

 Early Warning System

WB-P515452

PNG Agriculture Commercialization and Diversification Project Phase 2



Quick Facts

Countries	Papua New Guinea
Financial Institutions	World Bank (WB)
Status	Proposed
Bank Risk Rating	A
Voting Date	2026-12-16
Borrower	Government of Papua New Guinea - Department of Treasury; Department of Agriculture and Livestock
Sectors	Agriculture and Forestry, Law and Government
Investment Type(s)	Loan
Investment Amount (USD)	\$ 100.00 million
Project Cost (USD)	\$ 220.00 million



Project Description

According to the Bank's website, the proposed PDO is "to increase productivity, commercialization, and job creation in targeted agriculture value chains in PNG".

The proposed PNG Agriculture Commercialization and Transformation Project (PACT) seeks to boost productivity, commercialization, and job creation across targeted agriculture value chains nationwide by scaling proven approaches from Phase 1 and expanding coverage from 12 to all 22 provinces. Core activities will: (i) strengthen productive partnerships among smallholder farmers, farmer organizations, and agribusinesses, including improved access to finance; (ii) develop climate-resilient productive infrastructure such as feeder roads and post-harvest logistics hubs; and (iii) enhance institutional capacity of public agencies and commodity boards. The project will focus on coffee, cocoa, spices, horticulture, and livestock, targeting smallholders, farmer groups, and agribusinesses. Financing will be led by IDA with co-financing from AIIB and collaboration with IFC and MIGA. Implementation will be managed by the Department of Agriculture and Livestock through the existing Project Coordination Unit. Expected results include higher yields and sales, mobilized private capital, and creation of new and better jobs with strong inclusion of women and youth.



Early Warning System Project Analysis

PACD2 presents **Substantial** environmental and social risks given its nationwide expansion across 22 provinces, diverse ecological zones, and complex customary land systems. Environmental risks relate to feeder road rehabilitation, small-scale irrigation, processing upgrades, increased use of agricultural chemicals, waste generation, and potential impacts on water, soil, and biodiversity. The geographic spread and remote locations heighten oversight challenges, especially where institutional capacity is limited. Social risks are similarly Substantial due to land access and economic displacement risks within customary tenure, legacy disputes, inclusion challenges for diverse Indigenous groups, labor risks for contractors and community workers, hazardous child labor, SEA/SH risks, and potential tensions from inequitable benefit-sharing. Expanding agricultural activities and financial products may amplify these risks if not managed carefully.



Investment Description

- World Bank (WB)

IDA Credit: US\$ 100.00 million

Total Project Cost: US\$ 220.00 million



Contact Information

CONTACT POINT - World Bank

Task Team Leader: Abimbola Adubi

Title: Senior Agriculture Specialist

Email: aadubi@worldbank.org

TTL Contact: Allan Tobalbal Oliver

Job Title: Senior Agricultural Specialist

Email: aoliver1@worldbank.org

ACCESS TO INFORMATION

To submit an information request for project information, you will have to create an account to access the Access to Information request form. You can learn more about this process at: <https://www.worldbank.org/en/access-to-information/request-submission>

ACCOUNTABILITY MECHANISM OF THE WORLD BANK

The World Bank Inspection Panel is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by a World Bank-financed project. If you submit a complaint to the Inspection Panel, they may investigate to assess whether the World Bank is following its own policies and procedures for preventing harm to people or the environment. You can contact the Inspection Panel or submit a complaint by emailing ipanel@worldbank.org. Information on how to file a complaint and a complaint request form are available at: <https://www.inspectionpanel.org/how-to-file-complaint>



Bank Documents

- [Concept Environmental and Social Review Summary \(ESRS\) - PNG Agriculture Commercialization and Trans](#)
- [Concept Project Information Document \(PID\)](#)



Other Related Projects

- WB-P166222 PNG Agriculture Commercialization and Diversification Project