



<b>1. CAS Data</b>	
<b>Country: Papua New Guinea</b>	
<b>CPS Year:</b> FY13	<b>CPS Period:</b> FY13 – FY16
<b>CLR Period:</b> FY13 – FY18	<b>Date of this review:</b> May 9, 2019

<b>2. Ratings</b>		
	<b>CLR Rating</b>	<b>IEG Rating</b>
<b>Development Outcome:</b>	<i>Moderately Satisfactory</i>	<i>Moderately Unsatisfactory</i>
<b>WBG Performance:</b>	<i>Good</i>	<i>Fair</i>

**3. Executive Summary**

- i. This review of the World Bank Group’s (WBG) Completion and Learning Review (CLR) covers the period of the Country Partnership Strategy (CPS), FY13-FY16, and updated in the Performance and Learning Review (PLR) dated July 1, 2016. At the PLR stage, the CPS period was extended by two years.
- ii. Papua New Guinea (PNG) is a lower middle-income country with a Gross National Income (GNI) per capita of \$2,340 in 2017. Oil and gas extraction has been the main driver of economic growth. During the CPS period, GDP growth varied considerably, from 0.3 percent in 2018 to 15 percent in 2014, due to volatility in commodity prices and disruption in the operations of three major mining and petroleum projects from a 7.5 magnitude earthquake in 2018. The country’s Human Development Index increased from 0.52 percent in 2010 to 0.544 in 2017, ranking 153<sup>rd</sup> among 189 countries in 2017. PNG rejoined the WBG’s Harmonized List of Fragile and conflict affected situation Countries (FCS) in FY17 and FY18. This list had excluded PNG since 2011.
- iii. The World Bank Group’s (WBG) CPS had three pillars (or focus areas): (i) increased and more gender-equitable access to inclusive physical and financial infrastructure, (ii) gender-equitable improvements in lives and livelihoods, and (iii) increasingly prudent management of revenues and benefits. The CPS pillars were broadly aligned with goals under the three Government plans, covering the period 2011 to 22. The three government plans covered several sectors and themes including infrastructure, incomes, human development, gender, and resource management that the CPS pillars also sought to support.
- iv. At the beginning of the CPS period, IDA total commitments were \$170 million, with eight IPF operations covering six sectors. During the CPS period, total new commitments were \$292 million, below planned CPS (\$388 million) and PLR (\$554 million) commitments. The new lending portfolio consisted of five new operations, including one emergency project in response to rising tuberculosis rates, and two Additional Financing (AF) for projects under the pre-existing portfolio. During the CPS period, trust funds supported 11 new activities, including three AF. IFC made total net commitments of \$85.3 million.
- v. IEG rates the CPS development outcome as **Moderately Unsatisfactory**. On Focus Area I, there was good progress on roads rehabilitation and telecommunications services, modest progress on access to credit, and no progress on access to energy or water. On Focus Area II,

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there was good progress on improving smallholder agricultural yields, youth training and employment; and modest progress on improving the efficiency of opening a business. On Focus Area III, good progress was achieved on local decision making on rural services, modest progress on extractives management, and no progress on debt sustainability.

vi. IEG rates WBG performance as **Fair**. The CPS addressed well-identified development challenges, envisaged appropriate instruments (IPF and ASA), and planned on an integrated Bank-IFC joint approach. However, the CPS was not selective enough for PNG's limited capacity, with three focus areas and 11 objectives. The results framework had significant shortcomings, with CPS objectives formulated as broad thematic areas, rather than as program-level objectives in line with Bank Group interventions. The CPS identified relevant risks and outlined appropriate mitigation measures. Planned ASA broadly supported CPS objectives. Implementation was mixed, with Bank lending and IFC investments below planned CPS volumes. Bank-IFC collaboration was less integrated than the CPS envisaged. The PLR missed an opportunity to narrow and focus CPS objectives with what Bank Group interventions could achieve. Changes at the PLR stage further weakened the results framework including with the introduction of a new objective (improved access to water) that was unlikely to be delivered within the CPS period. The active and closed portfolio did not perform well and the high share of projects and commitments at risk, even for an FCS, suggest that portfolio management efforts have not been effective. No Inspection Panel investigation was recorded during the CPS. However, the Smallholder Agriculture Development Project had been the subject of an Inspection Panel investigation starting in FY10. The investigation was closed in FY14 with all noncompliance issues reported to have been successfully mitigated. None of the four complaints to INT were converted to cases.

vii. The CLR provides three lessons: First, portfolio improvements require sustained engagement by all project teams, implementing agencies, and the Government, as well as stronger interagency coordination. Second, PNG's institutional and social fragility places a premium on understanding political economy factors with a bearing on projects, and on monitoring and ensuring awareness of grievance redress mechanisms. Third, partnerships can help expand ASA, increase the WBG's impact, and test new ideas.

viii. IEG adds the following lessons:

- CPS objectives will need to be appropriately defined and delimited to capture what Bank Group interventions can achieve. During the CPS, alignment between objectives and interventions was weak in some areas, as objectives were broad and imprecise (e.g., "Financial Sector") and interventions often limited in scope (e.g., on access to finance). Bank Group strategies in PNG need to define objectives that its interventions can achieve and monitor achievements with robust indicators.
- Achievement of development objectives often requires more than one CPS period. In the case of PNG, efforts to achieve EITI candidacy, which the previous CAS supported, began to bear fruit only during this CPS and will require continued attention in upcoming strategies.
- To strengthen coordination across the Bank Group, it is important to identify early those opportunities where the Bank, IFC and MIGA can work together. Although the CPS envisaged an integrated approach, actual joint work was limited, and it did not articulate how it would be implemented.

#### **4. Strategic Focus**

##### Relevance of the WBG Strategy:

1. **Congruence with Country Context and Country Program.** The CPS, as extended by the PLR by two years, was framed by three development plans, covering the 2011-22 period. The three CPS focus areas (infrastructure, lives and livelihoods, and revenue/benefit management) were broadly aligned with specific infrastructure, human development, macro management and other goals



under the three Government's plans: Medium Term Development Plans (MTDPs) 2011-2015, 2016-2017, and 2018-2022. The CPS was also consistent with reconstruction and reconciliation priorities the peace agreement in the Autonomous Region of Bougainville.<sup>1</sup>

2. The CPS focus areas and objectives addressed some of PNG's critical development constraints such as dire and climate-vulnerable road conditions, low cash crop yields, low education enrollment and outcomes, crime and violence and rising public debt. Gender dimensions were also prominent. The CPS objectives did not cover important development constraints including shortfalls in primary and maternal care. The PLR proposed increased support to excluded communities and the growing youth population. Among its other adjustments, and following the legislative approval of PNG's Sovereign Wealth Fund (SWF) in 2015, the PLR replaced the SWF-related outcome (outreach on the proposed SWF) with an outcome on debt sustainability. However, the SWF was approved but not established. The PLR dropped the SWF objective from the program, although the Bank continued providing advisory support. Having a SWF in place has been a long-standing Government goal for managing PNG's unstable mining revenues.

3. **Relevance of Design.** Proposed interventions could reasonably be expected to contribute to most CPS objectives and related government goals. However, the CPS objectives were articulated as broad themes, while the overall WBG program was limited in scope and coverage. Most CPS objectives were to be achieved through investment lending, primarily from the pre-existing portfolio, with the exception of improved debt management which was to be supported through ASA. IFC was to focus on access to finance, investment climate, Information and Communications Technology (ICT), and energy. The CPS planned for partnerships with other donors through trust fund financing for infrastructure, rural services, and public financial management and procurement. World Bank financing was to complement those of other larger donors in PNG, notably Australia and the Asian Development Bank. The World Bank-supported program assumed: i) a macro outlook that was consistent with projected spending on development projects; and ii) maintenance of sociopolitical stability, to underpin a predictable policy framework, institutions, and investment climate. In the event, macro conditions suffered from adverse commodity price shocks after 2014. These reduced government revenues and hence financial capacity to fund projects. PNG's fragile state and limited capacity were not adequately factored into CPS program design.

#### Selectivity

4. The CPS was not sufficiently selective, given the lessons from the previous PNG CPS. The CPS covered a limited number of MTDS sectors, and the World Bank approved a smaller number of operations during the CPS period (five projects versus eight under the previous CPS) with a larger average project size (\$42 million versus \$21 million). However, the CPS still had too many objectives (11) for PNG's limited institutional capacity. Efforts to improve focus of the IDA lending portfolio were undermined by smaller TFs that supported 11 activities with relatively small average project size (\$3.1 million) compared to the previous CPS period (five activities averaging \$5.8 million, respectively).

#### Alignment

5. The CPS was formulated in 2012. Its objectives were broadly aligned with the 2013 corporate twin goals of poverty reduction and shared prosperity. The three focus areas sought growth with

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<sup>1</sup>The Bougainville conflict was a multi-layered armed conflict fought from 1988 to 1998 between PNG and the secessionist forces of the Bougainville Revolutionary Army (BRA), and between the BRA and other armed groups in Bougainville, leaving an estimated 15,000 to 20,000 Bougainvilleans dead. Drivers of the conflict included a perceived lack of transparency in the agreements made between the national government and the operator of the massive copper mine that dominates the economy. There was dissatisfaction with benefit-sharing agreements between the large copper mine and local communities, and a belief that the benefits of the mine were going disproportionately to mainland PNG, that migrants were benefiting from the mine more than landowners, and that communities in other parts of the island were excluded from benefits. See CPS, para. 26.



poverty reduction and contained inclusion goals. Accordingly, the first focus area combined investment in infrastructure with access to infrastructure services. The second focus area included goals on smallholder agriculture yields and urban youth training and employment. The third focus area was also inclusive -- local community planning and growth (through debt sustainability).

## 5. Development Outcome

### Overview of Achievement by Objective:

6. This assessment follows the IEG-WBG Shared Approach on Country Engagement and considers the degree to which CPS objectives, as updated in the PLR, were achieved.

### **Focus Area I: Increased and More Gender-Equitable Access to Inclusive Physical and Financial Infrastructure.**

7. Focus Area I had five objectives: (i) road rehabilitation; (ii) information and communications technology policy; (iii) financial sector; (iv) renewable energy; and (v) water access.

8. **Objective 1: Road rehabilitation.** This objective was supported through the FY11 Road Maintenance and Rehabilitation Project II and its FY14 Additional Financing (AF), and the FY12 Building a More Disaster Climate Resilient Transport Sector Trust Fund project. This objective had one outcome and two related indicators.

- More and safer roads, benefitting women and girls as well as men and boys:

(i) *Additional roads rehabilitated in target provinces:* Baseline: 0 km (2010); Target: 125 km. [Achieved]. As of September, 2018, 129.3 km of additional roads had been rehabilitated since 2010.

(ii) *Cumulative number of person-days worked by women as a result of project activities that are not related to routine maintenance activities:* Baseline: 0 (2011), 100 (2015), Target: 4,000 (2018). [Achieved]. As of September, 2018, a cumulative total of 24,792 person-days were worked by women.

9. Road rehabilitation is likely to have made roads safer. IEG rates Objective 1 as **Achieved**.

10. **Objective 2: Information and communications technology (ICT) policy.** This objective was supported through the FY10 Rural Communications project, the FY16 Connectivity Analysis TA, and the ICT Sector Development TA. This objective had one outcome and two indicators.

- Improved penetration of mobile telecommunications services:

(i) *Number of mobile cellular telephone subscriptions in targeted provinces (per 100 inhabitants):* Baselines: 21% (2009), 45% (2015); Target: 55% (2018). [Achieved]. Mobile cellular telephone subscriptions increased to 65% of inhabitants (May 2018).

(ii) *Increased Internet usage in rural communities targeted by the Rural Communications project:* Baseline: 0% (2010), 20% (2015); Target: 30% (2016). [Achieved]. Internet usage increased to 50 percent in 2018.

