

# Pacific Country Partnership Strategies

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# Asian Development Bank (ADB)

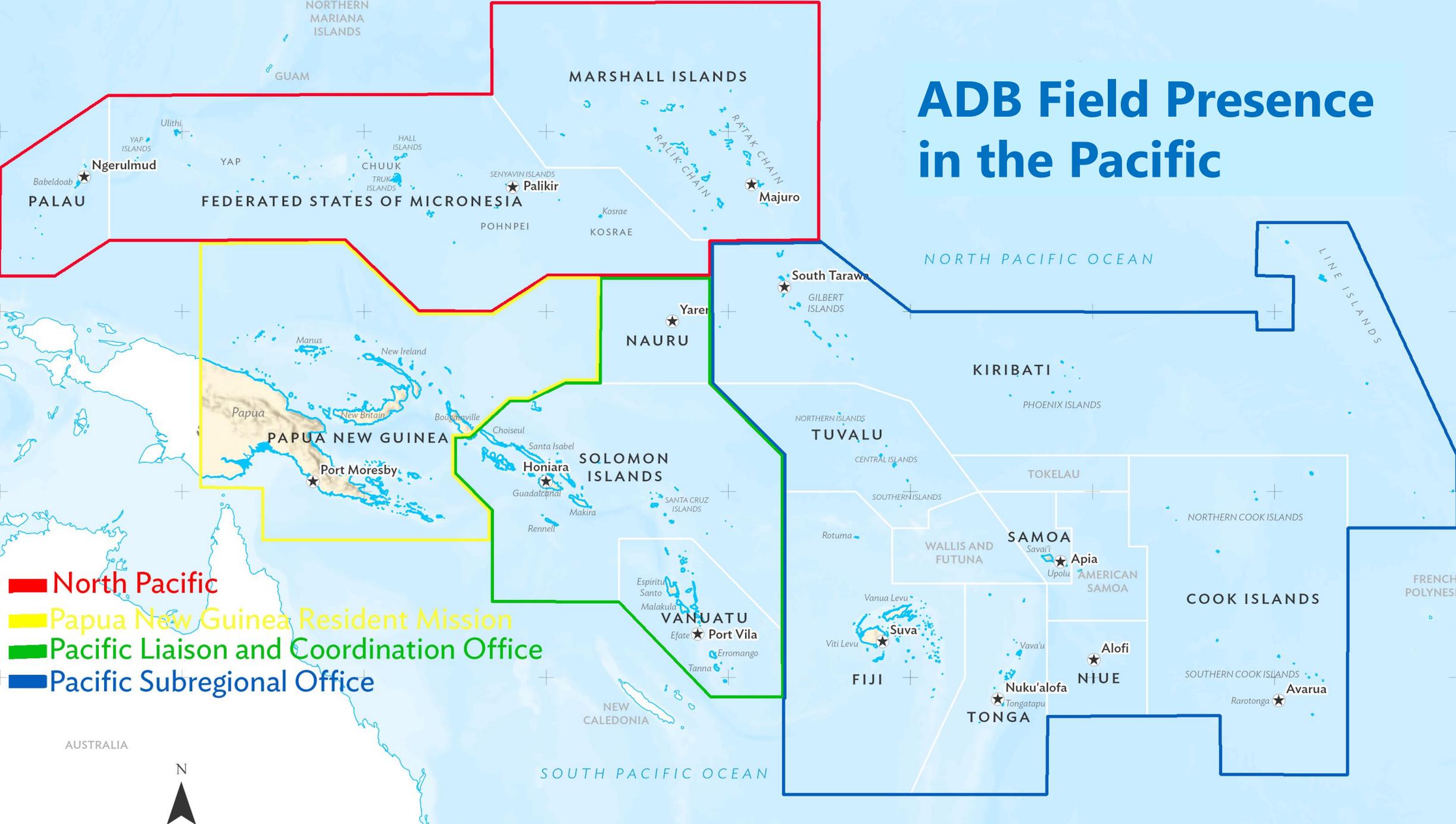


**Strategy 2030 vision:** To achieve a prosperous, inclusive, resilient, and sustainable Asia and the Pacific, while sustaining its efforts to eradicate extreme poverty

- Founded in 1966
- 69 members; 49 in the region
- 41 borrowing members in 2023

**The Pacific Department** oversees ADB operations in the Pacific.

# ADB Field Presence in the Pacific



- North Pacific**
- Papua New Guinea Resident Mission**
- Pacific Liaison and Coordination Office**
- Pacific Subregional Office**



# ADB works by optimizing its added-value



## Finance

**ADB provides own financing while also mobilizing funds from other sources.**

## Knowledge

ADB focuses on practical value that fits local conditions, identify lessons, and replicate good practices.

