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**PAPUA NEW GUINEA**

**Multi-annual Indicative Programme 2021-2027**

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## **1. A New Partnership**

Deepening Europe's political and economic partnership with the Pacific in an increasingly inter-connected and rapidly changing world, the new Multi-Annual Indicative Programme (MIP) underpins the EU's commitment to enhance its strategic relations with PNG.

Embedded in the EU strategy for Cooperation in the Indo-Pacific and the new EU-ACP Agreement, aligned with the Global Strategy for the EU's Foreign and Security Policy, and in support of multilateral agreements such as the Paris Agreement and the Convention on Biological Diversity, the new EU-PNG partnership will pursue common goals and address risks and challenges in the spheres of environment, human development and governance.

The three interlinked priority areas (PA) of this MIP, (1) the Forestry-Climate Change-Biodiversity (FCCB) nexus, (2) Water/Sanitation/Hygiene (WaSH) for human development, health and education; and (3) Transparent and accountable Governance, translate key priorities of the EU's global agenda into concrete actions that will support PNG's sustainable, resilient and inclusive development and post-Covid-19 green recovery in line with its Vision 2050 strategy, the National Strategy for Responsible Sustainable Development (StaRS) and the Medium-Term Development Plan III.

The new MIP is highly relevant for PNG, by far the largest country in the Pacific. While richly endowed with natural and human resources, minerals, forest and biodiversity, PNG suffers from natural hazards and climate change induced disasters, deforestation, corruption and multiple layers of conflict. Its huge ethnic, linguistic and geographic diversity; low levels of connectivity and highly uneven distribution of resources, remain significant challenges for the sustainable use of resources, governance and inclusive human development. Almost 40% of the population live below the poverty line, while women and girls suffer from high levels of gender inequality and gender based violence. The Covid-19 pandemic further exacerbates the precarious livelihood of the already vulnerable population.

This new MIP will place the EU in a strategic position to be the partner of reference in the Forestry, Climate Change, Biodiversity nexus, where we aim to achieve a transformational impact through substantial and strategically targeted investments. In this MIP, the interests of the EU and of PNG converge, creating a solid foundation for successful implementation of EU support. The MIP has the aspiration to promote green growth policies and high environmental standards, notably with regards to the sustainable management of forestry resources, supporting PNG's ambitious climate and biodiversity policies and reversing practices detrimental to the environment and biodiversity.

Complementing an enhanced collaboration among EU Member States (EUMS) as "Team Europe", this MIP foresees synergies and complementarities with other likeminded bilateral as well as multilateral partners, supporting PNG's transformational agenda.

All actions taken under this programming exercise shall comply with EU legislation, in particular EU restrictive measures (sanctions) adopted pursuant to Article 215 of the Treaty on the Functioning of the European Union.

### **1.1 Basis for programming**

The PNG MIP is aligned with the 2021 EU Strategy for Cooperation in the Indo-Pacific, including the call for support to post-Covid recovery, an enhanced collaboration with other regional partners, the support to human rights and the rule of law, and the inclusion of specific

goals such as the sustainable management of natural resources, the preservation of biodiversity, and the fight against climate change and environmental degradation. It responds to PNG's specific development challenges and ambitions, based on shared interests and the EU's global commitments to stability, sustainable and inclusive development and multilateralism. Taking into account the unique context of PNG, the MIP builds on the track-record and lessons learned from cooperation under programmes financed by the 11th European Development Fund (EDF).

PNG addresses its development challenges through a set of long, medium and short term strategies that constitute the country's national development plans (NDPs). 'Vision 2050' aims to position PNG among the 50 most developed countries by 2050, while the 'PNG Development Strategic Plan 2010-2030' envisages establishing economic corridors, based on strategic investments in transport, utilities, education, health and incentives for businesses. In 2014, the Government adopted the National Strategy for Responsible Sustainable Development (StaRS), setting the foundation for a paradigm shift from an economy dominated by the non-renewable sector to a more diversified and sustainable economy.

