[Overview of Australia's aid program to Papua New Guinea ...](https://dfat.gov.au/geo/papua-new-guinea/development-assistance/pages/papua-new-guinea.aspx)

[https://dfat.gov.au/geo/papua-new-guinea/development.../papua-new-guinea.aspx](https://dfat.gov.au/geo/papua-new-guinea/development-assistance/pages/papua-new-guinea.aspx)

1. [Cached](https://webcache.googleusercontent.com/search?q=cache:4c7ipOIRx-kJ:https://dfat.gov.au/geo/papua-new-guinea/development-assistance/pages/papua-new-guinea.aspx+&cd=12&hl=en&ct=clnk&gl=pg&client=safari)

Oct 19, 2018

The Australian Government will provide an estimated $572.2 million in total ODA to PNG in 2018-19. This will include an estimated $519.5 million in bilateral funding to PNG managed by DFAT.

Despite huge resource potential and close proximity to Asian markets, PNG faces economic challenges and fiscal pressures. Poor law and order, lack of infrastructure, complex governance arrangements, weak public service, inequality between men and women, and rapidly growing population are challenges to its future prosperity. PNG also remains vulnerable to climate change and natural disasters, including earthquakes, volcanoes and tsunamis.

The population is overwhelmingly  poor and face hardship and 80  per cent of Papua New Guinean's reside in traditional rural communities. The development challenges for children and youth in PNG are stark: an estimated 40 per cent of children are stunted, one in five children are not enrolled in school and nearly half the population is under the age of 20. Family and sexual violence is endemic, with some of the highest rates of violence against women and children in the world. It is also estimated around 15 per cent of the population have some form of disability.

Despite these development challenges, PNG is seeking to achieve upper middle-income country status by 2050 ([PNG Vision 2050 [PDF 2.78mb]](http://www.treasury.gov.pg/html/publications/files/pub_files/2011/2011.png.vision.2050.pdf)). Sector priorities, as set out in the [PNG Government's 2017 Alotau Accord](https://dfat.gov.au/about-us/publications/Pages/papua-new-guinea-alotau-accord-summary-oneill-gov-priorities.aspx) II, include education, health, law and justice, infrastructure and sustainable economic growth. PNG's economic growth agenda focuses upon investments in high impact infrastructure, job skills development and partnering with the private sector. PNG's plans are being updated in the Medium Term Development III plan 2018-2022. PNG also has a strong focus on decentralisation to improve service delivery at the local level.

Our program is organised around the following three mutually reinforcing objectives as outlined in the [Aid Investment Plan 2015–16 to 2017–18](https://dfat.gov.au/about-us/publications/Pages/aid-investment-plan-aip-papua-new-guinea-2015-16-to-2017-18.aspx) (extended by one year). We are integrating [gender equality](https://dfat.gov.au/aid/topics/investment-priorities/gender-equality-empowering-women-girls/gender-equality/Pages/australias-assistance-for-gender-equality.aspx), youth, [disability-inclusive](https://dfat.gov.au/aid/topics/development-issues/disability-inclusive-development/Pages/disability-inclusive-development.aspx), and [climate change](https://dfat.gov.au/geo/pacific/development-assistance/Pages/resilience-pacific-regional.aspx) measures in all investments.

Objective 1: Promoting effective governance

An effective public sector and rule of law are fundamental for PNG's ongoing stability, economic growth and poverty reduction. Our assistance is supporting enhanced governance by strengthening public sector leadership, performance and accountability, community engagement and electoral reform. Australia is supporting PNG-led reforms aimed at strengthening sub-national service delivery. In consultation with the PNG Government, we will continue providing policing assistance and investments aimed at preventing and combatting corruption and strengthening access to justice.

[Investments for promoting effective governance in Papua New Guinea](https://dfat.gov.au/geo/papua-new-guinea/development-assistance/Pages/governance-assistance-png.aspx)

Objective 2: Enabling economic growth

Australia’s aid can be a strong catalyst for more inclusive economic growth in PNG. We engage with businesses and support initiatives that promote private sector growth, led by both men and women. This includes increased support for infrastructure, skilling the workforce and a range of other investments which reduce the costs of doing business, reduce risk and improve productivity.

