

**BOARD
OF
DIRECTORS**

ASIAN DEVELOPMENT BANK

R94-01
28 June 2001

**TECHNICAL ASSISTANCE TO PAPUA NEW GUINEA
FOR THE POVERTY ANALYSES
FOR SOCIOECONOMIC DEVELOPMENT STRATEGIES**

The attached Report is circulated for the information of the Board. The President approved the technical assistance on 6 June 2001.

For Inquiries: Mr. R. Siy, Jr., Office of Pacific Operations
(Ext. 6109)
Mr. E. Van de Walle, Office of Pacific Operations
(Ext. 6134)

ASIAN DEVELOPMENT BANK

TAR: PNG 34124

TECHNICAL ASSISTANCE

TO

PAPUA NEW GUINEA

FOR THE

**POVERTY ANALYSES FOR SOCIOECONOMIC DEVELOPMENT
STRATEGIES**

June 2001

CURRENCY EQUIVALENTS

(as of 22 May 2001)

Currency Unit	–	Kina (K)
K1	=	\$0.34
\$1.00	=	K2.96

ABBREVIATIONS

ADB	–	Asian Development Bank
AusAID	–	Australian Agency for International Development
CBO	–	community based organization
CPI	–	consumer price index
DNPM	–	Department of National Planning and Monitoring
HDI	–	human development index
HIES	–	household income and expenditure survey
HPI	–	human poverty index
NGO	–	nongovernment organization
NSO	–	National Statistics Office
ORD	–	Office of Rural Development
PDMC	–	Pacific developing member country
PPA	–	participatory poverty assessment
TA	–	technical assistance

NOTES

- (i) The fiscal year (FY) of the Government corresponds to the calendar year.
- (ii) In this report, "\$" refers to US dollars.

I. INTRODUCTION

1. The poverty reduction strategy of the Asian Development Bank (ADB) observes that “with Pacific Island members, ADB will take the lead in capacity building for poverty analysis,” closely integrating its efforts with those of governments and other development agencies.¹ A regional technical assistance (TA) project, approved in March 2000 and currently being implemented, aims to assist in the preparation of a poverty assessment for each of the 12 Pacific developing member countries (PDMCs), using existing data sources and through consultation with government, funding agencies, the private sector, and civil society.² A World Bank-funded report on the status of poverty in Papua New Guinea (PNG) was published in 1999.³ The report was based on a household income and expenditure survey (HIES) undertaken in 1996. Although the findings of widespread poverty were discussed to some extent and contributed to enhanced poverty awareness in PNG, the report was not used as a basis for comprehensive stakeholder consultation and the findings were not endorsed by the Government. The poverty analysis must be updated in order to better assess the existence and impacts of social safety nets, social service delivery systems, and the agriculture subsistence economy and remittances on the standard of living. The proposed new HIES will also offer an opportunity to update the urban consumer price index (CPI), which is a priority of the National Statistics Office (NSO). The quantitative HIES data and analysis also need to be supplemented with a more qualitative, participatory poverty assessment involving work with local communities, nongovernment organizations (NGOs), and focus groups. ADB’s country programming mission to PNG in February 2000 identified the need for an updated HIES for poverty assessment in 2001. The Government gives high priority to the proposed technical assistance and expects funding agencies to coordinate the work on poverty to avoid duplication of efforts. The agenda of the United Nations Development Programme (UNDP) focuses on creating poverty awareness. The World Bank is expected to be involved at the poverty consultation phase to help formulate a national poverty reduction strategy. AusAID is considering financing the completion of the poverty assessment work. The TA Fact-Finding Mission was fielded in February 2001 to design the TA. The Mission reached an understanding with the Government on the TA’s rationale, objectives, scope, costs, and implementation arrangements.⁴

II. BACKGROUND

2. With a population of 5.1 million, PNG is the largest Pacific island nation. About 1.65 million people or about one third live in poverty, nearly all of them in rural areas cut off from Port Moresby by either rugged mountains or sea. Economic and social inequities and disparities are pronounced, with PNG being the lowest ranked of 12 PDMCs on both the UNDP human development index (HDI) and human poverty index (HPI) scale. The HDI encompasses longevity, education, and income, while the HPI measures access to basic services.⁵ In its *Human Development Report 2000*, UNDP ranked PNG 133rd out of 174 countries.