PNG operationalizes its long term, aspirational strategies, through Medium-Term Development Plans (MTDP). The current MDTP III, covering the period 2018-2022, is aligned with the legislative process. The MDTP III incorporates the Agenda 2030 and identifies specific indicators to monitor progress towards the SDGs. PNG has submitted its Enhanced (Second) Nationally Determined Contribution (NDC) in late 2020.

While contributing to PNG's NDPs, this MIP reflects core EU policies, including the Biodiversity Strategy 2030<sup>1</sup>, the new EU Strategy on Adaptation to Climate Change, the post-Cotonou Agreement including the EU-Pacific Regional Protocol, the 2030 Digital Compass as well as the Gender Action Plan (GAP) III, the proposal for a "Fit for 55" green transition package and EU's Youth policy - seeing young people as agents of development, change and innovation. Connectivity, digitalization, good governance, youth and education as well as gender equality and women empowerment will be mainstreamed. The MIP ensures coherence with thematic programs and builds on the EU-PNG Economic Partnership Agreement (EPA) which promotes trade in a way that meets internationally recognized labour standards, as well as safeguards on environment and the management of natural resources.

At the regional/ multi-country level, this MIP foresees a proactive engagement with the Pacific Multi-Country MIP, for instance in the green-blue alliance, fisheries, trade, data, public financial management and climate action. This MIP also envisages, in due time and in agreement with the authorities, providing support to the Autonomous Region of Bougainville (AROB), where a 2019 referendum resulted in a 97.7% vote for independence. The detailed consequences of this result are being discussed by the Joint Supervisory Board between the Government of PNG and the Autonomous Bougainville Government.

## **1.2 Status of joint programming**

In addition to the Government of PNG (GoPNG) and other stakeholders, this MIP has been consulted with EUMS at various occasions. Joint programming did however not take place as there is only one EUMS present in PNG (France). Several other EUMS cover PNG from their embassies abroad, without significant development cooperation. Enhanced coordination has taken place with EUMS especially in the framework of the Team Europe Initiative (TEI). As a result, joint actions with the Agence Française de Développement (AFD) and possibly with Germany, Austria and New Caledonia (French Overseas Territory) are envisaged under the

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<sup>1</sup> The EU Biodiversity Strategy is a key contribution of the EU towards the adoption of a more ambitious post-2020 global biodiversity framework, to be adopted at the Convention on Biological Diversity COP-15 in Kunming, China.

Priority Area 1. While PNG, as lower middle income country, does not benefit from Official Development Aid (ODA) from most EUMS, bilateral funding for climate change actions and from green funds may be available.

### **1.3 Priority areas of the EU's cooperation with PNG**

Informed by an analysis of PNG's development challenges and its NDPs, by extensive consultations with all stakeholders, EU's global ambitions and other partners' involvement, this MIP pursues promoting the fundamental right to life and a healthy environment through three interconnected priority areas (PAs) for the period 2021-2027:

- (1) "Our Forest Our Future" - Team Europe Initiative to address the Forestry-Climate Change-Biodiversity (FCCB) nexus;
- (2) "Water is Life": Water, sanitation and hygiene (WaSH) in connection with Human Development;
- (3) Transparent and accountable Governance.

Essential for the survival of the planet and humanity, FCCB is on top of EU's global agenda and at the same time a high priority of PNG, given PNG's vulnerability to climate change on the one hand, and important forestry/biodiversity resources on the other hand. WaSH as enabler for human development will aim at being transformational in connecting an increased demand for access to water to improved service delivery for water, sanitation and hygiene. Good governance/human rights/peace will strengthen enablers which are indispensable to translate development potentials into real gains.

Using different approaches and instruments, these three multiply interconnected PAs pursue a holistic, balanced and sustainable interaction of people with – and livelihoods generated from – their natural environment, offering substantial scope for mutual reinforcement. They are anchored in a rights based and conflict sensitive approach and take the specific situation and contribution of youth and women into consideration, while maximising opportunities for digitalization and promoting the integrity of the public sphere. The EU will remain engaged in other areas of importance, including in general education through its engagement with the Global Partnership for Education (GPE).