[Investments for enabling economic growth in Papua New Guinea](https://dfat.gov.au/geo/papua-new-guinea/development-assistance/Pages/enabling-economic-growth-png.aspx)

Objective 3: Enhancing human development

Now under the Human Development objective, the Pacific Leadership and Governance Precinct (Precinct) is a joint initiative of the Papua New Guinea and Australian governments to train Papua New Guinea's next generation of ethical and high-performing public sector leaders.

PNG continues to face enormous challenges in providing access to quality health services and education opportunities for all Papua New Guineans. Australia is assisting PNG to achieve a more effective health system, targeting improvements in maternal and child health and communicable disease control. To maximise the influence of our investments we focus on key areas of the health system, including workforce, infrastructure and financing. It is in the national interests of both countries to support investments in human development that encourage a prosperous, secure and stable Papua New Guinea.

Australia's support for the education sector in PNG aims to strengthen people to people links, skills, and leadership. More specifically, we support quality teaching and learning; expanded skills based training; empowerment and service delivery at district and provincial level; and greater capacity building through strengthened leadership. Our goal is for Papua New Guinean citizens to gain the skills and knowledge to take advantage of employment and leadership opportunities.

People-to-people and institutional links between PNG and Australia are supported through the [Australia Awards scholarships](http://www.australiaawardspng.org/) and [Australian Volunteers for International Development](https://dfat.gov.au/people-to-people/volunteers/Pages/volunteers.aspx). The [Australia-Papua New Guinea Network](http://auspng.lowyinstitute.org/), the [Emerging Leaders Dialogue](http://www.lowyinstitute.org/news-and-media/press-releases/2015-ge-australia-papua-new-guinea-emerging-leaders-dialogue) and the [New Colombo Plan](https://dfat.gov.au/people-to-people/new-colombo-plan/pages/new-colombo-plan.aspx) also foster and strengthen people-to-people links.

[Investments for enhancing human development in Papua New Guinea](https://dfat.gov.au/geo/papua-new-guinea/development-assistance/Pages/enhancing-human-development-png.aspx)

Our results

In 2017-18, Australia's aid program contributed to a range of outcomes, including:

Objective 1: Promoting effective governance

* Signing of the Partnership Arrangement on Improved Decentralisation and Service Delivery by three Papua New Guinea Ministers and the Australian High Commissioner in September 2018
* Partnerships with six priority districts have improved service delivery and economic opportunity at provincial and district levels. Examples include developing district-wide economic and business strategies to support private sector investment; and development of district development plans to improve resource allocation and administration in the districts.
* Almost 30,000 people made use of improved services provided by civil society, church, private sector and government partners; and
* Over 3,000 had improved access to financial services
* Launch of the third phase of Church Partnership Program, which will strengthen the Papua New Guinea Council of Churches; enhance cooperation between churches; and to strengthen church engagement with Government on key issues
* Supporting the delivery of the Papua New Guinea national election, by assisting the Papua New Guinea Electoral Commission to strengthen strategic and operational planning; review and update training manuals; train approximately 30,000 temporary workers; deliver logistics planning and warehouse management support; provide public awareness programs and ICT systems; and improve financial management and communications
* Over 1,200 Village Courts and Land Mediators completed training in delivering equitable and effective services and provided services to approximately 43,000 Papua New Guineans.
* We improved survivor access to FSV support services by improving referral pathways and increasing public awareness on recently enacted laws such as the Family Protection Act (FPA). The quality of police services and their responses to FSV survivors has improved through training and upgraded infrastructure (including the completion of Papua New Guinea's 25th FSV Unit)