11. The indicators and results were not articulated in the same units of measure. IEG rates Objective 2 as **Achieved**.

12. **Objective 3: Financial Sector.** This objective was supported through the FY11 Small and Medium Enterprise Access to Finance Project and Technical Assistance (TA) on Implementation of a Survey on Financial Competency. IFC provided a Papua New Guinean kina (PKG) 150 million partial guarantee supported by IDA lending of \$10 million to provide "first loss" coverage. IFC also provided TA support on Simplification of Business Registration for SMEs, Mobile Banking Expansion, Simplification of Tax and Financial Reporting for SMEs and Financial Consumer Protection. This objective had two indicators:



- *PGK 550m increase in credit provided to SMEs in PNG (some institutions do not share data, measurement limited to project banks):* Baseline: 0 PKG (2012); Target: 300 PKG (2018). [*Partially Achieved*]. The latest ISR for the FY11 project reported that the total cumulative committed amount to SMEs under IFC's Risk Sharing Facility (RSF) reached PGK 114.6 million as of December 2018.
- *Increased number of women with access to financial institutions in rural areas, either branches or mobile networks:* Baseline: Less than 5 percent of Bank South Pacific (BSP)'s total SME lending was for women (2013; Target: 10 percent increase (undated). [*Not Verified*]. The CLR reports that 14.3% of all loans granted were provided to businesses owned by women only or women as principal partners as of May 2018. The ISR for the FY11 project reports only the total number of loans granted, not the share granted to women.

13. The unit of measure for the second indicator (number of women with access in rural areas) was different from the unit of measure of its baseline and target (percentage of BSP SME lending). The available evidence indicates that additional credit to SMEs was below target while access to financial institutions by women could not be verified. IEG rates Objective 3 as **Partially Achieved**.

14. **Objective 4: Renewable energy.** This objective was supported through the FY13 Energy Sector Development Project, and the Access to Renewable Energy and Rural Electrification Study TA. IFC provided support through the IFC Lighting PNG Program. This objective had one outcome and one related indicator.

15. Building blocks in place for a larger renewable energy contribution to increased access to electricity through renewable PPP: *Government of PNG taking one medium-to-large renewable energy PPP to financial close:* Baseline: 0 (2015); Target: 1 (2018). [*Not Achieved*]. The CLR notes that the Naoro Brown Hydropower Project, which was to engage a developer through a PPP and underpinned this objective, was delayed in implementation. There was no progress on this indicator.

16. IEG rates Objective 4 as **Not Achieved**.

17. **Objective 5: Water access.** This objective was supported through the FY18 Water Supply and Sanitation Development Project (FY18-24,) and the FY14 Water and Sanitation TA. This objective had one outcome:

- Improved access to water:

(i) *Number of people in urban areas provided with access to improved water sources under the Bank:* Baseline: 0 (2016), Target: 1,000 (2018). [*Not Achieved*]. The CLR notes that the Water Supply and Sanitation Development Project, which supported this objective, was delayed in implementation.

18. IEG rates Objective 5 as **Not Achieved**.

19. IEG rates Focus Area I as **Moderately Unsatisfactory**. Of the five objectives, two objectives were *Achieved*, one was *Partially Achieved*, and two were *Not Achieved*. There was good progress on road rehabilitation and on penetration of telecommunication services and modest progress on SME access to credit. Progress on inclusion covered only roads and could not be verified for SME credit. There was no progress on access to renewable energy and water.

#### **Focus Area II: Gender-equitable improvements in lives and livelihoods.**

20. Focus Area II had three objectives: (i) agriculture and rural development; (ii) youth development; and (iii) business-enabling development. As above, these are not articulated as objectives but rather as policy areas.

21. **Objective 6: Agriculture and Rural development.** This objective was supported through the FY10 Productive Partnerships in Agriculture Project and its FY14 AF, and the FY11 Disaster Risk Management and Climate Change Adaptation Program in Agriculture. ASA support included the Fruit of Her Labor, PNG Agriculture Notes, El Niño Response Trust Fund for PNG, and World Bank-DFAT



Gender in Agriculture Research Trust Fund (FY17-18). IFC provided support through the Tininga TA project (completed July 2018). This objective had two outcomes and four related indicators.

- Improvements in yields of smallholder coffee, cocoa and oil palm farmers:

(i) *Rural roads rehabilitated and maintained in project areas, per Maintenance Agreements:* Baseline: 0.7 km (2015); Target: 50 km (2018). [*Partially Achieved*]. 19.8 miles were rehabilitated and maintained as of October 2018.

(ii) *Increase in average cocoa yields for project participants:* Baseline: 169 kg/ha (2011); Target: 575 kg/ha (2018). [*Achieved*]. Yields increased to 728 kg/ha by March 2018.

(iii) *Increase in average coffee yields for project participants:* Baseline: 382 kg/ha (2011); Target: 575 kg/ha (2018). [*Mostly Achieved*]. Yields increased to 566 kg/ha.

At the PLR stage, the target on oil palm yields was dropped but the results indicator was not adjusted accordingly. The related project was closed during the CPS period. The indicator should not have been dropped because the project was active during the CPS. The oil palm yield target was replaced by a roads target which does not measure the outcome of improvements in yields. IEG rates this outcome as *Mostly Achieved*.

- Improved smallholder sustainability and resilience:

(i) *Cumulative number of beneficiaries of Productive Partnerships in Agriculture Project (PPAP), including women:* Baseline: 0 (2010), 33,967 total, of which 11,850 women (2015); Target: 60,000, of which 24,000 women (2018). [*Achieved*]. Total beneficiaries increased to 67,340, as of March 2018. Women beneficiaries increased to 24,852. However, this indicator does not directly measure sustainability or resilience, although increased returns to beneficiaries of the PPAP could contribute to sustainability. However, the result is not clearly articulated, and the indicator does not measure it directly. IEG rates this outcome as *Mostly Achieved*.

22. On balance, IEG rates Objective 6 as **Mostly Achieved**.

23. **Objective 7: Youth development.** This objective was supported through the FY11 Urban Youth Employment Project (UYEP) and its FY16 AF, the FY16 Reading Education Project, and the FY11 Flexible and Open Distance Education Project. This objective had one outcome and three related indicators.

- Youth in urban areas have more access to training and job opportunities:

(i) *Days of workfare completed by youth beneficiaries over the course of Urban Youth Employment Project (UYEP):* Baseline: 340,000 total cumulative (2015); Target: 660,000 total cumulative (2018). [*Achieved*]. 814,273 days of workfare were completed by youth over the course of the project, as of March 2018. This indicator measures amount of training, not access to it.

(ii) *Share of on-the-job graduates who have an offer of a paid job as they leave UYEP:* Baseline: 0 (2011); 39% (June 2015); Target: 30% (2018). [*Achieved*]. The share of on-the-job graduates who have an offer of a paid job as they leave UYEP reached 41%, as of March 2018.

(iii) *Share of female participants graduating from each component of UYEP (Basic Life Skills Training, Youth Job Corps, Pre-Employment Training, and On-the-Job Training):* Baseline: 40% (2015); Target: 40% (2018). [*Achieved*]. The share of women graduating from each component of UYEP reached 41% as of March 2018. As an average of graduation rates from different activities, the indicator is vague and difficult to interpret.

24. Indicators reflect increased access to youth training and job opportunities specific to project area (Port Moresby, PNG's capital city). IEG rates Objective 7 as **Achieved**.



25. **Objective 8: Business Enabling Environment.** IFC supported this objective through its PNG Regulatory Simplification and Investment Policy and the Promotion Project and the Business Coalition for Women and Agribusiness TA. This objective had three outcomes and three results indicators.

- More efficient opening/operation/ closing of businesses in PNG:

(i) *Shorter number of days in Doing Business.* Baseline: 35 days (2012); Target: 10 days (2016). [*Partially Achieved*]. According to Doing Business, which uses the old methodology, the number of days needed to start a business decreased from 52 days (2012) to 41 days (2017), a lower decline (11 days) than the 25 days from the PLR 2012 baseline (35) to the PLR 2016 target (10). This indicator is imprecise, for it does not specify what the shorter number of days refers to. [*Partially Achieved*].

(ii) *10% increase in annual number of women-owned businesses who “graduate” to formal status with registered businesses.* Baseline: [to be generated by SME Survey sex-disaggregated “count” using IPA<sup>2</sup> data in early 2013; IFC program with IPA will use IPA’s data to track]; Target: 10% increase (2016). [*Not Verified*]. The number of formal SMEs increased from 45,000 to 50,000 between January 2013 and December 2017 (an 11% increase). However, disaggregated data for SMEs owned by women is not available. The CLR did not provide the baseline. The Investment Promotion Authority, which was envisaged to provide the data, does not report on it.

(iii) *20% increase in number of firms filing tax returns:* Baseline: 8,400 (2014); Target: 10,000 (2018). [*Not Verified*]. The CLR reports that income tax return filings decreased from 8,400 in 2014 to 8,088 in 2015 and 7,786 in 2016. IEG could not verify the CLR information.

26. The first indicator reflects increased efficiency in starting a business, albeit below target. This is a relatively minor aspect of the business environment and no evidence is provided to suggest that the number of days to register a business was a particularly binding constraint to the business environment in PNG. There is no evidence on efficiency in the operation and closing of a business. IEG rates Objective 8 as **Partially Achieved**.

27. Focus Area II is rated as **Moderately Satisfactory**. One objective was Achieved, one Mostly Achieved, and one Partially Achieved. There was good progress on improving agricultural smallholder yields, possibly contributing to farmer returns, but with no indication of progress on resilience or sustainability. There was good progress on youth training and employment. However, there was little or no progress on improving the efficiency of opening/operation/closing of businesses, as the indicator covers only opening of businesses, not operation or closing.

**Focus Area III: Increasingly prudent management of revenues and benefits.**

28. Focus Area III had three objectives: (i) extractives sector; (ii) rural service delivery; (iii) macroeconomic management.

29. **Objective 9: Extractives sector.** This objective was supported through the FY15 Mining TA Project; the FY16 Recipient-Executed SPF on family and sexual violence in extractive industries communities; and the FY13 Japan Social Development Fund (JSDF) Social and Economic Empowerment for Women in Mining and Petroleum Areas. ASA included Strengthening CSO Participation in EITI completed February 2018. This objective had two outcomes and related indicators.

- Better governance and accountability in oil/gas/mining revenues:

i) *Status in EITI process:* Baselines: No formal commitment, Step 0 (2012); Candidate status, Step 2 (2016); Target: PNG achieves compliance with requirements of the EITI Standard, Step 3 (2018). [*Partially Achieved*]. PNG’s EITI status improved from “no formal commitment” to candidate status (Step 2, 2016). PNG has not achieved compliance with

<sup>2</sup> Investment Promotion Authority.



requirements of the EITI Standard (Step 3). The indicator is an insufficient measure of governance or accountability, as candidacy, achieved in 2014, measures only completion of the EITI sign-up process. However, EITI's first validation (2018) rates PNG's overall progress as *meaningful*, indicating that progress on the various EITI requirements (e.g., civil society engagement) ranged from *Inadequate* to *Satisfactory*. PNG Resource Governance Index, calculated by the Natural Resource Governance Institute, ranked 46<sup>th</sup> among 89 countries in 2017.

- More equal involvement of women in community benefits from oil/gas/mining.
  - i) Rights for women in project agreements:* Baseline: 1 (2008); Target: 3 (2016). [*Not Achieved*]. The CLR notes that Bank's project in support of this objective experienced significant implementation challenges and was cancelled. Indicator is poorly defined, as its units are heterogeneous and thus cannot be added. IEG rates this outcome as *Not Achieved*.

30. Achievements included reaching EITI candidacy status and progress on various EITI requirements. There was no progress on inclusion of women. IEG rates Objective 9 as **Partially Achieved**.

