Early Warning System

ADB-58426-001

Transport Project Readiness Facility

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Quick Facts

Countries	Papua New Guinea
Financial Institutions	Asian Development Bank (ADB)
Status	Approved
Bank Risk Rating	U
Voting Date	2025-12-11
Borrower	Government of Papua New Guinea - Department of Works and Highways
Sectors	Technical Cooperation, Transport
Investment Type(s)	Loan
Loan Amount (USD)	$ 65.00 million
Grant Amount (USD)	$ 2.00 million
Project Cost (USD)	$ 72.40 million

Project Description

According to the Bank’s website, the proposed facility will finance feasibility studies, detailed engineering designs, procurement support and other preparatory work for public transport projects, and road projects. It will improve provincial and rural roads, providing connectivity to people in rural parts of the country and accessibility to markets and basic services such as health and education. The project readiness financing (PRF) will support timely and cost-effective achievement of the outcomes of such projects. It will have two outputs: (i) design- and procurement-ready transport projects prepared; and (ii) project management capacity of executing and implementing agencies improved. The PRF has an attached technical assistance (TA) to help the executing agencies in reviewing and validating the preparation and scope of the ensuing projects under the PRF. The TA will have two outputs: (i) feasibility studies, detailed engineering designs, and due diligence for ensuing projects reviewed and validated; and (ii) government capacity in institutional strengthening, gender equality, and social inclusion development planning strengthened.

Early Warning System Project Analysis

According to the Report and Recommendation of the President to the Board of Directors, the Risk Categories are:

Environment: Not Applicable
Involuntary Resettlement: Not Applicable
Indigenous Peoples: Not Applicable

Investment Description

- Asian Development Bank (ADB)

The government has requested a regular loan of $35 million and a concessional loan of $30 million, both from ADB's ordinary capital resources, to help finance project preparation and design activities. The regular loan will have a 15-year term, including a grace period of 3 years; an interest rate determined in accordance with ADB's Flexible Loan Product; and such other terms and conditions set forth in the draft loan agreement. Based on the straight-line method, the average maturity of the regular loan is 9.25 years, and there is no maturity premium payable to ADB. The concessional loan will have an interest charge of 1.0% per year; a term of 40 years, including a grace period of 10 years; repayment of principal at 2.0% per year for the first 10 years after the grace period and 4.0% per year thereafter; and such other terms and conditions set forth in the draft loan agreement.

Grant (Technical Assistance Special Fund): $2 million

Counterpart (Government): $5.4 million

Contact Information

For the Borrower:

Secretary, Department of Treasury
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Email Address: treasury_inquiries@treasury.gov.pg

For ADB:

Asian Development Bank
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ACCESS TO INFORMATION

You can submit an information request for project information at: https://www.adb.org/forms/request-information-form

ADB has a two-stage appeals process for requesters who believe that ADB has denied their request for information in violation of its Access to Information Policy. You can learn more about filing an appeal at: https://www.adb.org/site/disclosure/appeals

ACCOUNTABILITY MECHANISM OF ADB

The Accountability Mechanism is an independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an Asian Development Bank-financed project. If you submit a complaint to the Accountability Mechanism, they may investigate to assess whether the Asian Development Bank is following its own policies and procedures for preventing harm to people or the environment. You can learn more about the Accountability Mechanism and how to file a complaint at: http://www.adb.org/site/accountability-mechanism/main.

Bank Documents

- Loan Agreement (Ordinary Operations [Concessional]) for Loan 6063-PNG: Transport Project Readiness F
- Loan Agreement (Ordinary Operations) for Loan 6062-PNG: Transport Project Readiness Facility
- Transport Project Readiness Facility: Procurement Plan
- Transport Project Readiness Facility: Project Administration Manual
- Transport Project Readiness Facility: Report and Recommendation of the President
- Transport Sector Improvement (Phase 1): Technical Assistance Report

Media

- ADB Approves $275 Million Financing to Expand Access to Finance, Clean Energy, and Transport in PNG