Objective 2: Enabling economic growth

* Helped increase the Government of Papua New Guinea's tax revenue by 315 million kina through clearing 608,209 unlodged returns
* Supporting APEC 2018 by working with Papua New Guinea's National Research Institute to establish the Papua New Guinea APEC Study Centre (ASC).
* Helped provide over 1.2 million people in Papua New Guinea with high-quality solar recharging and lighting products through  the IFC's *Lighting Papua New Guinea* project
* Supported the Asian Development Bank to fund a package of USD195 million to support the delivery of accessible, affordable and high-quality healthcare services in Papua New Guinea
* Assisted young PNG entrepreneurs to develop their ideas through our investment in Kumul Game Changers
* Completed an infrastructure development project at Pata-Painave Primary School in East New Britain that demonstrated a successful private sector partnership with Hargy Oil Palm Ltd
* Supported the maintenance and reconstruction of 1,981 kilometres of roads across 10 provinces and the Autonomous Region of Bougainville

Objective 3: Enhancing human development

* In 2017-18 over 763 people benefited from Pacific Leadership and Governance Precinct diplomas and short courses, including 319 participants (27 percent women) in eight short courses delivered in regional training centers and 930 people who attended Precinct-supported public policy discussions.
* Through the Early Essential New-born Care program, Australian and UNICEF support has helped train nurses, midwives, community health workers in 195 health facilities across 11 provinces since 2015. This support has benefited an estimated 104,000 new borns
* Providing facilities for childbirth and other services under the Australia and Asian Development Bank partnership in six Community Health Posts opened in three provinces
* Assisting 99 per cent of TB patients to complete treatment (up from 65 per cent in 2014) in Daru, Western Province
* Through the Australia-China-PNG Trilateral Malaria Project providing advanced training for more than 200 health staff across 18 provinces
* Improving  literacy and numeracy outcomes by training 1,348 elementary teachers and 214 Community Literacy Volunteers; launching pilot electronic reading applications in 36 schools; and training 12,000 school administrators to efficiently manage and account for Government funds
* Supporting reform in the technical and vocational education and training (TVET) system through helping to develop the legislation for a National Skills Development Authority and preparing the National Training Policy 2017 for endorsement; and helping to provide computer labs and e-libraries to six technical colleges in Papua New Guinea to allow the colleges to deliver courses to industry standard
* Supporting more than 1,100 Papua New Guineans to study in Australia and in PNG through Australia Awards.

Our changing program

A new bilateral aid partnership was agreed in 2016 and was extended by one year in 2018. This Arrangement establishes our shared vision to ensure development cooperation contributes as effectively and efficiently as possible to sustained and inclusive economic growth and to reduce poverty in Papua New Guinea. It aligns with the priorities outlined in the Aid Investment Plan and the second PNG Medium Term Development Plan 2015–17. The current Australian aid program in PNG is implemented in accordance with the PNG-Australia Aid Partnership Arrangement 2016-2017 and the [Joint Understanding](https://dfat.gov.au/geo/papua-new-guinea/Pages/joint-understanding-between-australia-and-papua-new-guinea-on-further-bilateral-cooperation-on-health-education-and-law-and.aspx) between Australia and Papua New Guinea on further bilateral cooperation on Health, Education and Law and Order. Together, these set out the mutually agreed priorities and commitments for Australia and PNG to work together to improve development outcomes for all Papua New Guineans.

Given PNG's sovereign responsibility and financial ability to undertake basic service delivery, Australia is increasingly focusing its efforts in the [health, education](https://dfat.gov.au/geo/papua-new-guinea/development-assistance/Pages/enhancing-human-development-png.aspx), [infrastructure](https://dfat.gov.au/geo/papua-new-guinea/development-assistance/Pages/enabling-economic-growth-png.aspx) and [law and justice](https://dfat.gov.au/geo/papua-new-guinea/development-assistance/Pages/governance-assistance-png.aspx) sectors to further develop PNG's own capacity to deliver services to its population using its own resources.

As part of the shift in Australia's aid investment agreed between our two Governments, we are increasing initiatives focused on [private sector](https://dfat.gov.au/aid/topics/development-issues/private-sector-development/Pages/private-sector-development.aspx)-led growth and. This includes increased support for transport infrastructure, the business enabling environment, agriculture, innovation and partnerships and financial inclusion. We are considering ways to engage the [private sector](https://dfat.gov.au/aid/who-we-work-with/private-sector-partnerships/Pages/private-sector-partnerships.aspx) and promote private sector growth in all new aid investments.