#### **Priority Area 1: "Our Forest Our Future" – TEI to address the Forestry-Climate Change-Biodiversity (FCCB) nexus**

PA 1 addresses at local level global challenges related to the survival of the planet and humanity: Deforestation, the biodiversity crisis and climate change. EU support in this field offers major opportunities for transformation and the promotion of multilateral agreements, aiming at increased environmental goals and standards and the sustainable management of natural resources, in particular PNG's virgin forests (the "lungs of the Pacific"), a major tool for carbon sequestration and biodiversity habitat and a source of potentially marketable carbon credits. This PA supports the concept of the "economics of biodiversity" with the ambition to quantify the role played by the "ecosystem services" such as carbon-absorbing forests and nutrient-recycling soil. The FCCB nexus is therefore the first priority for this MIP, in focus and allocation of funds.

The fundamental right to life, human well-being and resilient societies depend on a healthy environment and functioning eco-systems. Environmental degradation exposure to waste and

contaminated water, climate change, extreme weather, and other natural or man-made disasters threatens people's livelihoods, risk displacing people from their homes and undermine development gains, especially for the poor. Rapid de-forestation destroys the natural habitat for a rising number of species at risk of extinction. It exacerbates the effects of climate change, disaster risks and, as the Covid-19 pandemic shows, the risk of zoonotic pandemics, with dramatic consequences for humanity.

FCCB is particularly relevant for PNG, with severe risks factors on the one hand, such as environmental degradation, deforestation and loss of biodiversity, climate change and climate change-induced displacement and conflicts, rapid population growth, and the extension of agriculture encroaching on primary forest. On the other hand, PNG offers major opportunities, such as large forests remaining, substantial possibilities for the sustainable use of non-timber forestry products (NTFP), advanced policies on climate change, particular landownership systems and an existing (though dwindling) respect of people for their forests. FCCB is closely interconnected with human rights.

The EU is PNG's preferred partner for an ambitious transformation in the FCCB space, given its role as undisputed global leader on climate change in voice and action. The EU will support PNG's ambitious climate and biodiversity policies and long-term decarbonisation strategies. In line with key multilateral agreements and the European Green Deal, the EU is at the forefront of promoting sustainable use of natural resources, sustainable agriculture and environmental governance, duly taking into account the related "Open, Sustainable and Assertive Trade Policy". The successful implementation of the EU Forest Law Enforcement, Governance and Trade (FLEGT) Action Plan in many countries has improved forestry management globally since 2003; improved forestry governance also contributes to increased domestic revenue generation while strengthening the integrity of the sector. The action will follow a gender responsive approach and take lessons learnt from extensive prior EU support to PNG in this space into consideration.

Contributions from EUMS and their financial institution are envisaged to reinforce the overall budget dedicated to this PA 1/TEI, as well as enhanced collaboration with European and global private sector actors in the climate and biodiversity offsetting space. Preliminary consultations with EUMS have identified common ground, especially considering AFD's mandate in the Pacific, the Kiwa Initiative and existing cooperation. Germany is engaged in climate change related actions in PNG and the Pacific, and consultations will continue with all EUMS as well as with New Caledonia, which is looking to expand its cooperation with PNG on issues such as biodiversity and nature conservation.

## **Priority Area 2: "Water is Life": Water, Sanitation and Hygiene (WaSH) for Human Development**

Closely interlinked with PA1 and 3, reliable access to water and sanitation is among the most elementary human needs and human rights, as well as an enabler for human development, public health, resilience and improved livelihoods. The critical role of WaSH and reduced exposure to waste and contaminated water for improved human development, health, nutrition and education outcomes is acknowledged in the New European Consensus for Development,

the 2030 Agenda and PNG's overall and sectoral<sup>2</sup> development plans. Sustainable integrated management of water resources especially in the context of a changing climate, and access to safe water and sanitation, are key to unlock economic growth and productivity, and provide significant leverage for investments in health and education. Connected to climate change, lack of access to water is increasingly a cause for conflict. The need to improve WaSH is further highlighted as a means to prevent the spread of Covid-19, and possible future pandemics.