3. Over the last 20 years, diverse economic activity has coexisted simultaneously with widespread, severe poverty. Of all PDMCs, PNG has the highest exports as a percentage of gross domestic product (GDP). However, its real GDP per capita in 1999 was only \$395,

¹ R179-99. *Fighting Poverty in Asia and the Pacific: The Poverty Reduction Strategy of the Asian Development Bank*. Document. 19 October. Paragraphs 40 and 78.

² TA 5907-REG: *Poverty Assessment in Pacific Developing Member Countries*, for \$400,000, approved on 28 March 2000.

³ World Bank. 1999. PNG: Poverty and Access to Public Services. Report No. 19584-PNG. Washington, D.C.

⁴ The TA first appeared in *ADB Business Opportunities* on 30 January 2001.

⁵ United Nations Development Programme. 1999. *Pacific Human Development Report 1999: Creating Opportunities*.

ranking the country 11th out of the 12 PDMCs, and recently its major exports have been primary products such as gold, copper, coffee, and logs, with limited further processing or value added. Opportunities to provide much-needed formal economic activity and employment are, therefore, limited. Furthermore, poor infrastructure, especially provincial roads, and a high crime rate resulted in the marketing of only about 1 half of the coffee crop in 2000. The Government's strategy is to raise the level of economic activity in rural and urban areas and thus increase formal and informal employment.

4. While mining has generated significant wealth over the last 20 years, it has provided few jobs, and accounts for only about 7 percent of employment although the labor force continued to expand by about 50,000 persons annually in 1989-1999. Roughly 92 percent of the rural population engages mainly in subsistence agriculture. The definition of poverty considers the basic necessities, particularly food and access to basic services. Poverty is about three times more severe in rural than urban areas, varies in severity across rural regions, with about 75 percent of the poor living in the Highlands and Sepik.

5. Rural people generally have limited access to education and health services. In the Highlands, two out of three people are illiterate, only half of all primary-school-age children go to school, and only one in seven girls completes primary school. Yet, the share of education expenditure going to the post secondary level (26 percent) is markedly higher than for any other PDMC. Maternal, infant, and child health services are inadequate and, despite the lack of time series data, services provision is worsening in the poorest provinces. Expenditure on health services is the lowest among all PDMCs, whether as a percentage of GNP or in real per capita terms.

6. Until recently, PNG suffered from political instability, poor governance, and fiscal mismanagement. Inflation averaged over 12 percent per annum in the last five years, and in 1996-1999 the budget showed a deficit in three out of four years. The deficit was generally about 10 percent of total government revenue, and was funded by domestic or foreign borrowing. Debt servicing as a percentage of GDP is around 5 percent, which is a significant improvement over that of the 1990s, when it was about three times higher. The new government is trying to improve the political situation and build sound governance, which embodies predictability, participation, accountability, and transparency.

7. Extended family relationships are strong in PNG and reciprocity is a positive value there. The system of tribal and extended family obligations and allegiances provides some social safety nets in rural societies, but less protection in urban areas. Traditional redistribution systems are being eroded in the urban monetized economy and informal social safety nets are also under pressure, giving rise to pronounced income inequality at the village level.

8. Women are oppressed and expected to work hard. PNG is one of the few countries where women's life expectancy is lower than men's. The UNDP gender development index (GDI),⁶ which measures life expectancy, income, and educational levels, shows the female literacy rate to be one third lower than the male's. In the poorest households, 60 percent of females have never attended school, and only 25 percent have completed primary school. Maternal mortality rates are also very high, and in the poorest regions, the rates are double the national average. In 1998, the number of reported crimes against women was very high but understated, as not all such crimes are reported.

⁶ Ibid.

