a larger health system investment. Australia is contributing substantially to ADB's two ongoing health sector investments and ensures synergies of its bilateral engagement in the health sector with the ADB programs. Oil Search Foundation, which focuses its health sector support on selected provinces (including Hela and Southern Highlands provinces), coordinates closely 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>5</sup> ADB. 2016. *Country Partnership Strategy: Papua New Guinea, 2016–2020*. Manila; ADB. 2018. *Country Operations Business Plan: Papua New Guinea, 2019–2021*. Manila.