31. **Objective 10: Rural service delivery.** This objective was supported through the FY14 Rural Service Delivery and Local Governance Project (RSDLGP), the FY17 Rural Service Delivery Project, and the FY11 Inclusive Development in Bougainville Project (State and Peace-Building Fund) and its FY15 AF. ASA support included a Resource Distribution and Benefit Sharing Research ASA. This objective had one outcome and two related indicators.

- Inclusive bottom-up planning in three provinces promotes increased local decision making:
  - (i) Number of community development subprojects implemented through community participation:* Baseline: 0 (2016); Target: 100 (30 in Central and Western provinces, 70 in Bougainville) (2018). [*Achieved*]. 58 of the 73 projects in the Central and Western provinces were completed (2017); 95 subprojects were completed (2018) in Bougainville.
  - (ii) Number of persons, including women, benefitting from community development subprojects:* Baseline: 0 (2016); Target: 130,000 (50,000 in Central and Western Provinces and 80,000 in Bougainville), of which 50% women (2018). [*Partially Achieved*]. A total of 49,285 people benefited in the Central and Western provinces (45 percent women); and a total of 51,642 people (48 percent women) benefited in Bougainville.

32. Implementation through community participation provides evidence of both inclusiveness and local decision making. The projects supporting this objective provided grants to finance community-identified projects. IEG rates Objective 10 as **Mostly Achieved**.

33. **Objective 11: Macroeconomic management.** This objective was supported through ASA, including an Analysis of Fiscal Policy in PNG, a Debt Management Performance Assessment, a WB-IMF TA on Debt Sustainability and Medium-Term Debt Strategy; and an informal WB TA on operationalizing fiscal rules for PNG. This objective had one outcome and a related indicator.

- More robust debt sustainability framework.
  - (i) Integration of WBG-IMF debt sustainability framework (DSA) into the medium-term debt strategy (MTDS) document.* Target (2018): WBG-IMF debt sustainability framework has been incorporated into the government's medium-term debt strategy document (2018–22). [*Not Achieved*]. PNG used the 2016 debt scenarios that it developed with the IMF as an input into its current debt strategy, not the 2017 or 2018 updates, and with no clarity as to how those scenarios shaped the MTDS. Accordingly, this indicator is not particularly meaningful, and the target was not met in 2018.





34. The indicator measures MTDS reference to the 2016 DSA, not the robustness of the debt sustainability framework. There is no indication of more robustness. IEG rates the outcome above and Objective 11 as **Not Achieved**.
35. Focus Area III is rated as **Moderately Unsatisfactory**. One objective was *Mostly Achieved*, one *Partially Achieved*, and one *Not Verified*. Good progress was achieved on rural service delivery; and modest progress on extractives management. Progress on the debt sustainability framework was not achieved.
36. IEG rates the CPS development outcome as **Moderately Unsatisfactory**. Of the 11 objectives, three were Achieved, two were Mostly Achieved, three were Partially Achieved, and three were Not Achieved. Focus Area I (infrastructure) was rated *Moderately Unsatisfactory*. There was good progress on road rehabilitation and telecommunications services, modest progress on SME access to credit, and no progress on access to renewable energy or water. Focus Area II (lives and livelihoods) was rated *Moderately Satisfactory*. There was good progress on improving agricultural smallholder yields, with possible impacts on farmer returns and sustainability; good progress on youth training and employment; and modest progress on improving the efficiency of opening/operation/ closing of businesses. Focus Area III (management of revenues and benefits) was rated *Moderately Unsatisfactory*. Good progress was achieved on inclusive planning and local decision making on rural services, modest progress on extractives management, and no progress on the robustness of the debt sustainability.

Objectives	CLR Rating	IEG Rating
<b>Focus Area I: Increased and More Gender-Equitable Access to Inclusive Physical and Financial Infrastructure.</b>	<i>Moderately Satisfactory</i>	<i>Moderately Unsatisfactory</i>
Objective 1: Road rehabilitation.	<i>Achieved</i>	<i>Achieved</i>
Objective 2: Information and communications technology policy.	<i>Achieved</i>	<i>Achieved</i>
Objective 3: Financial Sector.	<i>Achieved</i>	<i>Partially Achieved</i>
Objective 4: Renewable energy.	<i>Not Achieved</i>	<i>Not Achieved</i>
Objective 5: Water access.	<i>Not Achieved</i>	<i>Not Achieved</i>
<b>Focus Area II: Gender-equitable improvements in lives and livelihoods.</b>	<i>Moderately Satisfactory</i>	<i>Moderately Satisfactory</i>
Objective 6: Agriculture and rural development.	<i>Mostly Achieved</i>	<i>Mostly Achieved</i>
Objective 7: Youth development.	<i>Achieved</i>	<i>Achieved</i>
Objective 8: Business-enabling development.	<i>Mostly Achieved</i>	<i>Partially Achieved</i>
<b>Focus Area III: Increasingly prudent management of revenues and benefits.</b>	<i>Moderately Satisfactory</i>	<i>Moderately Unsatisfactory</i>
Objective 9: Extractives sector.	<i>Partially Achieved</i>	<i>Partially Achieved</i>
Objective 10: Rural service delivery.	<i>Mostly Achieved</i>	<i>Mostly Achieved</i>
Objective 11: Macroeconomic management.	<i>Achieved</i>	<i>Not Achieved</i>

## 6. WBG Performance

### Lending and Investments

37. At the beginning of the CPS period, World Bank total commitments were \$170 million, with eight IPF operations. During the CPS period, total new commitments were \$292 million, below the planned CPS (\$388 million) and PLR \$554 million). Lower lending reflected a planned but delayed hydroelectricity project. The new lending portfolio consisted of four planned operations, one unplanned emergency project (in response to rising tuberculosis rates), and Additional Financing (AF) for two projects under the pre-existing portfolio. The five new projects covered new areas of engagement, focusing on energy, rural services, tourism, water/sanitation, and health. The new



health project was an emergency operation that responded to rising tuberculosis rates. The two AF operations built on two pre-existing projects on agriculture and transport. In addition, the pre-existing portfolio covered projects in agriculture, telecommunications, education, youth, and finance. New TFs supported 11 activities which were smaller on average, compared to the pre-existing TF portfolio. New TF provided AF for the UYEP, the PPAP, and the Inclusive Development in Post-Conflict Bougainville TF project.

38. During the CPS period, PNG's portfolio at exit performed less well compared to EAP and Bank-wide averages. Of the five closed projects reviewed by IEG, one was rated Moderately Unsatisfactory, one Unsatisfactory and three were rated Moderately Satisfactory (MS). In terms of the share of projects rated MS or better, PNG's average (60 percent) was below the averages for EAP (79 percent) and the Bank (74 percent). In terms share of commitments, PNG had a lower share of projects rated MS or better (58 percent), compared to the averages for EAP (87 percent) and Bank-wide (84 percent). In the two projects that were rated below MS (on Distance Education and Smallholder Agriculture), poor outcomes can be partly traced to MU ratings for quality-at-entry. Four of the five closed projects had significant to high risks to development outcomes (RDO). The overall high RDO rating for PNG's portfolio at exit reflects the two operations with outcome ratings below MS. These also had significant or high risks that outcomes would not be sustained in the future.

39. PNG's active Bank portfolio has performed poorly, compared to the EAP-FCS, and Bank-FCS averages. PNG had 43 percent of its projects at risk (numbers), covering 40 percent of commitments. Comparable figures for EAP-FCS were 28 percent and 37 percent, respectively; and for the World Bank-FCS were 37 percent and 38 percent, respectively. The higher riskiness of the active portfolio reflects implementation challenges such as weak capacity for financial and contract management, auditing, and safeguards in central or implementing agencies; and insufficient counterpart funding. These have been long-standing portfolio problems in PNG that the Bank had identified in previous strategies and portfolio reviews. The CPS outlined mitigation measures to implementation risks and the CLR notes that the Bank is addressing implementation challenges by focusing on identifying remedial actions on problem projects, supporting implementing agencies and strengthening understanding of World Bank procedures among government counterparts. However, these initiatives have not yet been reflected in portfolio performance.

40. During the CPS period, IFC had total net commitment of \$85.3 million for its core business of long-term loan and equity investments. The main sector where IFC engaged was the financial sector with \$59.8 million (70.1%). IFC had two transactions with its key regional banking client. These loans financed the expansion of SME lending by the IFC client bank. For its short-term guarantee under its Global Trade Finance Program, IFC had a small average exposure of \$2.4 million.

41. During the review period, IEG validated two Expanded Project Supervision Reports (XPSRs) of IFC investment project through EvNotes. IEG assigned a development outcome rating of *Mostly Successful* for one project and *Unsuccessful* for another project. IFC supported successfully the expansion of mobile phone service to previously unserved areas including rural areas. However IFC's investment did not lead to increased competition in the sector as envisaged. For a manufacturing project, it failed to achieve many project objectives including import substitution on manufactured products and increased employment.

42. MIGA did not have exposure in PNG during the review period.

#### Advisory Services and Analytics products (ASA)

43. The CPS planned 21 ASA tasks and delivered 22, comprising six Economic Sector Work (ESW) and 16 Technical Assistance (TA) outputs. ASA covered macro-fiscal, debt management, financial sector, infrastructure, and human development topics that broadly supported CPS objectives. Objective 11 (Macroeconomic Management) was underpinned by ASA, including a joint Bank-IMF FY16 Debt Management Performance Assessment and informal TA on fiscal rules. Major ESW covered education and health. TA outputs addressed access to finance, bank supervision, social protection, infrastructure, financial sector, and health sector issues. With some exceptions



(e.g., the 2016 DeMPA, which is confidential), ASA reports are available in the Bank's Open Knowledge repository.

44. During the review period, IFC approved 19 new AS projects amounting to \$40.1 million. Many of these were under a regional project for the Pacific Islands, which included PNG. IFC sought to support improving investment climate, upgrading the electronic payments system, improving economic empowerment of women, and developing off-grid solar lighting/phone charging solutions to rural communities. One of the AS project's involved an assessment of gender strengths and gaps by using the Economic Dividends for Gender Equality (EDGE), a global diagnostic and certification tool. IFC leveraged its global relationships to bring in new players to the off-grid lighting and phone charging market.

45. IEG validated one Project Completion Reports (PCRs) of an AS project during the review period and assigned an *Unsuccessful* rating for Development Effectiveness. Although the IFC project helped improve some doing business indicators, it had major shortcomings in terms of the goal of investment and employment generation.

#### Results Framework

46. CPS objectives were not presented as program objectives, but rather as policy or thematic areas. These policy areas were broadly congruent with development constraints addressed in government programs. The results framework had other significant shortcomings. First, while CPS objectives included outcomes (except for Objective 3), the scope of some outcomes (e.g., Youth access to training and job opportunities in urban areas, under Objective 7) was considerably broader than the scope of their associated indicators or well beyond what could be expected from limited interventions (e.g., training under the UYEP, which covered a fraction of urban youth in the capital city). Second, there were shortcomings in the measurability of some indicators, a lack of clarity in the units for measurement, and disconnect between several indicators and their baselines and targets in terms of unit of measure. For example, the indicator on percentage increase in women-owned businesses who "graduate" to formal status did not have baseline data; and the indicator on women's access to credit was inconsistently defined (indicator defined as numbers of women with access to finance in rural areas; while baseline defined as the share of women in a bank's SME lending). Some indicators (notably on gender) were not measured.

47. At the PLR stage, adjustments further weakened the results framework. While some adjustments were appropriate (alignment of indicators with the restructured UYEP), others were not (e.g., dropping an indicator on yields that referred to a project that closed during the CPS period, and replacing it by an indicator unrelated to improvements in yields). A new objective (objective 5) supported by an FY17 operation was expected to deliver results in 2018, which did not materialize. In light of PNG's track record of implementation, this change was overly optimistic. The scope of the debt sustainability objective was unclear and was difficult to measure with the given indicator.