9. The Government has sound economic and social strategies based on much-improved standards of fiscal management and governance. The Development Charter program, for example, is a key initiative of the 2001 Public Investment Program and the Development Budget.⁷ The Government has also adopted the National Program for Reconstruction and Development, which is its road map for the future. The World Bank's rural development strategy is consistent with the Development Charter program. More and more decision makers recognize the need to reduce poverty. However, they need to formulate and adopt more well-focused, equitable economic and social development strategies to even out urban-rural and gender disparities. Work needed includes updating official documentation on poverty and holding consultations at all levels of society, including villages, to identify and adopt appropriate poverty reduction strategies, and to develop processes that will strengthen institutions and improve governance and the Government's capacity to deliver basic services. The TA will allow the country and ADB to initiate a consultative process involving representatives from the Government, civil society, and funding community. The consultation will ultimately strengthen economic and social strategy formulation, and lead to a partnership agreement between the country and ADB, which will address social and economic issues more effectively.

III. THE TECHNICAL ASSISTANCE

A. Objective and Rationale

10. The objective of the TA is to assist the preparation of a national poverty reduction policy framework involving the civil society in the process, to help better plan, program, and implement actions required to operationalize the National Program for Reconstruction and Development.

The TA will involve the following activities:

- (i) conduct an updated comprehensive analysis of economic, social, and regional inequalities and disparities;
- (ii) transfer skills in planning and conducting field surveys at the household level and in processing and analyzing HIES data;
- (iii) establish processes to monitor and evaluate poverty reduction and to raise awareness of the poverty issue at all levels of government and society;
- (iv) generate new data on prices of consumer goods and services; and
- (v) prepare preliminary short- and medium-term strategies that will alleviate inequalities and disparities and reduce barriers to access by the poor to the benefit of economic growth.

11. The TA will assist PNG to develop a national perspective on the concept of poverty. The findings from the household survey to be undertaken will be used to prepare national strategies to reduce economic and social inequities. The poverty analysis will be the basis for the Government to make informed choices in its development and antipoverty programs. The programs will include specific targets to enhance access to basic services and infrastructure and income-generating opportunities in the rural areas where the poor are concentrated.

⁷ The Development Charter Program 2001 is an information paper to members of Parliament presented in the context of the 2001 national budget. Its core activities are support and improvement packages for basic services, for less developed districts, and district roads and bridges.

B. Scope

12. The scope of the TA has four major components.

13. Component A encompasses the design, conduct, and analysis of the HIES, which will provide baseline consumer price data. The HIES will be supplemented with a qualitative assessment of equity-related issues using rapid rural appraisal and participatory approaches, involving work with focus groups, the churches, local NGOs, local leaders, and community based organizations (CBOs).

14. Component B includes the preparation of a preliminary set of recommendations emerging from the poverty analysis, which will to strengthen social and economic strategies to reduce poverty and achieve social equity and equitable economic growth. This component will entail full stakeholder participation and encompass an increased level of awareness at the political level of the critical importance of sound governance in poverty reduction.

15. Component C comprises skills transfer within NSO, the Department of National Planning and Monitoring (DNPM), and the Office of Rural Development (ORD), mainly through on-the-job training by international consultants. Other staff from local institutions are also expected to benefit from the skills transfer.

16. Component D encompasses the baseline price surveys for the CPI in traditional urban and new urban centers as well as in rural areas.⁸ The TA logical framework is in Appendix 1.

C. Cost Estimates and Financing Plan

17. The TA's total cost is estimated at \$820,000, of which \$413,000 is the foreign exchange cost and \$407,000 the local currency cost. The Government requested ADB to finance \$650,000 equivalent, covering the entire foreign exchange cost and \$237,000 equivalent of the local currency cost. The TA will be financed by ADB on a grant basis from the ADB-funded TA program. The Government of PNG will finance the balance of the local currency cost, equivalent to \$170,000, through the provision of office accommodation, equipment and supplies, and counterpart staff services. (See Appendix 2 for details of the cost estimates and financing plan). AusAID is expected to provide additional financing later from its 2001-2002 budget, up to \$200,000, to cofinance expanded field survey activities, including training and consultation workshops. ADB will administer the AusAID contribution under the existing umbrella cofinancing agreement between the Government of Australia and ADB.⁹ Possible AusAID assistance is not included in the cost estimates table.

