



Draft Design and Monitoring Framework

Project Number: 40037
August 2007

PNG: Lae Port Development Project

A design and monitoring framework is an active document, progressively updated and revised as necessary, particularly following any changes in project design and implementation. In accordance with ADB's public communications policy (2005), it is disclosed before appraisal of the project or program. This draft framework may change during processing of the project or program, and the revised version will be disclosed as an appendix to the report and recommendation of the President.

Asian Development Bank

DESIGN AND MONITORING FRAMEWORK

| Design Summary | Performance Targets/Indicators | Data Sources/Reporting Mechanisms | Assumptions and Risks |
|--|---|--|--|
| <p>Impact</p> <p>Enabling environment for industrial and commercial development is created.</p> | <p>15–20 new industrial and commercial enterprises established by 2020</p> <p>500–1,000 jobs generated by 2020</p> | <p>Post–project completion survey</p> | <p>Assumptions</p> <p>Policy environment and incentives for investment improve.</p> <p>Law-and-order problems are addressed.</p> |
| <p>Outcome</p> <p>Port bottleneck constraining trade is relieved.</p> | <p>Lae port cargo handling capacity increased by about 1.4 million revenue tons per year after completion</p> <p>Lae port cargo handling rate increased from 140 tons per hour to 210 tons per hour by 2015</p> <p>Ship calls increased from 600 to 900 by 2017</p> | <p>Stevedoring and cargo handling reports</p> <p>Port statistics</p> | <p>Assumptions</p> <p>Highlands Highway is rehabilitated.</p> <p>Macroeconomic and political stability continues.</p> <p>Global economy remains buoyant and sustains high commodity prices.</p> <p>Lae Port management is improved by AusAID.</p> |
| <p>Outputs</p> <ol style="list-style-type: none"> 1. New port facilities are operational. 2. Livelihood of directly and indirectly affected people is improved. 3. HIV/AIDS incidence in Lae is reduced. | <p>Basin, multipurpose berth, and terminal constructed by 2011</p> <p>482 new houses for 2,912 people built by 2008</p> <p>3 schools in Malahang expanded by 2008</p> <p>473 children enrolled in the schools in Malahang by 2008</p> <p>1 health clinic improved by 2008</p> <p>\$40,000 micro-credit provided to 200 households by 2011</p> <p>HIV/AIDS prevalence in Lae and Huon district decreased by 20%</p> <p>Income levels for re-settlers and Labu people increased by 3–5% by 2011</p> | <p>Independent monitoring reports by the NGO</p> <p>Provincial administration's health and education reports</p> <p>Reports of Wau Microbank Limited</p> | <p>Assumptions</p> <p>There is no sudden change in Government's strategic focus and priorities.</p> <p>Government provides counterpart funds on time.</p> <p>Governance issues will not impede the implementation program.</p> |

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|---|--------------------------------|-----------------------------------|---|
| Activities with Milestones | | | |
| <ol style="list-style-type: none"> 1. Construct a tidal basin (700 x 400 meters), a multipurpose berth of 240 meters, and terminal works by 2011. 2. Resettle 482 households by 2008. 3. Rehabilitate and enhance the livelihood of the affected people by 2010. 4. Mobilize the response of the private sector and NGOs to HIV/AIDS. 5. Mitigate environmental risks through engineering design, the construction contract, and environmental monitoring. | | | Inputs <ul style="list-style-type: none"> • ADB: <ul style="list-style-type: none"> \$60 million OCR loan \$40 million ADF loan \$1.5 million JFPR grant \$0.75 million HIV/AIDS Cooperation Fund grant • OFID: \$6 million loan • Government: \$45.75 million • Beneficiaries: Government, private sector, landless and poor settlers, local communities, and nongovernment organizations (NGOs) |

ADF = Asian Development Fund, AusAID = Australian Agency for International Development, HIV/AIDS = human immunodeficiency virus/acquired immune deficiency syndrome, JFPR = Japan Fund for Poverty Reduction, NGO = nongovernment organization, OCR = ordinary capital resources, OFID = OPEC Fund for International Development.