



Papua New Guinea: Building Resilience to Climate Change in Papua New Guinea

Project Name	Building Resilience to Climate Change in Papua New Guinea
Project Number	46495-002
Country	Papua New Guinea
Project Status	Active
Project Type / Modality of Assistance	Grant
Source of Funding / Amount	Grant 0447-PNG: Building Resilience to Climate Change in Papua New Guinea Strategic Climate Fund US\$ 24.25 million
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth Regional integration
Drivers of Change	Governance and capacity development Knowledge solutions Partnerships Private sector development
Sector / Subsector	Public sector management - Public administration
Gender Equity and Mainstreaming	Effective gender mainstreaming
Description	The proposed Building Resilience to Climate Change in Papua New Guinea (formerly Strategic Program for Climate Resilience Implementation Project for Papua New Guinea (PNG) (the Project)) aims to make PNG's development investments climate resilient and support the country's transition to 'climate compatible development,' as outlined in its national medium- and long-term development strategies. The Project will facilitate integration of climate resilience into development processes through (i) enhanced access to financial resources dedicated to climate change adaptation; (ii) development and dissemination of knowledge products and adaptation tools; (iii) better understanding of climate change vulnerabilities and adaptation options; (iv) increased adaptive capacity at the sectoral, national, district, and community levels, thereby building climate resilient communities, addressing climate change risks to food security; and (v) development of climate-resilient infrastructure-all prerequisites for effective social development, food security, and poverty reduction.

Project Rationale and Linkage to Country/Regional Strategy

PNG is a lower middle-income country of approximately 6.5 million people with high vulnerability to volcanic eruptions, earthquakes, tsunamis, cyclones, droughts, and other weather-induced extreme events. Key impediments facing PNG's efforts to facilitate transformational change toward climate-resilient development include (i) inadequate human, technical, and financial resources at all levels; (ii) limited knowledge of climate change risk management; and (iii) poorly designed infrastructure that is vulnerable to climate change impacts. Climate change is therefore a critical challenge with enormous implications for the entire range of development concerns in PNG: poverty alleviation, sustainable livelihoods, and food security. Climate change has the potential to reverse the country's hard-earned development gains, and could compromise its ability to achieve its plans for a prosperous, peaceful, and secure growth. As such, climate change response ought to be mainstreamed into government policy, planning, and programming in order to help improve the resilience of communities and mitigate increasingly severe climate change impacts.

Climate change could result in losses of up to 15.2% of PNG's gross domestic product by 2100 (under a business-as-usual scenario), with agriculture being the most affected sector.

Coral reefs around the Pacific will be affected, with implications for recreational opportunities for tourism, coastal protection, habitat, nursery functions for commercial fisheries, and other goods and services. Some 4,500 kilometers of the total 17,100 kilometers of shoreline are expected to be inundated, affecting up to 30% of PNG's population. Those most vulnerable to climate change are the 2,000 coastal villages with a combined population of around 800,000. Food shortages are common in the island regions. Poverty rates are high, and increased during 2003-2008 from 37% to 54%. Ports and wharves are critical for interisland transport, but are not designed to withstand climate extremes. Upgrading such coastal infrastructure is necessary for timely delivery of perishable food products to markets, and for agricultural inputs for farming and fisheries. Given the declining productivity in agriculture due to limited arable land, unsustainable farming practices, and overexploitation of coastal resources, climate-induced storm surges and coastal flooding are likely to worsen the situation. Public health will also be affected.

There is, therefore, a clear need to (i) build institutional, technical, and financial capacity to deal with climate change risks; and (ii) enhance resilience of island and atoll communities by increasing productivity of the natural resource base, increasing access to water supply and sanitation, improving food processing and storage, and strengthening port infrastructure.

Establishment of an enabling policy environment is a prerequisite for success. Addressing these impediments will not only facilitate mainstreaming climate change in development but also ensure sustainable use of the country's natural resources and the long-term economic development of the country.

Impact

The project is aligned with PNG's Medium-Term Development Plan, 2011-2015 that focuses on "developing governance and institutional capacity together with essential infrastructure and policies... to improve the quality of life," and the CCDA's Climate Compatible Development Strategy aimed at "shaping development to be more climate resilient" and "setting up a sustainable climate change financing framework." In this context, the project impact is increased resilience to the impacts of climate variability and climate change.

Project Outcome

Description of Outcome

Improved capacities of communities (in vulnerable atolls and islands), government agencies, and civil society to plan and respond to the impacts of climate change.

Progress Toward Outcome

Implementation Progress

Description of Project Outputs

Sustainable fishery ecosystems and food security investments piloted in nine vulnerable island and atoll communities
 Climate change and vulnerability assessments carried out and adaptation plans developed for target communities.
 Enabling framework for climate-resilient infrastructure established and communications network extended.