D. Implementation Arrangements

18. The Executing Agency for the TA coordination and overall management will be DNPM. Within this overall framework, NSO will implement the HIES; the Department of Finance and Rural Development, the participatory poverty assessment (PPA). The implementing agencies will organize the field surveys, data entry, and analysis. Local institutions will help prepare the survey work. International consultants will help conduct and manage all TA-related activities for

⁸ The baseline price surveys will allow determination of up-to-date baskets of goods and services. The derivation of spatial and intertemporal CPIs will require continuous monitoring of price changes. The resources needed for such monitoring are beyond the scope of the TA.

⁹ In case AusAID does not cofinance the TA, the sample size for the HIES will be kept at the minimum required level of 3,500 households.

a total of 17 person-months. The team leader or survey adviser, who will work for 4 person-months, will be an economics statistician with educational background in development economics and proven experience in poverty survey implementation and data analysis, and will be assisted by another economics statistician for 10 person-months. A social expert with proven experience in qualitative poverty assessment and social sector strategy formulation will work for 3 person-months. The consultants will work with counterpart staff and local assistants having expertise in development economics, PPA, statistics, and computer analysis of survey data. The consultants will be recruited in accordance with ADB's *Guidelines on the Use of Consultants* and other arrangements satisfactory to ADB for the engagement of domestic consultants.

19. The economics statistician and economist (team leader) will work on an intermittent basis, and advise on survey design, and conduct data processing and analysis, and report preparation. The team leader will be responsible for the overall quality of the poverty assessment report and will direct and supervise the second international economics statistician. The international social expert will be responsible for all activities related to the design, conduct, and analysis of the PPA, including report preparation. The team leader will integrate recommendations emerging from the PPA findings into the final report. Consultants will work closely with counterpart staff in DNPM, NSO, and ORD, which will enable skills transfer and ensure the stakeholders' participation and ownership. Outline terms of reference (TOR) for individual international consultants are in Appendix 3.

20. The TA will be implemented in two phases. It is expected to commence in July 2001 and be completed by July 2002. The team leader will provide a short inception report within two weeks after the start of the TA. The report will spell out the detailed schedule of activities, proposed approaches to the field surveys, and arrangements for coordination between government agencies during TA implementation. The team leader will also prepare an interim report within five months after the start of the survey implementation phase, to be submitted to the Government and ADB. The interim report will review the progress on the PPA and be discussed at a tripartite review meeting. A draft final report will be submitted to the Government and ADB within five months after the start of the second phase. Recommendations for an equitable economic and social development strategy will be presented to the Government during a one-day workshop to be organized as part of the tripartite review mission. The implementation schedule of major TA activities and fielding of consultants is in Appendix 4.

IV. THE PRESIDENT'S DECISION

21. The President, acting under the authority delegated by the Board, has approved the provision of technical assistance, on a grant basis, to the Government of Papua New Guinea in an amount not exceeding the equivalent of \$650,000 for the purpose of Poverty Analyses for Socioeconomic Development Strategies, and hereby reports such action to the Board.