#### Partnerships and Development Partner Coordination

48. Coordination was strong with key development partners in PNG. The World Bank coordinated with the IMF through a joint Debt Sustainability Assessments, Joint FY18 DeMPA, and to provide advice on macroeconomic policy. The World Bank also collaborated with Australia's Department of Foreign Affairs and Trade (DFAT), which provided funding for IFC activities and several Bank projects. In addition, it collaborated with the International Fund for Agricultural Development and the European Union through the Productive Partnerships in Agriculture Project, in the form of parallel financing and additional financing, respectively. The CLR also noted a partnership with the district government (Gazelle) to complete road investments that reduced transport costs to coffee growers; and with the Bank of South Pacific on the UYEP.

#### Safeguards and Fiduciary Issues

49. During the CPS period, five closed and validated projects (in agriculture, energy and extractives, education and governance) triggered environmental and social safeguards. The CLR reports that compliance with safeguards requirements was problematic due to challenges related



to weak local capacity. The project ICRs and ICRRs confirm these operational challenges, including poor staffing, improper management of environmental and social impacts, and internal conflict in the communities (in agriculture). In energy and extractives, environmental and social assessments were problematic.

50. The Smallholder Agriculture Development project (P079140, FY08) which was active during the early part of the CPS period and closed in FY14, had been subject to an Inspection Panel investigation since FY10. Noncompliance claims were associated with the poor application of Bank policies and procedures. The Inspection Panel reported failures in consultations, information disclosure; and issues of broader community support, livelihoods and institutional sustainability. The case was closed in 2014 with the final report on the implementation of the management's action plan, where all the noncompliance issues were reported to have been successfully mitigated.

51. A total of four complaints related to projects in the education, agriculture and transport sectors were reported to INT. The complaints concerned mainly alleged fraud. None were converted to cases.

#### Ownership and Flexibility

52. Ownership of the CPS program benefited from alignment with the government's MTDPs and consultations with a wide range of stakeholders. Nevertheless, congruence with MTDP objectives and stakeholder views did not suffice to overcome implementation delays in some areas. Implementation was weak in some areas, for example on energy and water, where needed actions were slow to come; Implementation was somewhat better in other areas, extractives for example, where actions moved in the right direction but remained insufficient. Implementation was strong in a few areas: e.g., on youth development. There was some flexibility in adjusting the CPS program in response to country developments, particularly through an emergency operation (FY17, after the PLR) in response to rising tuberculosis rates.

#### WBG Internal Cooperation

53. The CPS sought an integrated Bank-IFC approach; however, actual joint work and coordination were limited. The two institutions cooperated and worked in parallel on a pre-existing IFC project that was implemented jointly with the pre-existing Bank SME Access to Finance project; and under the ongoing Bank's FY17 Tourism project. Otherwise, IFC operations provided support on: i) the business environment, complementing access to finance objectives; ii) pre-existing investments in finance, an area covered under the CPS results framework, and in manufacturing; and iii) new investments in finance, oil and gas, and real estate, although the latter two were not linked to or integrated with CPS objectives.

#### Risk Identification and Mitigation

54. The WBG identified five risk areas: economic shocks, sociopolitical turbulence, policy and governance gaps, inadequate capacity, and disasters. It envisaged mitigation measures on the specific risks. For example, a Country Procurement Assessment review was planned to strengthen procurement performance. The PLR assessed the average overall risk as *Substantial*, albeit *High* on political, macroeconomic and capacity risks. During CPS implementation, the CLR notes that the World Bank increased presence in PNG to address policy and implementation issues, although weak interagency coordination and cumbersome procurement continued to impact implementation. The CLR also notes that the World Bank, in coordination with the IMF, provided advice on macroeconomic issues, notably on debt sustainability and management. Macroeconomic risks materialized as commodity prices dropped after 2014.

#### Overall Assessment and Rating

55. IEG rates WBG performance as **Fair**, as shortcomings in design and implementation undermined achievements in several areas. The CPS addressed well-identified development challenges, benefited from alignment with government plans and consultation with multiple stakeholders, and was largely consistent with the twin corporate goals. It envisaged the use of



appropriate instruments (IPF and ASA) and planned on an integrated Bank-IFC joint approach to achieve CPS objectives. However, the CPS was not selective enough for PNG's limited capacity, with three focus areas and 11 objectives, and a dispersed TF portfolio. The results framework had major shortcomings, with CPS objectives articulated as broad themes, while the scope of some planned interventions and related indicators was limited. Several indicators were not well defined. The CPS identified relevant risks and outlined mitigation measures covering economic shocks, sociopolitical turbulence, policy and governance gaps, inadequate capacity, and disasters although mitigation measures, particularly in addressing capacity constraints fell short. Planned ASA broadly supported CPS objectives.

56. Implementation was mixed. Bank lending of \$292 million was below PLR plans and IFC investments of \$89 million were below planned CPS volumes of \$50 million per year. There were implementation delays (energy, water). Actual Bank-IFC collaboration was less integrated than envisaged. ASA complemented financing in most areas. The WBG coordinated well with DFAT and EU to obtain additional funding and with the IMF on advice on macroeconomic issues. The PLR retained the CPS objectives, which remained formulated as broad thematic areas and thus missed an opportunity to clarify and align them with the more limited scope of interventions. The PLR weakened the results framework with a new objective supported by an FY17 water and sanitation operation that was unlikely to deliver results within the CPS period. The active and closed portfolio did not perform well, compared to EAP-FCS, and Bank-FCS averages. IEG evaluations of completed projects suggest that some of the portfolio problems can be traced to low quality-at-entry. No Inspection Panel investigation was recorded during the CPS. None of the four complaints to INT were converted to cases.

## **7. Assessment of CLR Completion Report**

57. The CLR is an adequate assessment of CPS development outcomes and WBG performance but with several major shortcomings, particularly with respect to the assessment of the results indicators. It presents evidence on the extent to which some outcomes were achieved, as well as details on WBG's support and contribution. It provides an extensive discussion of the CPS alignment with the WBG's corporate goals and its lessons provides thoughtful advice. The CLR should have discussed in more depth the adequacy of the results framework, particularly on the formulation of CPS objectives. In some areas (e.g., youth development, extractives sector, and macroeconomic management), the CLR should have discussed achievements at more length. The CLR should have covered the reasons why portfolio management efforts failed to improve portfolio performance.

## **8. Findings and Lessons**

58. The CLR provides three key lessons with which IEG agrees. First, portfolio improvements require sustained engagement by all project teams, implementing agencies, and the Government, as well as stronger interagency coordination. Second, PNG's institutional and social fragility places a premium on understanding political economy factors with a bearing on projects, and on monitoring and ensuring awareness of grievance redress mechanisms. Third, partnerships can help expand ASA, increase the WBG's impact, and test new ideas.

59. IEG adds the following lessons:

- CPS objectives will need to be appropriately defined and delimited to capture what Bank Group interventions can achieve. During the CPS, alignment between objectives and interventions was weak in some areas, as objectives were broad and imprecise (e.g., "Financial Sector") and interventions often limited in scope (e.g., on access to finance). Bank Group strategies in PNG need to define objectives that its interventions can achieve and monitor achievements with robust indicators.
- Achievement of development objectives often requires more than one CPS period. In the case of PNG, efforts to achieve EITI candidacy, which the previous CAS supported,



began to bear fruit only during this CPS and will require continued attention in upcoming strategies.

- To strengthen coordination across the Bank Group, it is important to identify early those opportunities where the Bank, IFC and MIGA can work together. Although the CPS envisaged an integrated approach, actual joint work was limited, and it did not articulate how it would be implemented.

- Annex Table 1: Summary of Achievements of CPS Objectives – Papua New Guinea
- Annex Table 2: Planned and Actual Lending for Papua New Guinea, FY13-FY18 (\$, millions)
- Annex Table 3: Advisory Services and Analytics Work for Papua New Guinea, FY13-FY18
- Annex Table 4: Papua New Guinea Grants and Trust Funds Active in FY13-FY18 (\$, millions)
- Annex Table 5: IEG Project Ratings for Papua New Guinea, FY13-FY18 (\$, millions)
- Annex Table 6: IEG Project Ratings for Papua New Guinea and Comparators, FY13-FY18
- Annex Table 7: Portfolio Status for Papua New Guinea and Comparators, FY13-FY18
- Annex Table 8: Disbursement Ratio for Papua New Guinea, FY13-FY18
- Annex Table 9: Net Disbursements and Charges for Papua New Guinea, FY13-FY18 (\$, millions)
- Annex Table 10: Total Net Disbursements of Official Development Assistance for Papua New Guinea (\$, millions)
- Annex Table 11: Economic and Social Indicators for Papua New Guinea
- Annex Table 12: List of IFC Investments in Papua New Guinea (\$, million)
- Annex Table 13: List of IFC Advisory Services in Papua New Guinea, 2013-2018 (\$, million)
- Annex Table 14: List of Net Commitment Activity in Papua New Guinea, 2013-2018 (\$, million)
- Annex Table 15: List of MIGA Projects Active in Papua New Guinea, 2013-2018





**Annex Table 1: Summary of Achievements of CPS Objectives – Papua New Guinea**

	CAS FY13-FY18: Focus Area I: <i>Increased and More Gender-Equitable Access to Inclusive Physical and Financial Infrastructure</i>	Actual Results	IEG Comments
<b>Major Outcome Measures</b>	<b>1. CPS Objective: Road Rehabilitation</b>		
	<b>Indicator 1: More and safer roads, benefitting women and girls as well as men and boys, as measured by:</b>  (a) Additional roads rehabbed in target provinces Baseline: 0 (2010) Target: 125 km (2018)  (b) Cumulative number of person-days worked by women as a result of project activities that are not related to routine maintenance activities Baseline: 0 (2011); 2,100 (2015) Target: 4,000 (2018)	The Road Maintenance and Rehabilitation Project II (P119471, FY11) and additional financing (P145120, FY14), supported this Indicator. The latest <a href="#">ISR: S</a> (November 2018) reports the following progress:  (a) 129.3 km of roads rehabilitated as of September 2018.  <b>Achieved</b>  (b) 24,792 person-days worked by women as a result of project activities that are not related to routine maintenance activities, as of September 2018.  <b>Achieved</b>	Before the PLR the Road Objective and related indicators were: <i>“More and safer roads, benefitting women and girls as well as men and boys, measured by</i> – Additional roads rehabbed in target provinces (baseline is 0, target is 150km) – Number of gender pilots underway in Department of Works roads portfolio (baseline is 0, target is 1)
	<b>2. CPS Objective: Information and Communications Technology (ICT) Policy</b>		
	<b>Indicator 1: Improved penetration of mobile telecommunications services, as measured by the number of mobile cellular telephone subscriptions in targeted provinces (per 100 inhabitants):</b> Baseline: 21% (2009); 45% (2015) Target: 55% (2018)	The Rural Communications Project (P107782, FY10) supported this indicator. The latest <a href="#">ISR: S</a> (June 2018) reports that mobile cellular telephone subscriptions increased from 31/100 or 31% of inhabitants (December 2009) to 65/100 or 65% of inhabitants (May 2018).  <b>Achieved</b>	Before the PLR the ICT Objectives were: - Increased coverage of targeted underserved rural areas by mobile networks and/or broadband (baseline 2%, target 14%) - Increased use of ICT for transparency/accountability through at least one pilot approved for scale-up in monitoring service delivery (baseline is 0, target is 1)
	<b>Indicator 2: Increased Internet usage in rural communities targeted by the Rural Communications project</b> Baseline: 0% (2010); 20% (2015) Target: 30% (2016)	The latest <a href="#">ISR: S</a> (June 2018) of project P107782 reports that internet usage in rural district centers increased from 0% (June 2010) to 50% (May 2018).  <b>Achieved</b>	The Connectivity Analysis (P155014, FY16, see <a href="#">report</a> ) also supported this indicator.
	<b>3. CPS Objective: Financial Sector</b>		
<b>Indicator 1: PGK 550m increase in credit provided to SMEs in PNG (some institutions do not share data, measurement limited to project banks)</b> Baseline: 0 PGK (2012) Target: 300m PGK (2018)	The Small and Medium Enterprise Access to Finance Project (P120707, FY11), supported this indicator. The CLR reports that an amount of PGK 492 million was committed by Bank South Pacific under the Risk Share Facility. IEG could not validate this information. The latest <a href="#">ISR: MU</a> (December 2018) reports that PGK 114.60 million were committed to SMEs as of September 2017.  <b>Partially Achieved</b>	At PLR, the following indicator was taken out: <i>20% increase in number of formal sector SMEs registered</i>	