## Partnership

ADB promotes dialogue and collaboration among diverse partners and stakeholders.

# ADB operations go beyond sovereign financing...

## Nonsovereign Operations

- ADB's Private Sector Operations Department (PSOD) catalyzes, structures, and provides financing to privately held and state-sponsored companies across a wide range of industry sectors throughout developing Asia.
- The emphasis is on commercially viable transactions that generate attractive financial returns while also delivering on ADB's organization-wide mission to promote environmentally sustainable and inclusive economic growth.

## Public–Private Partnership

- ADB's Office of Market Development and Public–Private Partnership (OMDP) aims to enhance the role of ADB in supporting and enabling governments of its developing members to secure greater private investment and generate economic growth in the region.
- OMDP provides transaction advisory services to developing member countries such as PNG to develop bankable PPP projects. It also coordinates and supports PPP-related activities in ADB.

# ADB Sovereign Financing

## Investment Project

- Used to finance investment projects that are generally well-defined
- Fund disbursements can be direct payment on qualifying expenditures, reimbursement, or through advance fund



## Policy-based Lending

- Provides untied financial resources to help meet a country's financing needs while supporting policy reforms
- Funds are disbursed when evidence of the fulfillment of policy actions is provided



## Results-based Lending

- Finances a defined share of the government's program, with focus on results rather than on financing expenditures
- Funds are disbursed when a set of program's results, as agreed with the borrower, are achieved



# ADB Nonsovereign Financing

ADB's Private Sector Operation focuses on commercially viable transactions that generate attractive financial returns while also promoting environmentally sustainable and inclusive economic growth.

01

## Debt

Direct loans at market-based rates, B loans, and unfunded risk participations

02

## Guarantees

Protection against political and credit risks

03

## Equity Investment

Direct investments in common shares, preferred stock, or convertibles; investments in private equity funds

04

## Technical Assistance & Concessional Capital

Collaborative support for project implementation and institutional capacity building; attractively priced and structured financing from third-party sources

# PPP Support



## Upstream **Capacity Building** **Enabling Environment**

Raise awareness, enhance government capacity, establish policies and frameworks, identify potential projects, and provide support to facilitate PPP development.



## Midstream **Project Preparation and Transaction Advisory Services (TAS)**

Assist in designing, preparing and tendering PPP projects through **transaction advisory services** to ensure appropriate risk allocation, bankability and value for money for the public sector



## Downstream **Project Monitoring**

Provide post-commercial close support for contract management and project monitoring to ensure successful implementation of the PPP projects



**ADB engagement** with developing member countries are guided by their respective country partnership strategies (CPSs) or equivalent documents

- **Fiji CPS, 2024-2028 approved** in August 2024
- **PNG CPS 2021-2025**
- **Pacific Approach 2021-2025**

# Papua New Guinea - Country Partnership Strategy

# ADB and Papua New Guinea

- Papua New Guinea (PNG) has been a member of ADB since 1971.
- The Papua New Guinea Resident Mission (PNRM) office was established in 2003.
- ADB is among PNG's largest development partner in terms of lending with a portfolio of approximately \$1.379 billion.
- The focus areas include transport connectivity, energy, human capital development, and public sector management.