TECHNICAL ASSISTANCE LOGICAL FRAMEWORK

Design Summary	Performance Indicators and Targets	Monitoring Mechanisms	Assumptions and Risks
Goal (i) Provide a strategic vision and direction for the equitable economic and social development of Papua New Guinea (PNG). (ii) Identify opportunities to alleviate economic, social, and regional inequalities and thereby provide for poverty-focused economic and social policies and strategies.	<ul style="list-style-type: none"> Better-targeted and poverty-focused strategies expected to result in reduced inequalities and rural-urban disparities (economic, social, gender, and regional) 	<ul style="list-style-type: none"> Asian Development Bank's (ADB's) and other funders' reviews of the country's economic and social progress and assessment of the poverty reduction impact of government strategies and programs Monitoring of government policies and strategies by the Department of National Planning and Monitoring (DNPM) 	<ul style="list-style-type: none"> Government shows dedicated leadership and strong commitment, and has institutional capabilities to engage in a consultative process to design, adopt, and implement poverty-focused policies and strategies. DNPM has the institutional capacity to evaluate and monitor the poverty reduction impact of the Government's sector policies and strategies.
Objectives (i) Conduct an updated comprehensive analysis of economic, social, and regional inequalities and disparities. (ii) Transfer skills in planning and conducting field surveys at the household level and in processing and analyzing HIES data.	<ul style="list-style-type: none"> Household surveys conducted Quantitative analysis of survey data Qualitative assessment using participatory approaches A poverty-monitoring unit within National Statistics Office (NSO) Improved staff skills within NSO and DNPM 	<ul style="list-style-type: none"> Close supervision of TA consultants by ADB in coordination with the Government and other funders Timely periodic reporting of TA implementation progress ADB's supervision of TA consultants 	<ul style="list-style-type: none"> Cost-effective and efficient preparation and organization of surveys and data analysis and timely reporting by TA international consultants. Capabilities of NSO in all activities related to the household income and expenditure survey (HIES) International consultants have excellent communication skills and are able to transfer knowledge.
(iii) Establish processes to monitor and evaluate poverty reduction and to raise awareness of the poverty issue at all levels of	<ul style="list-style-type: none"> A stronger poverty policy- and strategy-monitoring system within DNPM Successful awareness building campaigns 	<ul style="list-style-type: none"> ADB's annual Country Strategy Program (CSP) missions or country consultation missions Other funders' assistance strategies and programs 	<ul style="list-style-type: none"> DNPM monitors poverty reduction policies and strategies. DNPM's monitoring division has the staff and skills required to report on the poverty reduction strategy implementation

(Reference in text: page 3, para. 11)

Design Summary	Performance Indicators and Targets	Monitoring Mechanisms	Assumptions and Risks
<p>government and society.</p> <p>(iv) Generate new data on prices of consumer goods and services.</p> <p>(v) Prepare preliminary short- and medium-term strategies that will alleviate inequalities and disparities and reduce barriers to access by the poor to the benefit of economic growth.</p>	<ul style="list-style-type: none"> Baseline consumer prices National and sector-specific poverty reduction strategies for equitable economic and social development A consultation process with all stakeholders, and poverty reduction strategies 	<ul style="list-style-type: none"> Poverty awareness network activities of the United Nations Development Programme (UNDP) ADB's TA review mission ADB's TA review missions and CSP missions 	<p>program.</p> <ul style="list-style-type: none"> Poverty awareness building reaches all segments of rural and urban society. The HIES questionnaire is multipurpose. The sample design is adequate. Information on household expenditures is reliable. The Government's leadership and commitment enhances the quality of life of all citizens. Effective and implementable development programs are carried out by civil society.
Outputs Component A: Analysis of Economic and Social Inequalities and Regional Disparities			
<p>(i) Design and conduct an equity-focused household survey.</p> <p>(ii) Conduct a qualitative assessment of economic and social inequalities using participatory approaches (involving focus groups, the churches, nongovernment organizations (NGOs), and community based organizations (CBOs)).</p>	<ul style="list-style-type: none"> Field surveys, processed data analysis, and quality reports Well-prepared village and/or district field surveys, analysis of findings, and poverty partnership agreement reports 	<ul style="list-style-type: none"> ADB staff and TA consultants in consultation with DNPM and NSO ADB staff and TA consultants in consultation with the Department of Rural Development 	<ul style="list-style-type: none"> Survey and analysis timetables are followed and TA field staff work schedules are not disrupted. Survey and analysis timetables are followed and TA field staff work schedules are not disrupted.