Despite PNG's lower middle income status, the country's WaSH coverage, service delivery and development outcomes are among the worst in the world. PNG ranks at the bottom of all Pacific countries for all WASH related health statistics. In rural areas with above 80% of the population, only 33% have access to safe water; and only 6% have access to improved sanitation. Water-borne diseases, such as diarrhoea and acute respiratory infections, are among the principal causes of death in children under five years. Apart from violating a core human right, PNG's low WaSH coverage affects people's health, education and nutrition, causing significant damage to PNG's long-term development perspectives and the livelihoods, especially of the most vulnerable people in rural and peri-urban settings.

Traditional hygiene behaviour such as open defecation remains widespread in rural areas. In often overcrowded peri-urban areas such as the growing settlements (slums) in and on the edges of the capital city Port Moresby and other cities and towns, poor urban planning leads to failing water facilities, unsanitary storage and deteriorating sanitation. All of this causes unhygienic conditions and the spread of (infectious) diseases, putting health, lives and safety (mostly of women and girls) at risk.

With one of the world's fastest growing population, the pressure on existing WaSH delivery mechanisms is constantly increasing. The EU is the most important development partner in this space. Lessons learnt from previous and ongoing EU support to the WaSH sector will be taken into consideration.

### **Priority Area 3: Transparent and accountable Governance**

Closely interlinked with PA 1 and 2, transparent and accountable governance, the rule of law and the respect for human rights are fundamental for a democratic, stable, thriving and peaceful society. Promoting these values are part of the EU's core global mission. Improving governance and the fight against corruption are also included in PNG's national development plans. PNG's MDTP III includes an ambitious strategy to make substantial improvements in governance and addressing corruption. Most recently, with the adoption of the whistle-blowers Act, the Act establishing the Independent Commission Against Corruption (ICAC) and the adoption of the new PFM roadmap, PNG is taking important steps to address one of the country's key development impediments.

PNG is among the countries with the largest gap worldwide between its ranking in income per capita (129<sup>th</sup>) and in human development (155<sup>th</sup>), confirming a poor state of governance. Strengthening good governance and human rights is therefore indispensable to transform PNG's immense development potential into more inclusive service delivery and progress towards the sustainable development goals, ensuring that no one is left behind.

Sound public financial management (PFM) is a key element of good governance and a requirement for the effective use of public funds. The EU continues playing a leading role in this space among development partners in PNG. Progress in PFM also remains a precondition for the use of budget support as EU implementation modality. The 2019 PEFA highlights

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<sup>2</sup> The Papua New Guinea Water, Sanitation and Hygiene (WaSH) Policy 2015

shortcomings in all PFM dimensions, including payroll management, the audit function and legislative scrutiny of public expenditure, which need to be addressed in order to improve the transparency, integrity and effectiveness of Government spending. In close cooperation with other development partners, this MIP will support the implementation of a comprehensive PFM Roadmap based on the 2019 PEFA and the 2020 TADAT, including support to selected audit functions within public bodies (for instance the Auditor General) and parliamentary scrutiny, as well as support to improving tax compliance and payroll management. Opportunities for gender responsive budgeting will be explored.

With the “EU-PNG Partnership for Good Governance” under the 11<sup>th</sup> EDF, the EU has significantly increased its support to good governance in PNG, notably in addressing corruption and improving public financial management. The “*EU-PNG Partnership for Good Governance phase II*” under this MIP will contribute to firmly anchor institutional capacities, policy enforcement and increased demand for transparency and accountability by the population in the anti-corruption space, also creating synergies with the governance pillars of Priority Areas 1 and 2. Building on the Human Rights report 2021 for PNG and the PNG Conflict Assessment, this MIP will also continue addressing root causes of violence, support conflict prevention and conflict resolution (notably in areas particularly affected by conflict), mediation and confidence building, in view of promoting sustainable peace and stability.

The EU has over the past decades been an active supporter to peace and human rights in PNG. This MIP will build on previous experience and address shortcomings in PNG’s response to human rights challenges, with the aim to enhance prevention and response to violence and human rights abuses, in collaboration with the state and non-state actors.

