

WORLD BANK GROUP

Papua New Guinea

Country Partnership Framework FY2019 – 2023 SUMMARY



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The World Bank Group's *Country Partnership Framework (CPF) FY2019 – 2023* lays out the strategy and aims of the World Bank Group's future work in Papua New Guinea over the coming years.

It covers work by the member organizations

- The World Bank; which includes the International Bank for Reconstruction & Development (IBRD) and the International Development Association (IDA);
- It's sister organization, the International Finance Corporation (IFC), an organization which focuses on the private sector in developing countries;
- and the Multilateral Investment Guarantee Agency (MIGA), which offers political risk insurance and credit enhancement guarantees.

The CPF – or work program for the World Bank Group – was developed after consultations with government, civil society organisations and the public in PNG.

It is aligned with Papua New Guinea's *Medium-Term Development Plan for 2018–22 (MTDPIII)*, as well as *Vision 2050* and the *PNG Development Strategic Plan 2010–2030*.



The context

Papua New Guinea (PNG) is a richly diverse society undergoing intense economic and social transformation. With more than 800 different languages spoken among a population of more than eight million people, divided into more than 1,000 ethnic clans, PNG is one of the most truly diverse countries in the world. PNG's economy has tripled in size since independence, and growth in gross domestic product (GDP) has averaged 3.4 percent per year.

Yet PNG continues to fall well short of its development potential against the backdrop of its enormous natural wealth, strategic geographic location, and young and diverse population. Despite rapid economic growth over recent decades and significant increases in government expenditure, poverty remains persistent and prevalent in some areas.

Progress on human development indicators has been insufficient to support PNG's ambition of becoming an upper-middle-income country by 2030 and a top-50 country on the United Nations Development Programme's (UNDP) Human Development Index (HDI) rankings by 2050.

The World Bank Group's aims

The World Bank Group's new Country Partnership Framework aims to support Papua New Guinea in pursuing sustainable and inclusive growth and building resilience to shocks across three strategic focus areas:



Improving macro
and fiscal
resilience



Ensuring more
effective and inclusive
service delivery,
particularly in
underserved areas



Enabling private
sector development
and inclusive growth
in non-resource
sectors

Addressing **governance and institutional challenges** will be a cross-cutting theme to the World Bank Group's program in PNG.



A closer look at the proposed actions under the World Bank Group's aims:

01 Improving Macro & Fiscal Resilience



Support for improvements to macroeconomic policy, and encouraging effective implementation will go a long way to ensuring that:

- the economy is appropriately insulated from commodity-price-induced volatility;
- that public services are adequately funded;
- that the private sector and international capital can count on stability and growth; and
- that a broad range of risks (debt, balance of payments, and inflation, for example) are well under control.



Help to strengthen fiscal management to help build resilience in the country and help address vulnerabilities in the macroeconomic environment



Continue support improvements to tax administration and fiscal resilience against climate change and natural disasters, including through a disaster risk financing strategy.



Support for improvements to governance in the resource sector.



02 Support for more effective and inclusive delivery of services, particularly in underserved areas



The World Bank Group will help improve the quality of public spending on services.

For example: Improvements to the management and maintenance of PNG's road infrastructure – including supporting women to get access to paid work via maintenance groups, and support rehabilitation of several major economic corridors beginning with the Madang-Ramu highway.



Work to improve access to key services for people, including help to strengthen frontline health services.

IFC will explore opportunities for private sector investment to improve and deliver health services.



Help improve access to **clean water**, and sanitation in areas where poverty is most prevalent.



Help to boost people's **access to electricity** and **development of renewable energy**, including by working with the private sector.



Improve community **access to basic infrastructure and services**, particularly in vulnerable areas, where community driven development will be critical for access and maintenance of infrastructure.



Improve **access to affordable housing**, including through private sector investments.



03

Enabling Private Sector Development and Inclusive Growth in the Non-Resource Sector



Improve the **competitiveness of PNG's micro, small and medium sized business** and increases in the supply of finance to micro borrowers.



Boost number of people with **mobile banking** accounts, **access to digital services** and increasing **competition across the financial sector** to spur innovation.



Continue support to help PNG develop a **corporate bond market**, including through a private sector bond.



Improve competitiveness and productivity of **agriculture and tourism**, including help for **small and medium-sized farmers** to improve crops and competitiveness, especially with key crops such as **cocoa, coffee and coconut**; as well as help to farmers for adoption of new technologies.



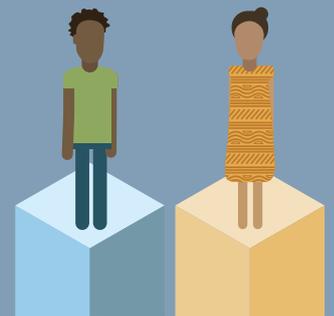
Help develop PNG's **tourism** to create jobs, especially for unskilled and semi-skilled Papua New Guineans.



Boost job opportunities for young people and women, including by building on existing programs to help vulnerable **urban youth** to gain skills, with a particular focus on young women.



Aim to increase **women's economic empowerment**, by building on IFC's work efforts to provide practical solutions to business to advance gender equality; and with the World Bank exploring a violence prevention pilot program in the key cities and urban areas.



Learn more

To read World Bank Group's Country Partnership Framework FY19-FY23 for PNG, or to learn more about the World Bank Group's work in Papua New Guinea, visit www.worldbank.org/PNG and www.ifc.org