Design Summary	Performance Indicators and Targets	Monitoring Mechanisms	Assumptions and Risks
Component B: Formulation of Poverty Reduction Strategies to Reduce Economic and Social Inequalities and Regional Disparities			
(i) Prepare a strategy vision statement and identify key strategic outcomes. (ii) Build countrywide strategy scenarios, and formulate strategies. (iii) Identify prioritized sectoral development programs.	<ul style="list-style-type: none"> A poverty reduction strategy formulated and adopted by Government Poverty reduction strategies to enhance economic, social, and regional equity Sectoral poverty reduction programs 	<ul style="list-style-type: none"> ADB staff in close consultation with relevant stakeholders 	<ul style="list-style-type: none"> Highly qualified TA personnel, including counterpart staff, are available for the required period. Their work schedule is not disrupted.
Component C: Transfer of Skills within DNPM and NSO			
(i) Develop skills (through training programs) of staff from DNPM, NSO, and the Office of Rural Development (ORD). (ii) Strengthen the Government's capacity to monitor poverty reduction.	<ul style="list-style-type: none"> Improve staff skills in relevant agencies Improve DNPM staff capacity to monitor poverty reduction strategies 	<ul style="list-style-type: none"> ADB staff and TA consultants in consultation with relevant agencies ADB staff and TA consultants in consultation with relevant agencies 	<ul style="list-style-type: none"> Government staff are motivated to learn through on-the-job experience and training programs. TA consultants have excellent communication skills and devote adequate time to staff training. The Government is committed to implementing the poverty reduction agenda. DNPM considers poverty reduction monitoring as its basic policy-monitoring task.
Component D: Updating the CPI for Traditional Urban and New Urban Areas			
	<ul style="list-style-type: none"> Updated CPI 	<ul style="list-style-type: none"> ADB staff and TA consultants in consultation with relevant agencies 	<ul style="list-style-type: none"> The HIES questionnaire is properly designed to collect household expenditure data to estimate CPI.
Activities			
<ul style="list-style-type: none"> Survey questionnaire design, including pilot testing Field household survey (interviews of ± 2500) 	<ul style="list-style-type: none"> High-quality outputs 	<ul style="list-style-type: none"> ADB staff and TA consultants in consultation with relevant agencies 	<ul style="list-style-type: none"> Provincial governments, districts, and households cooperate with the TA. Enumerators in the field have adequate security.

Design Summary	Performance Indicators and Targets	Monitoring Mechanisms	Assumptions and Risks
households) <ul style="list-style-type: none"> • Participatory meetings with focus groups, NGOs, and CBOs • Computer analysis of field survey data. • Planning processes involving interaction with Government agencies • Preparation of poverty reduction strategy framework paper 			
Inputs <ul style="list-style-type: none"> • International and domestic consultants to undertake specific terms of reference • Government counterpart services • Field survey teams • Participatory workshops 	<ul style="list-style-type: none"> • Recruitment of qualified TA consultants and counterpart staff as scheduled 	<ul style="list-style-type: none"> • ADB staff with full involvement of relevant government agencies (DNPM, NSO, ORD) 	<ul style="list-style-type: none"> • Qualified personnel are available for the required period.

COST ESTIMATES AND FINANCING PLAN

(\$)

Item	Foreign Exchange	Local Currency	Total Cost
A. Asian Development Bank Financing^a			
1. Consultants			
a. International consultants' remuneration and per diem ^b	340,000	0	340,000
b. Travel			
International ^c	26,000	0	26,000
Domestic		10,000	10,000
c. Reports and communication	3,000		3,000
2. Surveys ^d	0	200,000	200,000
3. Administrative and support costs	2,000	3,000	5,000
4. Contingencies	42,000	24,000	66,000
Subtotal (A)	413,000	237,000	650,000
B. Government Financing^e			
1. Office accommodation and transport	0	50,000	50,000
2. Remuneration and per diem of counterpart staff	0	100,000	100,000
3. Office equipment and supplies	0	20,000	20,000
Subtotal (B)	0	170,000	170,000
Total	413,000	407,000	820,000

Source: Staff estimates.

^a Funded from ADB's Technical Assistance Special Fund.^b 17 person-months at about \$20,000 per month.^c International travel includes trips for the team leader, two trips for the long-term international consultant, and two trips for the international social expert.^d The survey cost includes data entry and analysis.^e Based on ADB's graduation policy, the Government's share is at least 20% of the total technical assistance cost.

OUTLINE TERMS OF REFERENCE FOR CONSULTANTS

A. Individual International Consultants

1. A total of 17 person-months of international consultancy services are to be provided to implement the technical assistance (TA) and produce the outputs as specified in the TA logical framework (Appendix 1). Three individual consultants will be recruited for a 12-month TA implementation period. They will work together as a team as it is critical that findings from the poverty partnership agreement (PPA) and household income and expenditure survey (HIES) are well integrated in the poverty report.