## **1.4 Justification and context**

### **Priority Area 1: “Our Forest our Future” - Team Europe Initiative (Forestry, Climate Change and Biodiversity nexus, FCCB)**

Hosting one of the world’s largest forests, 91% of which is considered primary forest, and 7% of the world’s biodiversity, PNG is the custodian of an important global public good. While increasingly important in the global effort to reverse the impact of climate change, the forests of PNG are at risk. 80% of PNG’s population is engaged in subsistence agriculture, encroaching on forests and catering for a fast growing population. At the same time, national and international actors are involved in illegal and unsustainable logging activities. PNG’s forestry exploitation is unsustainable, with round logs export being dominant and 57% of other wood production used for fuelwood with little regard for NTFP. The sector faces major challenges in governance and law enforcement. Increasing deforestation undermines PNG’s future, destroys a global good and affects PNG’s unique biodiversity. Addressing these risks, the engagement in the FCCB nexus offers major opportunities for transformative action which requires medium to long term, focussed and substantial engagement using a comprehensive and rights based approach. Communities in the rural areas play a critical role in this endeavour.

PNG was one of the first countries in the world to submit its intended nationally determined contribution (INDC) in 2014, and has recently (2020) submitted its second NDC to the United Nations Framework Convention on Climate Change (UNFCCC). Though incorporated in its development policy, PNG’s legislative and regulatory framework for climate change, biodiversity and sustainable forestry management requires adaptation as well as a solid base of relevant and updated data. PNG has substantial potential to tap into “Reducing emissions from deforestation and forest degradation” (REDD+) funding. Managed sustainably, PNG’s forest

can, in addition to protecting biodiversity and mitigating climate change, contribute to increased domestic revenue generation, sustainable jobs, including for women and youth, and inclusive sustainable growth, including through improved use of NTFPs and downstream processing

Planning for an integrated multi-functional approach and a forest partnership between the EU, EU MS and PNG, the action will contribute to achieve the 2030 Agenda and other multilateral commitments to the global energy transition, to PNG's National REDD Strategy 2017-202 and to several objectives of PNG's enhanced 2020 NDC to the Paris Agreement.

Guided by the "policy first" principle, this PA is fully aligned with the EU most innovative policies, instruments, and objectives for the world's forest expressed in the 2019 Communication on Stepping up EU Action to Protect and Restore the World's Forest. It matches the EU's Green Deal global ambition for climate action and biodiversity preservation, as well as several of the derived initiatives and strategies, including the EU Emissions Trading system, the "Ensuring forest and land contribute to fight against climate change" policy, and EU strategies for energy system integration, "Enhancing EU Biodiversity", the "Forging a climate-resilient Europe - the new EU Strategy on Adaptation to Climate Change", the "farm to fork" strategies, the Circular Economy Action plan (CEAP) and the voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forest (VGGT). The FCCB will enhance the use of digital technology, create decent job opportunities for the growing numbers of unemployed youth and ensure a wider inclusion of women in the rural economy.

In line with the "Environment and climate change, inclusive and sustainable growth and decent employment" component of the Neighbourhood, Development and International Cooperation Instrument (NDICI), the action will build on EU's extensive experience and lessons learnt in PNG in the sectors of forestry, climate change, integrated rural development and sustainable agriculture. Synergies will be created with Priority Areas 2 and 3. The action offers major opportunities for digitalization and will explore the use of the Copernicus Earth Observation system for improved data collection. The introduction of digital technology will be crucial to monitor forest and biodiversity degradation while facilitating tracking and tracing ownership, legality and movements and trade of timber and other forest products (e.g. wildlife and natural resources) on a national as well as international scale. Extensive partnerships including people to people exchanges, with a wide range of state, non-state and international institutions and initiatives, including the AFD-funded Kiwa initiative, will be explored.

The action will, in agreement with the authorities, also be implemented in Bougainville, where similar challenges and opportunities exist.

All actions under priority area 1 will be implemented as the "Our Forest our Future" Team Europe Initiative "Forestry, Climate Change and Biodiversity nexus", in collaboration with EUMS (for instance France), European Financial Institutions (for instance AFD, EIB), Civil Society Organizations (CSOs) and private sector actors interested in offsetting their emissions, through additional grants, blending or other innovative forms of financing.