	CAS FY13-FY18: Focus Area I: <i>Increased and More Gender-Equitable Access to Inclusive Physical and Financial Infrastructure</i>	Actual Results	IEG Comments
	<p><b>Indicator 2: Increased number of women with access to financial institutions in rural areas, either branches or mobile networks</b> Baseline: Less than 5% of BSP's total SME lending was for women (2013) Target: 10% increase</p>	<p>The latest <a href="#">ISR: MU</a> (December 2018) of project P120707 reports that 262 loans were granted to businesses opened by women and women as principal partners, out of a total of 1,828 loans granted, as of September 2017 or 14.3% of all loans (June 2018 <a href="#">ISR: MU</a>). However, IEG could not validate the information</p> <p><b>Not Verified</b></p>	<p>There is a disconnect between the indicator and its baseline/target as currently defined. While the indicator specifies an increase in the number of women with access to financial institutions, the baseline and target refers to an increase in the share of women in BSP's portfolio which may or may not result in an increase in the absolute number of women with access depending on the growth of BSP's loan portfolio.</p>
	<p><b>4. CPS Objective: Renewable Energy</b></p>		
	<p><b>Indicator 1: Building blocks in place for a larger renewable energy contribution to increased access to electricity through renewable PPP, as measured by the GoPNG taking one medium-to-large renewable energy PPP to financial close</b> Baseline: 0 (2015) Target: 1 (2018)</p>	<p>The Energy Sector Development Project (P101578, FY13) supported this indicator. The latest <a href="#">ISR: MU</a> (December 2018) reports no progress for the indicator related to the financing structure for the PPP, Naoro Brown Hydropower Project, approved by the government, as of November 2018. The CLR reports that a cabinet paper on a proposed financial structure was prepared, triggering the next phase of the project.</p> <p><b>Not Achieved</b></p>	<p>Before the PLR the original indicator was: <i>Larger renewable energy contribution to increased access to electricity through renewable PPP (baseline is 12.4% of households with access to electricity, 215MW of national supply comes from renewables; target is 20% HH with access and 330MW from renewables)</i></p>
	<p><b>5. CPS Objective: Water access</b></p>		
	<p><b>Indicator 1: Improved access to water, as measured by the number of people in urban areas provided with access to improved water sources under the project</b> Baseline: 0 (2016) Target: 1,000 (2018)</p>	<p>The Water Supply and Sanitation Development Project (P155087, FY17) supports this objective. The latest <a href="#">ISR: MS</a> (December 2018) reports no progress in relation to the number of people in urban areas provided with access to improved water sources under the project.</p> <p><b>Not Achieved</b></p>	<p>Objective and Indicator added at PLR stage.</p> <p>As reported in the CLR, the project became effective in July 2017 and the water infrastructure contracts are in the process of being procured.</p>

	CAS FY13-FY18: Focus Area II: <i>Gender-Equitable Improvements in Lives and Livelihoods</i>	Actual Results	IEG Comments
<p><b>Major Outcome Measures</b></p>	<p><b>6. CPS Objective: Agriculture and Rural Development</b></p> <p><b>Indicator 1: Improvements in yields of smallholder coffee, cocoa and oil palm farmers, as measured by:</b></p> <p>(a) Rural roads rehabilitated and maintained in project areas, per Maintenance Agreements Baseline: 0.7 km (2015) Target: 50 km (2018)</p> <p>(b) Increase in average cocoa yields for project participants Baseline: 169kg/ha (2011) Target: 575 kg/ha (2018)</p> <p>(c) Increase in average coffee yields for project participants Baseline: 382 kg/ha (2011) Target: 575 kg/ha (2018)</p>	<p>The Productive Partnerships in Agriculture project (P110959, FY10) and its additional financing (P146003, FY14) supported this indicator. The latest <a href="#">ISR: MS</a> (February 2019) reported the following results:</p> <p>(a) 19.8 km of rural roads were rehabilitated and maintained in project areas, per Maintenance Agreements, as of October 2018. <b>Partially Achieved</b></p> <p>(b) Cocoa yield among project beneficiaries increased from 169kg/ha to 728 kg/ha between June 2011 and October 2018. <b>Achieved</b></p> <p>(c) Coffee yield among project beneficiaries increased from 382kg/ha to 566 kg/ha between June 2011 and October 2018. <b>Mostly Achieved</b></p>	<p>Sub-indicator (a) for rural roads was added at PLR.</p> <p>At PLR, the following sub-indicator was taken out: <i>Increase in average oil palm yields from 21 tons/hectare to 24 in project areas</i> and baselines/targets for sub-indicators (b) and (c) were changed from: - <i>Indicator (b): yields from 300kg/ha to 600 for project participants</i> - <i>Indicator (c): Increase in average coffee yields from 500kg/ha to 800</i></p>
	<p><b>Indicator 2: Improved smallholder sustainability and resilience, as measured by:</b></p> <p>(a) Cumulative number of beneficiaries of Productive Partnerships in Agriculture Project (PPAP), including women Baseline: 0 (2010); 33,967 total, of which 11,850 women (2015) Target: 60,000, of which 24,000 women (2018)</p> <p>(b) Training of oil palm growers in sustainable production practices Baseline: 0 (2012) Target: 1,500 cumulative (2016)</p>	<p>The Productive Partnerships in Agriculture project – PPAP (P110959, FY10) and its additional financing (P146003, FY14) supported this indicator. The latest <a href="#">ISR: MS</a> (February 2019) reported the following results:</p> <p>(a) 67,340 project beneficiaries under the PPAP, including 24,852 women, as of June 2018. <b>Achieved</b></p> <p>(b) The CLR reports that this indicator was dropped at PLR stage and mistakenly included in the revised CPS results matrix. The latest <a href="#">ISR: MS</a> of project P110959 does not monitor this indicator.</p>	<p>Before the PLR the sub-indicators were: – <i>24,000 cocoa and coffee farmers adopt improved farming practices</i> – <i>1,500 oil palm growers trained in sustainable production practices</i></p> <p>At PLR stage the following indicator was taken out: <i>Increased support to women farmers measured by number of partnerships with their explicit participation (baseline is 0, target is 20 out of 35)</i></p> <p>There is a disconnect between indicator (a) and the CPS objective as currently defined. The number of beneficiaries does not directly measure improvements in smallholder sustainability and resilience.</p>



	CAS FY13-FY18: Focus Area II: <i>Gender-Equitable Improvements in Lives and Livelihoods</i>	Actual Results	IEG Comments
			<p>The latest ISR of P110959 also reports that there were 11,586 ha. of cocoa farms with improved planting material and applied improved practices. There was also 3,746 ha. of cocoa planted with diversified crops. Coffee farms also applied improved management services on 18,321 ha. of farmland. 19.8 kms of rural roads were also rehabilitated to improve market access. Finally, 6 new policy measures have been adopted to support institutional strengthening and industry coordination.</p>
<b>7. CPS Objective: Youth Development</b>			
	<p><b>Indicator 1: Youth in urban areas have more access to training and job opportunities, as measured by:</b></p> <p>(a) Days of workfare completed by youth beneficiaries over the course of Urban Youth Employment Project (UYEP) Baseline: 340,000 total cumulative (2015) Target: 660,000 total cumulative (2018)</p> <p>(b) Share of on-the-job graduates who have an offer of a paid job as they leave UYEP Baseline: 0 (2011); 39% (June 2015) Target: 30% (2018)</p> <p>(c) Share of female participants graduating from each component of UYEP (Basic Life Skills Training, Youth Job Corps, Pre-Employment Training, and On-the-Job Training) Baseline: 40% (2015) Target: 40% (2018)</p>	<p>The Urban Youth Employment Project – UYEP ((P114042, FY11) and its additional financing (P154412, FY16), supported this project. The latest <a href="#">ISR: S</a> (December 2018) reports that:</p> <p>(a) 814.273 days of workfare were completed by youth over the course of the project, as of September 2018. <b>Achieved</b></p> <p>(b) the share of on-the-job graduates who have an offer of a paid job as they leave UYEP reached 41%, as of September 2018, according to a 2017 follow-up survey <b>Achieved</b></p> <p>(c) the share of women graduating from each component of UYEP reached 41% as of September 2018. <b>Achieved</b></p>	<p>Before the PLR the sub-indicators were:</p> <ul style="list-style-type: none"> <li>- <i>At least 300,000 labor-days done by beneficiaries (baseline is 0)</i></li> <li>- <i>At least 50% of On-the-Job beneficiaries enjoy 20% increase in incomes (baseline being established by Intake Surveys)</i></li> </ul> <p>The CLR reports an older data: 46% according to a 2016 graduation survey (latest <a href="#">ISR: S</a> December 2018).</p>

CAS FY13-FY18: Focus Area II: <i>Gender-Equitable Improvements in Lives and Livelihoods</i>	Actual Results	IEG Comments
<b>8. CPS Objective: Business-enabling environment</b>		
<p><b>Indicator 1: More efficient opening/operation/closing of businesses in PNG, as measured by shorter number of days in Doing Business</b> Baseline: 35 (2012) Target: 10 (2016)</p>	<p>The Small and Medium Enterprise Access to Finance Project (P120707, FY11), supported this indicator. The latest <a href="#">ISR: MU</a> (December 2018) does not monitor this Indicator. Data from Doing Business indicates that the number of days needed to start a business decreased from 51 (2012) to 41 (2017). The CLR reports that the PLR targets were revised due to an assumed change in methodology in the Doing Business Survey. However, the assumed change in methodology did not materialize.</p> <p><b>Partially Achieved</b></p>	<p>Before the PLR, the baseline/target for this indicator were: <i>baseline in 2012 is 51; target for 2016 is 45</i></p> <p>Papua New Guinea's overall ranking in Doing Business decreased from 101/183 to 119/190 between 2012 and 2017. <a href="#">Distance to Frontier</a> scores, however, show an improvement from 56 in 2015 to 59 in 2017.</p>
<p><b>Indicator 2: 10% increase in annual number of women-owned businesses who "graduate" to formal status with registered businesses</b> Baseline: [to be generated by SME Survey sex-disaggregated "count" using IPA data in early 2013; IFC program with IPA will use IPA's data to track] Target: 10% increase (2016)</p>	<p>The latest <a href="#">ISR: MU</a> (December 2018) of project P120707 does not present data related to this Indicator but indicates that the number of formal SMEs (including women managed SMEs) increased from 45,000 to 50,000 between January 2013 and December 2018 (an 11% increase), without disaggregating data by gender. The ISR also reports that the data should be further verified during final beneficiary survey planned for January-May 2019.</p> <p><b>Not Verified</b></p>	
<p><b>Indicator 3: 20% increase in number of firms filing tax returns</b> Baseline: 8,400 (2014) Target: 10,000 (2018)</p>	<p>The latest <a href="#">ISR: MU</a> (December 2018) of project P120707 does not monitor this Indicator. The CLR indicates that income tax return filings decreased from 8,400 in 2014 to 8,088 in 2015 and 7,786 in 2016 – a 7% decrease from 2014 to 2016. 2017 figures are still being compiled.</p> <p><b>Not Verified</b></p>	<p>Indicator added at PLR.</p> <p>There is a disconnect between the indicator and its baseline/target as currently defined. While the indicator specifies an increase of 20% in tax filings, the baseline and target refers to an increase in the actual number and only reflects a 19% increase in tax filings.</p> <p>The Internal Revenue Commission (IRC) reports a doubling of the filing rate in 2018 (<a href="#">IRC press release</a>).</p>