2. The long-term consultant (an economics statistician) will be in the field continuously (10 person-months) except for a one-month break (15 December 2001 to 15 January 2002) between phase 1 and phase 2. The team leader, an economics statistician, will work for 4 person-months intermittently, either in the field or in the home office as required by the TA implementation activities. It is critical, however, that the team leader be in the field during the inception mission and subsequent review missions of the Asian Development Bank (ADB). The third international consultant, a social analysis expert, work for 3 person-months intermittently, as required by the needs of the participatory approach to the qualitative poverty assessment.

3. The team will assume overall responsibility for implementing the TA and will be accountable for the quality of work and output. Throughout the 12-month TA implementation period, consultations will be held with the Department of National Planning and Monitoring (DNPM), the National Statistics Office (NSO), and ADB staff. Feedback from these and other government and civil-society representatives will be incorporated into the TA implementation activities and poverty report.

4. The economics statisticians will help NSO prepare and conduct the quantitative multipurpose HIES. The HIES questionnaire will be designed to assess poverty at the urban and rural household level and to provide data on urban and rural consumer prices. The field survey questionnaire needs to be designed with full inputs from NSO to achieve its dual purpose. The social analysis expert, in close consultation with the Office of Rural Development and other local institutions, will be responsible for all activities needed for the PPA and will prepare a final report. However, the team leader is responsible for integrating the PPA findings into the final draft of the poverty report.

5. The general qualifications of the international consultants include the following:

- (i) tertiary-level qualifications in development economics, statistics, and/or social science;
- (ii) substantive field experience in the analysis of economic, social, institutional development, and poverty reduction issues in developing countries, with particular reference to Asian and Pacific countries;
- (iii) proven capabilities in communication and teamwork, including the capacity to work effectively with counterpart staff from government agencies and with staff from other local institutions;

- (iv) excellent interpersonal skills to consult effectively with government officials, nongovernment organizations, and representatives from all levels of the private sector and civil society; and
- (v) effective communication skills to transfer knowledge and skills to the staff of NSO, other government agencies, and local institutions.

1. Team leader

6. The team leader will have field experience in poverty analysis and will do the following:

- (i) Review the poverty assessment reports prepared under ADB's regional TA 5907, especially those prepared for Papua New Guinea (PNG), and take into consideration lessons learned from the World Bank's poverty work in 1996-1999.
- (ii) Assume overall responsibility for preparing and conducting a multipurpose HIES and finalizing an innovative and insightful final poverty assessment report. Recommend appropriate strategies to reduce poverty through social development, improved governance, and other development interventions.
- (iii) Prepare preliminary national strategies to alleviate economic and social inequalities and regional disparities and to reduce barriers of access to economic benefits by the poorest people.
- (iv) Coordinate and direct all activities as required to collect relevant and reliable data to prepare the poverty assessment report and update the consumer price index (CPI).
- (v) Supervise and guide, either in the field or from the home office, the activities of the long-term international consultant at all stages of the TA implementation.
- (vi) Identify suitable local staff as required to assist the long-term international consultant.
- (vii) As the HIES will be prepared and conducted by NSO staff, provide the staff with maximum capacity-building support.

2. Economics statistician

7. The economics statistician will have expertise in poverty analysis and educational background in development economics, and will do the following:

- (i) Advise on the establishment of a poverty-monitoring and -evaluation unit within DNPM.
- (ii) Advise and assist the NSO director on the development of the poverty-monitoring process.
- (iii) Using available documentation, update the current data on poverty and vulnerability with reference to ADB's advisory notes on requirements for poverty analysis in its developing member countries (DMCs).