Australia is also increasing support to initiatives that [empower women](https://dfat.gov.au/aid/topics/investment-priorities/gender-equality-empowering-women-girls/gender-equality/Pages/australias-assistance-for-gender-equality.aspx) to take on greater leadership roles in public and community life, and participate in the economy.

Australia is committed to supporting Papua New Guinea's [climate change and disaster risk management efforts](https://dfat.gov.au/geo/pacific/development-assistance/Pages/resilience-pacific-regional.aspx), as well as to managing climate and other disaster risks in our aid investments. We are also working with other donors and international financial institutions to help Papua New Guinea secure access to international sources of climate-related development funding such as the Green Climate Fund.

Recognising the importance of the rule of law and effective [governance](https://dfat.gov.au/geo/papua-new-guinea/development-assistance/Pages/governance-assistance-png.aspx) to PNG's prosperity, we will augment our policing and public sector capacity building assistance.

[Australia's development assistance to Bougainville](https://dfat.gov.au/geo/papua-new-guinea/development-assistance/Pages/australian-assistance-to-bougainville.aspx) aims to improve peace, stability and prosperity as the Government of PNG and the Autonomous Bougainville Government continue to implement autonomy arrangements under the Bougainville Peace Agreement.

We are also continuing to work with the PNG Government to ensure Australia's [regional and global programs](https://dfat.gov.au/aid/who-we-work-with/Pages/who-we-work-with.aspx) complement Australia's bilateral assistance and promote achievement of Australia's aid objectives in PNG.

Guardian

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[China's aid to Papua New Guinea threatens Australia's influence ...](https://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=4&ved=2ahUKEwiD29fKhKbhAhUSOisKHRbdBtIQFjADegQIAxAB&url=https%3A%2F%2Fwww.theguardian.com%2Fworld%2F2018%2Fjul%2F02%2Fchinas-aid-to-papua-new-guinea-threatens-australias-influence&usg=AOvVaw0ek4cfkaxK6TbVw2j9zbse)

[https://www.theguardian.com/.../chinas-aid-to-papua-new-guinea-threatens-australias-inf...](https://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=4&ved=2ahUKEwiD29fKhKbhAhUSOisKHRbdBtIQFjADegQIAxAB&url=https%3A%2F%2Fwww.theguardian.com%2Fworld%2F2018%2Fjul%2F02%2Fchinas-aid-to-papua-new-guinea-threatens-australias-influence&usg=AOvVaw0ek4cfkaxK6TbVw2j9zbse)

Australia remains the dominant aid partner. The Lowy Institute estimates that between 2006 and 2016, Australia has dedicated $7.7bn in aid to the region, dwarfing China’s $1.7b. However, there are concerns over China’s rising interest.

China’s aid spending in [Papua New Guinea](https://www.theguardian.com/world/papua-new-guinea) – with its focus on infrastructure and “few-strings-attached” concessional loans – risks eroding Australia’s influence in the country, with Australian aid sometimes viewed as paternalistic and unwieldy.

According to the Deakin University submission, “those interviewed noted the differences of the structure, transparency and detail of Australian aid planning to that of the more opaque Chinese aid. For one interviewee, this made ‘Chinese aid more effective. Chinese aid is unconditional, no strings attached ... the government can use this aid more flexibly’.”

Nevertheless, Chinese investment in Papua New Guinea has risen dramatically in the last four years, particularly in the now standard Chinese template of roads and other infrastructure projects. As of last year, it is reported that China has [spent more than $1.9 billion in Papua New Guinea](https://www.smh.com.au/world/oceania/from-bus-stops-to-bridges-chinese-influence-in-png-a-wake-up-call-20180914-p503ro.html), and has committed more than $4 billion to building essential roads.

By contrast, the Australian aid budget for fiscal year 2017/18 [is $414 million](https://dfat.gov.au/geo/papua-new-guinea/development-assistance/Pages/papua-new-guinea.aspx), at the current exchange rate.