	CAS FY13-FY18: Focus Area III: <i>Increasingly Prudent Management of Revenues and Benefits</i>	Actual Results	IEG Comments
<p><b>Major Outcome Measures</b></p>	<p><b>9. CPS Objective: Extractives Sector</b></p> <p><b>Indicator 1: Better governance and accountability in oil/gas/mining revenues, as measured by status in EITI process</b> Baseline: No formal commitment, Step 0 (2012); Candidate status, Step 2 (2016) Target: PNG achieves compliance with requirements of The EITI Standard, Step 3 (2018)</p>	<p>Papua New Guinea became EITI member in 2014. The national EITI reports were published in 2013, 2014, 2015 and 2016 (see <a href="#">list of publications</a>). As reported in the CLR and in the <a href="#">2017 EITI Annual Progress Report</a>, International Compliance Assessment and Validation is planned for 2018 but has not been achieved.</p> <p><b>Partially Achieved</b></p>	<p>Before the PLR the target was: step 2</p> <p>The TA Strengthening Civil Society Organizations (CSO) participation in EITI (FY16) supported the establishment of a civil society coalition engaged in EITI implementation in the country (<a href="#">final report</a>). The Extractives Global Programmatic Support (EGPS) Multi-Donor Trust Fund supported activities to strengthen civil society participate in EITI (project P154204, FY16, see EGPS Annual <a href="#">Progress Report</a>).</p>
	<p><b>Indicator 2: More equal involvement of women in community benefits from oil/gas/mining, as measured by rights for women in project agreements</b> Baseline: 1 (2008) Target: 3 (2016)</p>	<p>The Social and Economic Empowerment for Women in Mining and Petroleum Areas Project (P131462, FY13), supported this indicator as a follow-up project to the initial Japanese Social Development Fund that initiated the PNG Women in Mining Program and provided capacity building to women in mining communities. As reported in the March 2016 <a href="#">ISR: HU</a>, the project had experienced significant implementation challenges and was cancelled in May 2017. The Mining Sector Institutional Strengthening TA 2 (P102396, FY08) supported the empowerment of disadvantaged groups including women in extractive industries affected areas. IEG <a href="#">ICRR: MS</a> reports that five community plans reflecting the priorities of women were completed.</p> <p>Both projects did not measure the number of women's rights in project agreements.</p> <p>The CLR reports that Project agreements for Porgera, Ramu, Lihir, Hidden Valley, Simberi, Tolukuma, Sinivit, and Oil and Gas projects channel less than 50% of financial benefits, project financing, and women's representation in project agreements. This information could not be validated.</p> <p><b>Not Achieved</b></p>	<p>Indicator added at PLR.</p>

CAS FY13-FY18: Focus Area III: <i>Increasingly Prudent Management of Revenues and Benefits</i>	Actual Results	IEG Comments
<b>10. CPS Objective: Rural Service Delivery</b>		
<p><b>Indicator 1: Inclusive bottom-up planning in three provinces promotes increased local decision making, as measured by:</b></p> <p>(a) Number of community development subprojects implemented through community participation            Baseline: 0 (2016)            Target: 100 (30 in Central and Western provinces, 70 in Bougainville) (2018)</p> <p>(b) Number of persons, including women, benefitting from community development subprojects            Baseline: 0 (2016)            Target: 130,000 (50,000 in Central and Western Provinces and 80,000 in Bougainville), of which 50% women (2018)</p>	<p>The Rural Service Delivery and Local Governance Project – RSDLGP (P126157, FY14) supported this indicator in Central and Western Provinces and the Inclusive Development in Post-Conflict Bougainville project – IDIB (P125101, FY11) and its additional financing (P151766, FY15) supported the indicator in the autonomous region of Bougainville.</p> <p>(a) IEG <a href="#">ICRR:MS</a> of the RSDLGP reports that 73 approved ward-level community sub-projects were implemented, of which 58 have been completed as of December 2017 in Central and Western Provinces. The <a href="#">ICR: MS</a> of RSDLGP also reports that 95% of beneficiaries feel completed projects investments reflected their needs compared to the target of 70%.</p> <p>The CLR reports that 99 sub-projects were implemented in Bougainville: 68 completed and 31 sub-projects at 80% completion. This information could not be validated by IEG: the latest available <a href="#">ISR: MS</a> (February 2019) of the IDIB reports that 95 sub-projects were implemented and completed as of December 2018.</p> <p><b>Achieved</b></p> <p>(b) IEG <a href="#">ICRR:MS</a> of the RSDLGP reports a total of 49,285 beneficiaries (45% women or 22,280 women) in Central and Western Provinces while the CLR reports a total of 61,885 beneficiaries.</p> <p>The latest available <a href="#">ISR: MS</a> (February 2019) of the IDIB reports 51,642 beneficiaries (48% women) as of March 2018.</p> <p><b>Partially Achieved</b></p>	<p>Before the PLR sub-indicator (a) was: "increase in % of households who participate in allocation and use of \$\$ through local councils (baseline is 0; target is 70% of households in target districts, and 40% of adult women)"</p> <p>Sub-indicator (b) was added at PLR. However, sub-indicator (b) does not align completely with the overall indicator of bottom-up planning.</p>
<b>11. CPS Objective: Macroeconomic management</b>		
<p><b>Indicator 1: More robust debt sustainability framework, as measured by integration of WBG-IMF debt sustainability framework into the medium-term debt strategy document</b></p> <p>Baseline (2016): WBG-IMF debt sustainability framework has not yet been incorporated into the</p>	<p>The WB-IMF TA on Debt Sustainability and Medium-Term Debt Strategy (MTDS) (P160264, FY17) supported this indicator in addition to the preparation of a Debt Management Performance Assessment (DEMPA, see <a href="#">April 2016 report</a>).</p> <p>The CLR reports that PNG treasury has begun to employ elements (see MTDS <a href="#">presentation</a>) of the WBG-IMF debt sustainability framework</p>	<p>The following indicators were taken out at PLR stage:</p> <ul style="list-style-type: none"> <li>- Expanded outreach to civil society and communities on SWF measured by forums and public campaigns (baseline = 4, target = 8)</li> </ul>

	CAS FY13-FY18: Focus Area III: <i>Increasingly Prudent Management of Revenues and Benefits</i>	Actual Results	IEG Comments
	<p>government's latest medium-term debt strategy document (2013–17)</p> <p>Target (2018): WBG-IMF debt sustainability framework has been incorporated into the government's medium-term debt strategy document (2018–22)</p>	<p>into the government's medium-term debt strategy document (2018–22) approved in November 2017 (see <a href="#">final document</a>).</p> <p>The <a href="#">2017 National Budget</a> reports that the 2016 IMF DSA were used to re-benchmark targets for the 2018-22 MTDS (p.ii). The MTDS (2018-22) only refers to the Bank-IMF DSA and has no reference to the 2017 or 2018 DSA updates.</p> <p><b>Not Achieved</b></p>	<p>- <i>Increased capacity for and use of updated survey data, poverty monitoring and analysis of expenditures in transparent public debate measured by number of NEC (Cabinet) submissions using new data analyses (baseline = 0, target = 3).</i></p>





**Annex Table 2: Planned and Actual Lending for Papua New Guinea, FY13-FY18 (\$, millions)**

Project ID	Project name	Proposed FY	Approval FY	Closing FY	Proposed Amount	Proposed Amount	Approved IDA Amount
					CPS	PLR	
<b>Project Planned Under CPS/PLR</b>							
P101578	PG - Energy Sector Development Project	2013	2013	2020	7.3	7.3	7.3
P145120	RMRP II Additional Financing	2014	2014		55	126.5	126.5
P146003	Additional Financing for PPAP	2014	2014	2019	20	30	30
P159517	Rural Service Delivery Project	2017	2017	2022		23	23
P158807	PNG Tourism Sector Development	2017	2017	2023		20	20
P155087	Water Supply and Sanitation Development	2017	2017	2023		70	70
Dropped	AF Communications	2014			20		
Dropped	AF Rural Service Delivery and Local Governance	2014			25		
Dropped	Pilot Urban Water Supply for Slum Communities	2014			5		
Dropped	Governance TA (PFM and Procurement Reform)	2014			8		
Dropped	Renewable Energy Investments	2015			40		
Dropped	Renewable Energy Investments or Guarantees	2015			138		
Dropped	AF Urban Youth	2015			15		
Dropped	TA for Sovereign Wealth Fund Management	2015			20		
Dropped	Repeater Transport Project	2016			30		
Dropped	CCA-DDR Grants for Infrastructure and Agriculture Resilience (tied to IDA credits)	2015/2016			5		
Dropped	Road Maintenance and Rehabilitation Project AF	2017				27	
Dropped	Power Transmission and Distribution Lines Project	2018				250	
<b>Total Planned</b>					<b>388.3</b>	<b>553.8</b>	<b>276.8</b>
Project ID	Project name	Proposed FY	Approval FY	Closing FY	Proposed Amount	Proposed Amount	Approved IDA Amount
					CPS	PLR	
<b>Project Unplanned Under CPS/PLR</b>							
P160947	Emergency TB Project		2017	2022			15
<b>Total Unplanned</b>							<b>15</b>



Project ID	Project name	Proposed FY	Approval FY	Closing FY	Proposed Amount		Approved IDA Amount
					CPS	PLR	
<b>On-going Projects During the CPS/PLR Period</b>							
P102396	PG Mining Sector Inst Strengthening TA 2		2008	2015			17
P079140	PNG-Smallholder Agriculture Development		2008	2014			27.5
P110959	PNG Productive Partnerships in Agr.		2010	2019			25
P116521	PG-Flexible and Open Distance Education		2011	2016			5
P107782	PG: Rural Communications Project		2011	2019			15
P120707	PNG - SME Access to Finance Project		2011	2025			21.91
P114042	PNG - Urban Youth Employment Project		2011	2019			15.8
P119471	PNG Road Maintenance & Rehab Project II		2011	2021			43
	<b>Total On-going</b>						<b>170.21</b>

Source: The Independent State of Papua New Guinea CPS, WB Business Intelligence Table 2a.4, 2a.7, and 2b.1 as of 03/15/2019.