## ADB Operations in Papua New Guinea

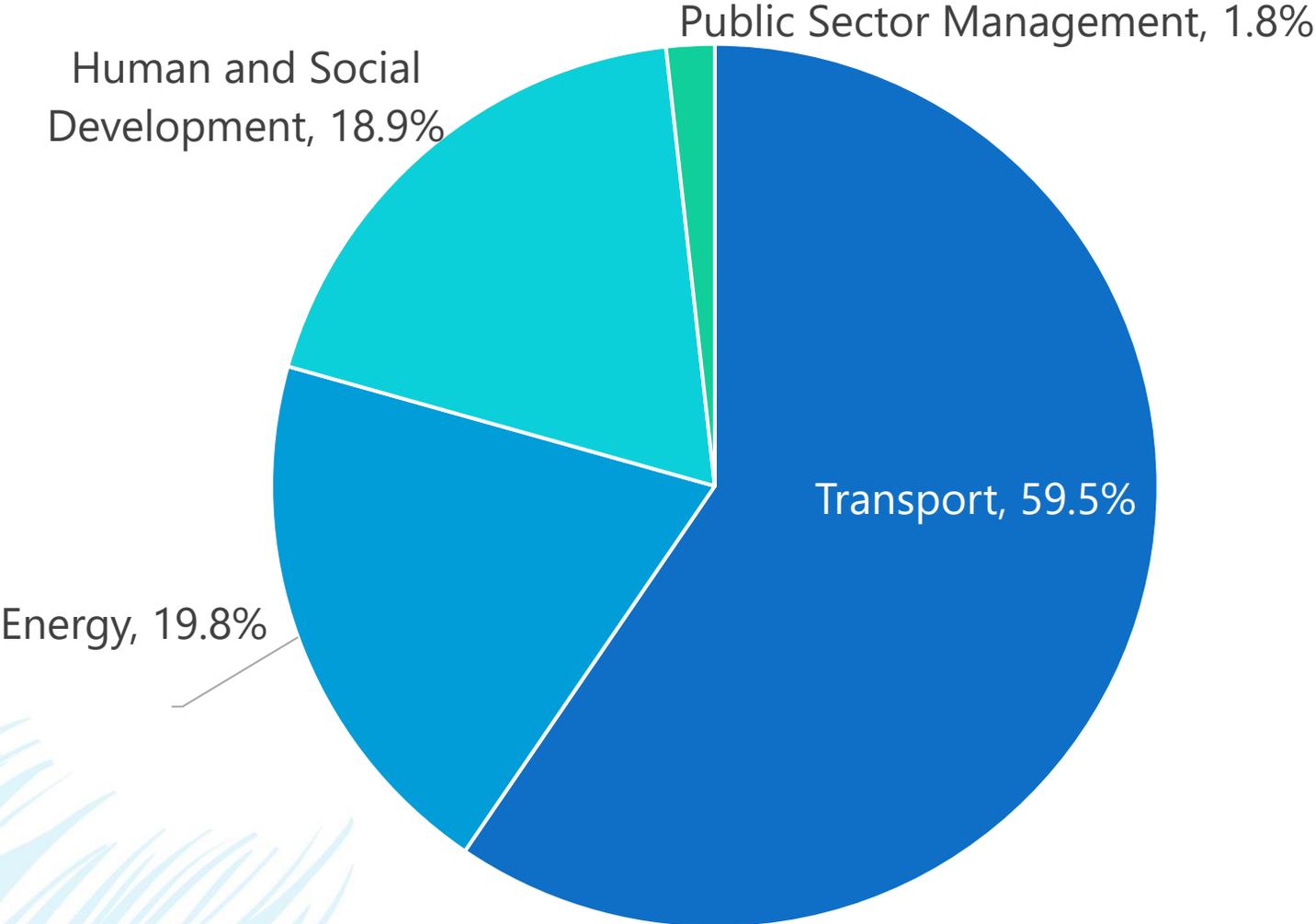
- Sovereign Portfolio as of September 2024: \$1.379 billion<sup>1</sup>
- 10 Projects,<sup>2</sup> with 15 loans; and 6 grants (1 ADF and 5 cofinanced)

<sup>1</sup> Including 2 loans (\$301.91 million) and 1 grants (\$3.00 million) for financial closure in 2024

<sup>2</sup> Counting Health Services Sector Development Program and its additional financings as one project

# Papua New Guinea Portfolio Distribution by Sector

(as of 30 September 2024)



# Pacific Approach



# What is the Pacific Approach?

- A **strategy document** endorsed by the Board of Directors
- **Serves as the Country Partnership Strategy** for the 12 Pacific small island developing states (PIC-12): Cook Islands, Kiribati, Marshall Islands, Federated States of Micronesia, Nauru, Niue, Palau, Samoa, Solomon Islands, Tonga, Tuvalu, and Vanuatu.
- Three pillars:
  - **Preparing and responding to shocks** (public financial management online; health MIS)
  - **Delivering sustainable services** (ICT a priority area)
  - **Supporting inclusive growth** (education and digital learning tools)
- The 2026-2030 CPS will be for approval in Q1 2026.



# Thank you.