Status of Implementation Progress (Outputs, Activities, and Issues)

Geographical Location

Safeguard Categories

Environment	B
Involuntary Resettlement	C
Indigenous Peoples	C

Summary of Environmental and Social Aspects

Environmental Aspects	The Project is categorized B for environmental impact. Impacts may occur during installation of water supply and latrine facilities, together with subproject investments identified during vulnerability assessments such as coastal stabilization. The environmental impact from these activities can be addressed by following the environmental assessment and review framework. The Project Implementation Support Consultants (PISC) environmental specialist will ensure environmental management plans are adhered to, particularly the SGF initiatives, and will be responsible for ensuring the environmental assessment and review framework is applied in assessing proposed subproject.
Involuntary Resettlement	The Project is categorized C for involuntary resettlement. The project is not expected to require land acquisition or resettlement. The majority of project activities under outputs 1 and 2, such as water tanks and latrines, will be at a household or community level; communication equipment will be installed on existing towers. The identification of subprojects will involve exhaustive community consultation. Each community will identify its adaptation priorities and a few may require small-scale construction works. Candidate subprojects requiring involuntary land acquisition will not be financed. If a subproject requires additional land that communities are willing to provide voluntarily in consideration of project benefits, the land use rights for the subproject will be arranged through a voluntary land use agreement or negotiated settlement, for which a framework has been prepared.
Indigenous Peoples	The Project is categorized C for indigenous peoples. The Project is not expected to affect any vulnerable group of indigenous peoples as defined under ADB's Safeguard Policy Statement (2009). Project beneficiaries are part of mainstream Melanesian society and their institutions are not separate from mainstream society. They are not discriminated against (either in practice or law) based on ethnicity and are not vulnerable because they are the dominant groups locally and the main beneficiaries in the project context. The subprojects will benefit local communities, without any disproportionate risks against particular groups, and they will be implemented in a participatory manner.

Stakeholder Communication, Participation, and Consultation

During Project Design	The design phase worked through the Technical Working Group of PNG's Office of Climate Change and Development (OCCD) composed of representatives from government agencies, development partners, and civil society. Specific GoPNG agencies included: Department of Agriculture and Livestock, Department of Environment and Conservation, Department of Finance, Department of Lands and Physical Planning, Department of National Planning and Monitoring, Department of Provincial and Local Level Government Affairs, Department of Transport, Department of Treasury, Department of Works, National Agriculture Research Institute, Department of Health, National Fisheries Authority, National Agricultural Research Institute, Coastal Inland Fisheries Development Agency, National Weather Service, Office of Rural Development, Port Moresby Geophysical Observatory, University of Papua New Guinea, National Maritime Safety Authority, and OCCD.
During Project Implementation	Project implementation is expected to commence in January 2016. The executing agency will be CCDA under the guidance of a project steering committee that will be cochaired by a secretary-level officer or designated representative from the Department of National Planning and Monitoring and CCDA. The steering committee will consist of representatives from the Department of Treasury, Department of Health, the Coastal and Inland Fisheries Development Agency, the National Disaster Centre, PNG Ports Corporation, National Agricultural Research Institute, and representatives from the five participating provinces, with ADB as an observer. The steering committee shall meet quarterly initially and then biannually once implementation stabilizes or, as required, to review project implementation performance and approve annual work plans and budgets. A PMU will be established in the CCDA, headed by a full-time project director seconded from the CCDA who will be supported by a full-time national project coordinator and PISCs. The PISCs will provide technical support to the PMU as well as financial management, procurement, and support for SGF-related activities. The PMU will be the secretariat for the project steering committee. Implementation arrangements are summarized in Table 3 and are further detailed in the project administration manual.

Business Opportunities

Consulting Services	All consultants and NGOs will be recruited according to ADB's Guidelines on the Use of Consultants. The terms of reference are provided in the Project Administration Manual. The Project Implementation Support Consultants (PISC) to be recruited will provide implementation support for the project providing additional resources for the Project Management Unit to implement the project as intended. The PNG Ports Corp. Ltd. (PNG PCL) Enabling Framework consultants will be engaged following QCBS procedures to assist in developing the enabling framework that will assist in addressing the variations expected from climate change. NGO contracts will also be recruited to support the implementation of Outputs 1 and 2 in the 21 priority vulnerable islands.
Procurement	All procurement to be financed by the Project will follow ADB's Procurement Guidelines (2010, as amended from time to time). Procurement of various office/relay equipment, water storage and supply facilities, and sanitation, and other small scale works are included in procurement activities under the project.

Responsible Staff

Responsible ADB Officer	Roop, James A.
Responsible ADB Department	Pacific Department

Responsible ADB Division

Transport, Energy and Natural Resources Division, PARD

Executing Agencies

Office of Climate Change and Development
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Timetable

Concept Clearance	02 May 2013
Fact Finding	17 Nov 2014 to 28 Nov 2014
MRM	16 Apr 2015
Approval	21 Oct 2015
Last Review Mission	-
Last PDS Update	31 Mar 2017

Grant 0447-PNG

Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
21 Oct 2015	15 Jan 2016	01 Mar 2016	30 Apr 2022	-	-

Financing Plan		Grant Utilization			
	Total (Amount in US\$ million)	Date	ADB	Others	Net Percentage
Project Cost	27.29	Cumulative Contract Awards			
ADB	0.00	21 Oct 2015	0.00	1.15	5%
Counterpart	3.04	Cumulative Disbursements			
Cofinancing	24.25	21 Oct 2015	0.00	0.66	3%

Project Page <https://www.adb.org/projects/46495-002/main>

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