



Papua New Guinea: Fiscal and Debt Sustainability Program (Subprogram 1)

Project Name	Fiscal and Debt Sustainability Program (Subprogram 1)	
Project Number	53425-001	
Country	Papua New Guinea	
Project Status	Proposed	
Project Type / Modality of Assistance	Private Sector Loan	
Source of Funding / Amount	GU: Fiscal and Debt Sustainability Program	
	Ordinary capital resources	US\$ 180.00 million
Strategic Agendas	Inclusive economic growth	
Drivers of Change	Governance and capacity development	
Sector / Subsector	Public sector management - Public administration	
Gender Equity and Mainstreaming	No gender elements	
Description	The proposed Fiscal and Debt Sustainability Program will support government efforts to improve fiscal and debt management practices and their implementation, while supporting legal and regulatory reforms to strengthen the financial system. The policy-based guarantee enables finance sector deepening by encouraging new commercial banks into PNG.	
Project Rationale and Linkage to Country/Regional Strategy	The program is aligned with the ADB country partnership strategy, 2016 2020 for PNG and ADB's Strategy 2030, with an emphasis on operational priority 7 (strengthening governance and institutional capacity). A programmatic approach and policy-based guarantee (PBG) is proposed to finance two subprograms to be implemented during 2020 and 2021. A programmatic approach reflects the medium-term horizon and flexibility needed to effectively design and implement reforms. Use of a PBG will allow ADB to leverage private sector capital from international markets, which the government intends to mobilize to restructure public debt; and lower debt servicing costs.	
Impact	Good governance and broad-based growth to build a prosperous nation	
Outcome	Fiscal and debt sustainability improved	
Outputs	Fiscal management Debt management Diversified and resilient finance sector	
Geographical Location	Nation-wide	
Summary of Environmental and Social Aspects		
Environmental Aspects		
Involuntary Resettlement		
Indigenous Peoples		
Stakeholder Communication, Participation, and Consultation		
During Project Design		
During Project Implementation		
Responsible ADB Officer	Wyatt, Pamela	
Responsible ADB Department	Pacific Department	
Responsible ADB Division	PASP	
Timetable		
Concept Clearance	-	
Fact Finding	-	
MRM	-	
Approval	-	
Last Review Mission	-	
Last PDS Update	19 Feb 2020	

Project Page	https://www.adb.org/projects/53425-001/main
Request for Information	http://www.adb.org/forms/request-information-form?subject=53425-001
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