- (iv) Advise the NSO director on the appropriate design of an HIES aimed at generating data for poverty measurement and poverty profiling of the PNG population and at collecting data to update the CPI.
- (v) Advise NSO director on field survey sampling methodology and play a key role in transfer of skills to the NSO staff.
- (vi) Assisted by local staff, provide support to NSO in preparing the survey questionnaire, determining sample size, implementing field surveys, and processing and analyzing data.
- (vii) Supervise the local staff's work program, performance. and outputs.
- (viii) Wherever possible, develop and improve the skills and capacity of local assistants and counterpart staff, using training workshops and other methodologies.
- (ix) Ensure that feedback received from government officials and ADB staff is incorporated in the final poverty report.
- (x) Contribute to the preparation of the final TA report as directed by the team leader.

3. Social analysis expert

8. The expert will have expertise in participatory approaches to qualitative poverty assessment, and will do the following:

- (i) Review documentation on PPA, including good-practice examples.
- (ii) Identify key issues for consideration in the qualitative analysis.
- (iii) Supervise and direct the activities of local assistants and ensure that their skills are developed.
- (iv) Consult with ORD to assess its village consultation processes and then collaborate with its staff.
- (v) Based on (i) and (iii), and the resources available, select representative rural and urban communities in regions with significant transient and hardcore poverty for detailed consultation using workshop and participatory approaches, involving work with focus groups, local nongovernment organizations (NGOs), and community-based organizations (CBOs).
- (vi) Undertake a community consultation process to establish (a) the degree of social and economic inequality, (b) village-level priorities and socioeconomic needs, and (c) functional processes for addressing poverty, ensuring that the priorities and needs of women and youth are fully taken into account.

- (vii) Participate in a national workshop of government and civil-society representatives and present the findings of the village consultation .
- (viii) Based on the outcomes of (vi) and (vii), prepare an innovative and insightful report, with recommendations for the macroeconomic strategy specialist to ensure that village issues are taken into account in the formulation of poverty reduction strategies.
- (ix) Contribute to the final TA report.

B. Domestic Consultants

9. The long-term international economics statistician will select domestic experts to perform the following tasks:

- (i) Design the survey questionnaires and other data collection material (interviewers' and supervisors' manuals, etc.).
- (ii) Prepare data entry and data-editing specifications and programs, including consistency checks.
- (iii) Train and supervise data entry operators.
- (iv) Prepare a tabulation and analysis plan.
- (v) Edit, tabulate, and analyze the data.
- (vi) Produce a technical report, including detailed documentation of the dataset for use by secondary analysts.

10. The international social analysis expert will also be assisted by domestic experts with skills and experience in PNG social issues, particularly in the Highlands and Sepik.

11. The domestic experts will work closely with the implementing agencies and under the guidance of the international consultants. Their assistance will cover, among other things, (i) organization of the field survey; (ii) analysis of statistical data; (iii) consultation with all stakeholders; (iv) organization and running of a national poverty workshop; (v) documentation, research, and review; and (vi) preparation of the TA report.

IMPLEMENTATION SCHEDULE OF MAJOR TECHNICAL ASSISTANCE ACTIVITIES

Phase/Activity	15 Jul-30 Sep 2001	10 Oct-15 Dec 2001	15 Jan-15 Apr 2002	15 Apr-15 Jun 2002
1. Phase I (2001) <ul style="list-style-type: none">• Survey preparation• Conduct of survey	<div></div>	<div></div>		
2. Phase II (2002) <ul style="list-style-type: none">• Data processing and analysis• Report preparation		<div></div>	<div></div>	<div></div>
3. PPA <ul style="list-style-type: none">• Preparation of survey• Conduct of survey• Report preparation			<div></div> <div></div> <div></div>	

(Reference in text: page 5, para. 18)

TECHNICAL ASSISTANCE IMPLEMENTATION SCHEDULE: FIELDING OF CONSULTANTS AND/OR ASSISTANTS

	2001						2002					
	15 Jul	Aug	Sep	Oct	Nov	15 Dec	15 Jan	Feb	Mar	Apr	May	Jun
A. International Consultants												
1. Team leader/principal adviser ¹												
2. Long term economics statistician												
3. Sociologist												
B. Domestic Consultants												
1. Economics statistician												
2. Sociologist												
C. Local Supporting Staff												
1. Research assistant												
2. Administrative assistant												

¹ Includes work from home office.