\*Ratings of Parent project



**Annex Table 3: Advisory Services and Analytics Work for Papua New Guinea, FY13-FY18**

Project ID	Economic and Sector Work	Fiscal Year	Report Type	Global Practice
P129216	Costs of Crime and Violence in PNG	FY15	Other Poverty Study	Social, Urban, Rural and Resilience Global Practice
P121121	PNG - ROSC Accounting & Auditing	FY15	Accounting and Auditing Assessment (ROSC)	Governance
P143381	PNG Economic Briefings FY13-FY14	FY15	Sector or Thematic Study/Note	Macroeconomics, Trade and Investment
P129764	PNG Education PER	FY15	Public Expenditure Review (PER)	Education
P117730	PG Resource Dist. and Benefit Sharing	FY16	Sector or Thematic Study/Note	Governance
P128361	PNG AAA - Health Sector Analytics	FY16	Sector or Thematic Study/Note	Health, Nutrition & Population
Project ID	Technical Assistance	Fiscal Year	Output Type	Global Practice
P092714	PNG HIES	FY13	Technical Assistance	Poverty and Equity
P128519	FCMNB:GIIF Pacific Insurance Policy Work	FY13	Technical Assistance	Finance, Competitiveness and Innovation
P129291	PNG #10148 Devt of Prudential Stds.	FY13	Technical Assistance	Finance, Competitiveness and Innovation
P109084	PNG - HIV/AIDS Survey	FY14	Technical Assistance	Health, Nutrition & Population
P129260	PNG #10115 Implement On Site Supervision	FY14	Technical Assistance	Finance, Competitiveness and Innovation
P123962	Social Protection NLTA	FY14	Technical Assistance	Social Protection & Labor
P144823	Water and Sanitation Policy Dev in PNG	FY14	Technical Assistance	Water
P131668	Papua New Guinea HIES Analysis Support	FY15	Technical Assistance	Poverty and Equity
P132320	Electrification Roll out Plan	FY15	Technical Assistance	Energy & Extractives
P155014	PG: Connectivity Analysis	FY16	Technical Assistance	Transport & Digital Development
P145131	Impl. of Survey on Financial Competency	FY16	Technical Assistance	Finance, Competitiveness and Innovation
P152008	PNG Social Protection NLTA 2	FY16	Technical Assistance	Social Protection & Labor
P158853	2nd DeMPA PNG	FY16	Technical Assistance	Macroeconomics, Trade and Investment
P154902	PNG Health Systems Strengthening Course	FY17	Technical Assistance	Health, Nutrition & Population
P150943	PNG #B020 FSIDS	FY17	Technical Assistance	Finance, Competitiveness and Innovation
P160264	CMC:PNG - Debt Management Strategy and S	FY18	Technical Assistance	Macroeconomics, Trade and Investment

Source: WB Business Intelligence 03/15/2019.



**Annex Table 4: Papua New Guinea Grants and Trust Funds Active in FY13-FY18 (\$, millions)**

Project ID	Project name	TF ID	Approval FY	Closing FY	Approved Amount
P105897	READ PNG	TF 98729	2011	2016	19.20
P125101	Inclusive Development in Post-Conflict Bougainville Project	TF 98558	2011	2019	4.92
P126996	PNG Disaster Risk Management Program	TF 10109	2012	2015	1.70
P129215	PNG: Enhanced Legal Administration of Petroleum License Database Management System	TF 12014	2012	2015	0.45
P129322	PNG: Building a More Disaster and Climate Resilient Transport Sector	TF 11267	2012	2015	2.67
P122974	GM- PG Energy Sector Development Project	TF 14583	2013	2018	0.90
P131462	PNG Social and Economic Empowerment for Women in Mining and Petroleum Areas	TF 13887	2013	2016	2.07
P128763	Papua New Guinea Settlement Upgrading Programme	TF 13085	2013	2015	0.35
P126157	Rural Service Delivery and Local Governance Preparation and Pilot	TF 12493	2013	2014	0.30
P126157	Rural Service Delivery and Local Governance Preparation and Pilot	TF 15507	2014	2017	3.20
P151766**	Inclusive Development in Bougainville AF		2015		2.40
P126157	Rural Service Delivery and Local Governance Preparation and Pilot	TF 18447	2015	2018	1.80
P149669	PNG Addressing FSV in EI areas	TF A0714	2016	2018	2.63
P154412***	PNG Urban Youth Employment Project Additional Financing	TF A1282	2016	2019	10.80
P146003*** *	ADDITIONAL FINANCING FOR PRODUCTIVE PARTNERSHIPS IN AGRICULTURE	TF 17577	2016	2019	5.16
P159517	Rural Service Delivery Project	TF A5004	2017	2021	4.50
<b>Total</b>					<b>63.05</b>

Source: WB Client Connection as of 03/15/2019.

\* IEG validates RETF that are 5M and above.

\*\*P151766 is Additional Financing for parent project P125101.

\*\*\*P154412 is Additional Financing for parent project P114042.

\*\*\*\*P146003 is Additional Financing for parent project P110959.



**Annex Table 5: IEG Project Ratings for Papua New Guinea, FY13-FY18 (\$, millions)**

Exit FY	Project ID	Project name	Total Evaluated	IEG Outcome	IEG Risk to DO
2014	P079140	PNG-Smallholder Agriculture Development	23.3	UNSATISFACTORY	HIGH
2015	P102396	PG Mining Sector Inst Strengthening TA 2	13.7	MODERATELY SATISFACTORY	SIGNIFICANT
2016	P105897*	Reading Education Project	19.2	MODERATELY SATISFACTORY	SIGNIFICANT
2016	P116521	PG-Flexible and Open Distance Education	4.6	MODERATELY UNSATISFACTORY	HIGH
2018	P126157*	Rural Service Del. and Local Governance	5.0	MODERATELY SATISFACTORY	#
<b>Total</b>			<b>65.8</b>		

Source: WB Business Intelligence Key IEG Ratings as of 03/15/2019.

\*Trust Fund project.

**Annex Table 6: IEG Project Ratings for Papua New Guinea and Comparators, FY13-FY18**

Region	Total Evaluated (\$M)	Total Evaluated (No)	Outcome % Sat (\$M)	Outcome % Sat (No)	RDO % Moderate or Lower Sat (\$)	RDO % Moderate or Lower Sat (No)
Papua New Guinea	65.79	5.0	57.6	60.0	0.0	0.0
EAP	23,024.28	247.0	87.4	78.9	56.2	54.7
World Bank	124,067.03	1412.0	83.8	73.6	52.7	42.8

Source: WB Business Intelligence and IEG staff calculations as of 03/15/2019.



**Annex Table 7: Portfolio Status for Papua New Guinea and Comparators, FY13-FY18**

Fiscal Year	2013	2014	2015	2016	2017	2018	Ave FY13-FY18
<b>Papua New Guinea</b>							
# Proj	8	8	7	6	10	10	8
# Proj At Risk	4	3	3	3	3	5	4
% Proj At Risk	50	38	43	50	30	50	43
Net Comm Amt	170.2	306.5	289.5	284.5	412.5	412.5	312.6
Comm At Risk	64.5	37.0	27.3	191.8	191.8	268.7	130.2
% Commit at Risk	38	12	9	67	46	65	40
<b>EAP</b>							
# Proj	227	237	246	245	265	269	248
# Proj At Risk	53	47	44	44	46	57	49
% Proj At Risk	23	20	18	18	17	21	20
Net Comm Amt	29,464.2	30,549.1	31,596.5	32,345.5	34,830.5	35,309.7	32,349.3
Comm At Risk	4,900.4	5,146.4	6,242.9	4,672.6	5,316.1	6,693.7	5,495.3
% Commit at Risk	17	17	20	14	15	19	17
<b>World Bank</b>							
# Proj	1,337	1,386	1,402	1,398	1,459	1,497	1,413
# Proj At Risk	339	329	339	336	344	348	339
% Proj At Risk	25	24	24	24	24	23	24
Net Comm Amt	169,430.6	183,153.9	191,907.8	207,350.0	212,502.9	229,965.6	199,051.8
Comm At Risk	39,638.0	39,748.6	44,430.7	42,715.1	50,837.9	48,148.8	44,253.2
% Commit at Risk	23	22	23	21	24	21	22

Source: WB Business Intelligence as of 03/15/2019.

**Annex Table 8: Disbursement Ratio for Papua New Guinea, FY13-FY18**

Fiscal Year	2013	2014	2015	2016	2017	2018	Overall Result
<b>Papua New Guinea</b>							
Disbursement Ratio (%)	14	29	13	13	19	13	16
Inv Disb in FY	22.5	43.6	33.4	27.8	33.1	35.3	195.8
Inv Tot Undisb Begin FY	163.7	151.0	251.5	207.8	177.5	280.3	1,231.8
<b>EAP</b>							
Disbursement Ratio (%)	20	20	20	20	19	17	19
Inv Disb in FY	3,232.8	3,539.6	3,670.3	3,797.6	3,612.3	3,358.3	21,210.9
Inv Tot Undisb Begin FY	16,461.7	17,830.8	17,923.6	19,399.7	18,948.3	19,663.8	110,227.9
<b>World Bank</b>							
Disbursement Ratio (%)	21	21	22	19	20	20	21
Inv Disb in FY	20,511.4	20,759.3	21,854.1	21,153.6	22,128.0	22,594.3	129,000.7
Inv Tot Undisb Begin FY	99,591.6	99,856.9	100,345.8	108,603.7	108,150.7	110,623.4	627,172.0

Source: WB Business Intelligence as of 03/15/2019.



**Annex Table 9: Net Disbursements and Charges for Papua New Guinea, FY13-FY18 (\$, millions)**

Period	Disb. Amt.	Repay Amt.	Net Amt.	Charges	Fees	Net Transfers
FY13	21.4	17.0	4.5	1.1	0.9	2.5
FY14	33.8	17.9	15.9	0.7	1.0	14.1
FY15	26.4	18.8	7.6	0.6	1.2	5.9
FY16	24.4	17.2	7.2	0.6	1.3	5.3
FY17	31.5	15.5	16.0	1.0	1.5	13.6
FY18	35.2	17.5	17.7	1.2	1.7	14.8
<b>Report Total</b>	<b>172.8</b>	<b>103.9</b>	<b>68.9</b>	<b>5.2</b>	<b>7.6</b>	<b>56.1</b>

Source: WB Client Connection as of 3/15/2019.

**Annex Table 10: Total Net Disbursements of Official Development Assistance for Papua New Guinea (\$, millions)**

Development Partners	2013	2014	2015	2016	2017
Australia	474.25	418.31	416.45	338.53	381.46
Austria	0.57	0.24	0.76	0.34	0.43
Belgium	..	..	0	0	0
Canada	0.16	..	..	0.33	0.04
Czech Republic	..	..	..	..	0.01
Finland	0.04	0.09	..	..	..
France	0.16	0.26	0	0.08	0.01
Germany	1.06	1.08	0.89	1.47	0.91
Ireland	0.02	..	..	..	..
Italy	0.16	..	..	..	0.46
Japan	-7.16	9.28	3.7	44.4	21.19
Korea	0.79	1.97	1.8	1.14	0.3
New Zealand	19.07	22.76	19.64	23.29	22.54
Norway	1.59	1.43	2.44	1.35	1.11
Poland	0.02	0.03	0.05	0.02	0.04
Spain	..	..	0.06	..	0.03
Switzerland	..	0	..	..	..
United Kingdom	0.93	1.81	1.45	1.06	0.79
United States	7.25	6.98	8.04	11.88	10.81
<b>DAC Countries, Total</b>	<b>498.91</b>	<b>464.24</b>	<b>455.28</b>	<b>423.89</b>	<b>440.13</b>
Israel	0.01	0.02	0.03	0.06	..
Thailand	0.01	..	..	0.01	0.04
Turkey	0.02	0.03	..	0.12	0.02
United Arab Emirates	0.01	..	..	0.01	0
<b>Non-DAC Countries, Total</b>	<b>0.05</b>	<b>0.05</b>	<b>0.03</b>	<b>0.2</b>	<b>0.06</b>



Development Partners	2013	2014	2015	2016	2017
EU Institutions	7.08	14.4	21.87	15.67	13.28
Regional Development Banks, Total	69.12	37.76	50.76	21.55	15.24
Asian Development Bank, Total	69.12	37.76	50.76	21.55	15.24
Asian Development Bank [AsDB]	69.12	37.76	50.76	21.55	15.24
United Nations, Total	9.2	9.3	11.9	14.28	15.65
Food and Agriculture Organization [FAO]	0.05	..	..	..	..
International Atomic Energy Agency [IAEA]	..	..	..	0.18	0.24
IFAD	0.48	1.12	1.19	3.52	4.58
International Labour Organization [ILO]	0.31	0.24	0.19	0.12	0.23
UNAIDS	0.5	1.04	1.08	1.14	0.24
UNDP	2.02	1.58	1.45	1.21	1.22
UNFPA	2.38	1.94	1.89	1.41	1.58
UNHCR	0.17	..	..	..	..
UNICEF	1.82	1.69	2.66	1.5	2
UN Peacebuilding Fund [UNPBF]	0.09	0.19	1.55	3.41	3.51
World Health Organization [WHO]	1.38	1.51	1.9	1.79	2.07
World Bank Group, Total	23.03	30.69	23.87	31.08	18.29
World Bank, Total	23.03	30.69	23.87	31.08	18.29
International Development Association [IDA]	23.03	30.69	23.87	31.08	18.29
Other Multilateral, Total	50.06	25.49	27.68	24.91	29.37
Adaptation Fund	..	2.15	1.65	0.99	..
Climate Investment Funds [CIF]	0.24	0.29	0.17	..	..
Global Alliance for Vaccines and Immunization [GAVI]	6.26	4.97	8.87	1.72	3.47
Global Environment Facility [GEF]	1.57	3.73	2.64	2.9	5.06
Global Fund	35.05	16	14.99	17.54	21.74
OPEC Fund for International Development [OFID]	6.93	-1.65	-0.64	1.76	-0.9
<b>Multilateral Agencies, Total</b>	<b>158.49</b>	<b>117.64</b>	<b>136.08</b>	<b>107.49</b>	<b>91.83</b>
<b>Development Partners, Total</b>	<b>657.45</b>	<b>581.93</b>	<b>591.39</b>	<b>531.58</b>	<b>532.02</b>

Source: OECD Stat database as of 03/15/2019.





