

 Early Warning System

ADB-59206-001

Fresh Food Marketing System Project-FMRF



Quick Facts

Countries	Papua New Guinea
Financial Institutions	Asian Development Bank (ADB)
Status	Proposed
Bank Risk Rating	B
Borrower	Government of Papua New Guinea - Department of Agriculture and Livestock, Vunadidar
Sectors	Agriculture and Forestry
Investment Type(s)	Loan
Investment Amount (USD)	\$ 40.00 million



Project Description

According to the Bank's website, the project aims to improve food and nutritional security of the rural and urban population in Papua New Guinea by improving the fresh food marketing system. It will adopt and finance climate-resilient and sustainable agricultural practices, improve fresh food marketing and connectivity, promote nutritious fresh produce consumption, and strengthen institutional capacity supportive of fresh food sector.

Papua New Guinea's (PNG) economy, poverty and agriculture. The agriculture sector plays an important role in PNG economy. On average, the sector contributes 28.1% to the country's gross domestic product (GDP) and employs approximately 85% of the population. The sector is characterised by three main production systems, namely, subsistence, semi-subsistence, and the plantation or estate systems. However, most of the sector is subsistence-farming based characterised by low productivity, low quality of produce due unsuitable farming practices, limited access to quality inputs, low productivity due to limited market access, and small farm sizes. About 80% of PNG's population live in rural areas and rely mostly on agriculture as their source of livelihood. However, only about 25% of the land has been classified as arable with varying agricultural potential. As of 2022, 40% of PNG's population lives below the poverty line for basic needs.

Food and nutrition security. PNG's huge potential in agriculture is overcome by the lack of efficiency in its agrifood system which leads to high food import dependency and poor nutrition security outcomes. Among the challenges faced by the agrifood system include weak coordination within the value chain, high postharvest losses, and limited value-adding development. Weak coordination within the value chain is best illustrated by the limited access to seeds and seasonal planning, which leads to farmers producing the same type of produce at the same time. This leads to oversupply and huge postharvest losses as the market is unable to absorb the volume of produce available. Land tenure challenges also limit economic growth, contribute to persistent poverty, and constrain agricultural development by restricting access to land for investment and a persistent uncertainty over land rights which limits long-term planning and sustainable use of land. Chronic malnutrition (stunting) in children and obesity among adults is alarmingly high. The government's Demographic and Health Survey (DHS) of 2016/2018 reveal that almost half of the children under five years in PNG were stunted (very high category) and have remained unchanged since 1983. On the other hand, obesity among adults has increased to 53% in 2016.



Early Warning System Project Analysis

Environment: B

Involuntary Resettlement: B

Indigenous Peoples: C



Investment Description

- Asian Development Bank (ADB)

The financing amount is \$40,000,000, which will be financed on a loan basis by ADB's Concessional ordinary capital resources lending.



Contact Information

No contacts available at the time of disclosure.

ACCESS TO INFORMATION

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