**Annex Table 11: Economic and Social Indicators for Papua New Guinea**

Series Name						Papua New Guinea	EAP	World Bank
	2013	2014	2015	2016	2017	Average 2013-2017		
<b>Growth and Inflation</b>								
GDP growth (annual %)	3.8	15.4	5.3	1.6	2.5	5.7	4.3	2.8
GDP per capita growth (annual %)	1.6	13.0	3.1	-0.5	0.5	3.5	3.6	1.6
GNI per capita, PPP (current international \$)	3,210.0	3,750.0	3,890.0	3,940.0	4,030.0	3,764.0	16,211.0	15,738.3
GNI per capita, Atlas method (current \$) (Millions)	2,630.0	3,010.0	2,780.0	2,480.0	2,340.0	2,648.0	9,890.6	10,617.1
Inflation, consumer prices (annual %)	5.0	5.2	6.0	6.7	5.4	5.7	1.8	2.0
<b>Composition of GDP (%)</b>								
Agriculture, value added (% of GDP)	19	18	18	..	..	18	5	4
Industry, value added (% of GDP)	16	23	24	..	..	21	34	26
Services, etc., value added (% of GDP)	..	..	..	..	..	..	59	64
Gross fixed capital formation (% of GDP)	..	..	..	..	..	..	32	23
Gross domestic savings (% of GDP)	..	..	..	..	..	..	34	26
<b>External Accounts</b>								
Exports of goods and services (% of GDP)	..	..	..	..	..	..	31	31
Imports of goods and services (% of GDP)	..	..	..	..	..	..	29	30
Current account balance (% of GDP)	-16	10	22	27	27	14	..	..
External debt stocks (% of GNI)	108	92	104	100	86	98	..	..
Total debt service (% of GNI)	6	5	6	18	14	10	..	..
Total reserves in months of imports	3.4	4.2	5.1	6.0	4.3	4.6	15.1	13.2
<b>Fiscal Accounts*</b>								
General government revenue (% of GDP)	21	21	19	18	18	19	..	..
General government total expenditure (% of GDP)	28	27	24	23	21	25	..	..
General government net lending/borrowing (% of GDP)	-7	-6	-5	-5	-3	-5	..	..
General government gross debt (% of GDP)	25	27	31	37	37	31	..	..
<b>Health</b>								
Life expectancy at birth, total (years)	65.1	65.2	65.4	65.5	..	65.3	75.2	71.8



Series Name						Papua New Guinea	EAP	World Bank
	2013	2014	2015	2016	2017	Average 2013-2017		
Immunization, DPT (% of children ages 12-23 months)	79	73	73	72	62	72	93	85
People using at least basic sanitation services (% of pop)	19	19	19	..	..	19	76	67
People using at least basic drinking water services (% of pop)	37	37	37	..	..	37	93	88
Mortality rate, infant (per 1,000 live births)	46.9	45.7	44.4	43.1	41.8	44.4	14.2	31.3
<b>Education</b>						..	..	..
School enrollment, preprimary (% gross)	..	..	..	44	..	44	76	48
School enrollment, primary (% gross)	..	..	..	112	..	112	103	104
School enrollment, secondary (% gross)	..	..	..	49	..	49	88	76
Population						..	..	..
Population, total (Millions)	7.6	7.8	7.9	8.1	8.3	7.9	2,283.3	7,357.7
Population growth (annual %)	2.2	2.1	2.1	2.1	2.0	2.1	0.7	1.2
Urban population (% of total)	13	13	13	13	13	13	56	54
<b>Poverty</b>								
Poverty headcount ratio at \$1.90 a day (2011 PPP) (% of pop)	..	..	..	..	..	..	3.0	10.6
Poverty headcount ratio at national poverty lines (% of pop)	..	..	..	..	..	..	..	..
Rural poverty headcount ratio at national poverty lines (% of rural pop)	..	..	..	..	..	..	..	..
Urban poverty headcount ratio at national poverty lines (% of urban pop)	..	..	..	..	..	..	..	..
GINI index (World Bank estimate)	..	..	..	..	..	..	..	..

Source: WB Development Data Platform as of 03/15/2019.

\*International Monetary Fund, World Economic Outlook Database, October 2018.

\*\* Data available only up to 2017.



**Annex Table 12: List of IFC Investments in Papua New Guinea (\$, million)**  
Investments Committed in FY13-FY18

Project ID	Cmt FY	Project Status	Primary Sector Name	Project Size	Net Loan	Net Equity	Net Comm
37706	2017	Active	Finance & Insurance	30.0	30.0	-	30.0
32833	2015	Closed	Oil, Gas and Mining	58.0	-	-	-
35312	2015	Closed	Oil, Gas and Mining	18.3	18.3	18.3	18.3
32706	2014	Active	Finance & Insurance	80.0	30.0	-	30.0
32223	2013	Closed	Finance & Insurance	66.1	11.0	-	11.0
32750	2013	Closed	Construction and Real Estate	22.0	-	-	-
<b>Sub-Total</b>				<b>274.4</b>	<b>89.4</b>	<b>18.3</b>	<b>89.4</b>

**Investments Committed pre-FY13 but active during FY13-18**

Project ID	CMT FY	Project Status	Primary Sector Name	Project Size	Net Loan	Net Equity	Net Comm
26186	2011	Active	Finance & Insurance	7.5	19.3	-	19.3
29230	2011	Active	Finance & Insurance	45.3	10.7	-	10.7
28111	2010	Active	Industrial & Consumer Products	7.8	3.9	3.8	3.8
28844	2010	Active	Finance & Insurance	0.2	0.2	0.2	0.2
28852	2010	Active	Finance & Insurance	140.0	83.9	53.9	83.9
27386	2009	Active	Collective Investment Vehicles	22.0	4.0	4.0	4.0
23626	2005	Active	Finance & Insurance	3.2	-	-	-
<b>Sub-Total</b>				<b>226.1</b>	<b>121.9</b>	<b>61.9</b>	<b>121.8</b>
<b>TOTAL</b>				<b>500.4</b>	<b>211.3</b>	<b>80.2</b>	<b>211.2</b>

Source: IFC-MIS Extract as of 1/31/19



**Annex Table 13: List of IFC Advisory Services in Papua New Guinea, 2013-2018 (\$, million)**  
**Advisory Services Approved in FY13-18**

Project ID	Project Name	Impl Start FY	Impl End FY	Project Status	Primary Business Line	Total Funds, \$
601649	PNG G2P Payments	2018	2020	ACTIVE	EFI	0.8
601810	PNG Airport PPP	2018	2018	TERMINATED	CAS	2.0
601829	PNG Health PPP Project	2018	2019	TERMINATED	CAS	0.3
602232	PNG and Fiji Capital Markets Development	2018	2021	ACTIVE	EFI	2.1
602271	PNG Tourism Project	2018	2020	ACTIVE	MAS	1.3
602330	PNG Consumer Protection Project	2018	2021	ACTIVE	EFI	1.5
603066	BSP E&S Technical Assistance Advisory	2018	2020	ACTIVE	FIG	0.1
600557	PNG PPP Screening	2017	2018	TERMINATED	CAS	0.1
600299	Port Moresby PPP	2016	2018	TERMINATED	CAS	2.0
592867	PNG SME tax simplification	2015	2020	ACTIVE	EFI	2.2
600090	ANZ Mobile Banking (goMoney) Project	2015	2017	HOLD	FIG	1.2
600131	Pacific Renewable Energy Generation Project	2015	2020	ACTIVE	INR	3.4
600363	AES Support to Implement a Environmental and Social Management System	2015	2015	TERMINATED	ESG	0.0
599352	Pacific Women in Business Program	2014	2020	ACTIVE	EPS	5.1
599409	Agribusiness PNG	2014	2019	ACTIVE	MAS	3.2
599825	Regional Westpac Mobile Banking Project	2014	2018	CLOSED	FIG	1.5
578167	PMI Pipeline Assessment	2013	2013	TERMINATED	A2F	2.3
585727	Pacific Payment Systems	2013	2022	ACTIVE	EFI	7.4
594427	Lighting PNG Extension	2013	2019	ACTIVE	INR	3.5
<b>Sub-Total</b>						<b>40.1</b>

**Advisory Services Approved pre-FY13 but active during FY13-18**

Project ID	Project Name	Impl Start FY	Impl End FY	Project Status	Primary Business Line	Total Funds, \$
591248	Papua New Guinea Commercial Mediation	2012	2014	CLOSED	IC	0.6
582448	BSP Rural Electronic Banking and Mobile Money Project	2011	2015	CLOSED	FIG	1.5
567987	Papua New Guinea Regulatory Simplification and Investment Policy and Promotion Project	2009	2016	CLOSED	TAC	3.0
<b>Sub-Total</b>						<b>5.1</b>
<b>TOTAL</b>						<b>45.2</b>

Source: IFC AS Portal Data as of 2/28/19



**Annex Table 14: List of Net Commitment Activity in Papua New Guinea, 2013-2018 (\$, million)**

	2013	2014	2015	2016	2017	2018	Total
Financial Markets	(0.0)	30.0	(0.0)	(0.2)	30.0	(0.0)	59.8
Agribusiness & Forestry	(2.9)	-	-	-	-	-	(2.9)
Other MAS Sectors	65.1	-	(37.1)	(15.0)	-	(2.0)	11.0
Manufacturing	(0.0)	(0.1)	-	-	-	-	(0.1)
Other Infra Sectors	4.0	-	(4.0)	-	-	-	-
Oil, Gas & Mining	-	-	17.5	-	-	-	17.5
<b>Total IFC Long Term Investment Commitment</b>	<b>66.1</b>	<b>29.9</b>	<b>(23.6)</b>	<b>(15.1)</b>	<b>30.0</b>	<b>(2.0)</b>	<b>85.3</b>
<b>Short-term Finance/Trade Finance - Average Outstanding Balance</b>	<b>2.1</b>	<b>0.2</b>	<b>-</b>	<b>-</b>	<b>0.1</b>	<b>-</b>	<b>2.4</b>

Source: IFC MIS as of 3/11/19

Note: IFC began reporting average outstanding short-term commitments (not total commitments) in FY15 and no longer aggregates short-term commitments with long-term commitments. IEG uses net commitment number for IFC's long-term investment. For trade finance guarantees under GTFP, average commitment numbers have been used.

**Annex Table 15: List of MIGA Projects Active in Papua New Guinea, 2013-2018**

ID	Contract Enterprise	FY	Project Status	Sector	Investor	Max Gross Issuance
No Active projects during the review period						
<b>Total</b>						-

Source: MIGA 3/11/19 w/ Project Briefs