## **Priority Area 2: "Water is Life": Water, Sanitation and Hygiene (WaSH) for Human Development**

WaSH is one of PNG's neglected service delivery sectors in terms of allocating government funds and policy implementation. The EU has during the past MFFs been at the forefront of (1) supporting relevant institutions such as the WaSH PMU within the Department for National Planning and Monitoring (DNPM/ NAO) and (2) where necessary, directly delivering WaSH services to communities. Key lessons learnt from past support include (1) that apart from

interacting with the national government level, the direct engagement with subnational authorities and communities is critical to ensure a long term transformational impact; (2) access to a perennial water source must be clarified in advance, given the specific and complex land ownership issues, and (3) WaSH in schools, health centres and other places of human agglomeration is the right starting point, but mobility of teachers/ health workers means that constant training for WaSH champions at community level need to be foreseen.

While some progress has been achieved in the past, huge challenges in this critical sector remain, contributing to the spread of Covid-19 and other infectious diseases. The competent authorities at central government level still lack the necessary technical and institutional capacities as well as inter-institutional coordination to achieve PNG's own WaSH policy objectives. At the same time, the government mandated implementing body, Water PNG, has undergone major institutional changes, impacting the effectiveness in fulfilling its mandate. At decentralized (province and district) levels, existing regulations for allocation, implementation and monitoring/reporting of public funding are insufficiently enforced, and technical as well as institutional capacities are lacking.

WaSH also impacts on education. Most schools do not have access to piped water systems and depend on rainwater to meet the water and hygiene needs of students. Adolescent girls in school suffer the most. Only 8% of schools practice Menstrual Hygiene Management and only 10% of schools promote handwashing with soap. Many schools report absenteeism among adolescent girls, due to a lack of clean, private changing rooms without access to soap, water and sanitary pads. This hampers girls' learning and may lead to girls' early dropout.

There are however also some positive developments: The multi-agency WaSH cluster composed of state bodies, CSOs and development partners, has been operational despite the pandemic, and projects in a limited number of districts have progressed. In addition, the awareness for improved WaSH practices increases at subnational and community levels.

Based on these needs and PNG's policies, and in view of EU's extensive past and ongoing experience in improving WaSH services in PNG, this MIP foresees sustained EU support to achieve tangible progress towards better water and sanitation coverage in underserved areas, enhanced institutional and technical competencies for policy and technical actors at national and subnational government levels, and increased WaSH awareness and education of people, with a particular focus on girls and women and the most vulnerable population, for example girls with disabilities, in rural and peri-urban areas. This support will also have a positive impact on education and health.

WaSH is closely connected with the European Green Deal including the CEAP, and a key element of the Human Rights Guidelines on Safe Drinking Water and Sanitation. It is also aligned with the adaptation component of PNG's NDC, which seeks support for 'increased access to safe drinking water and basic sanitation in rural areas leading to a decrease in malaria and other vector-borne diseases'. It includes addressing the growing risk to exposure to waste and contaminated water.

Taking the above lessons learnt into consideration, and in partnership with communities, public bodies and international partners, this MIP will support PNG's WaSH policies and strategies, responding to increasing demand at community levels to prioritize WaSH within local development plans, leveraging funds allocated to districts (DSIP) and provinces (PSIP) for this purpose. The PNG Vision 2050 aims to increase access to clean water from current 39% to 100% of the population by 2050. The aim of the PNG National WaSH Policy 2015 - 2030 is that 95% of people in urban areas and 70% in rural areas will have access to safe drinking water by 2030, while 85% of urban dwellers and 70% of the rural population will have access to basic

sanitation by 2030. The WaSH in Schools policy of the Department of Education will be taken into consideration. EU support will ensure climate change resilience and may include establishing a more accurate digitalized WaSH information system, possibly supported by the Copernicus Earth Observation system. Introduction and promotion of digital technology will also allow for improved water quality, control and monitoring of misuse and pollution of water sources. The action envisages including AROB among beneficiary communities.

### **Priority Area 3: Transparent and accountable Governance**

Transparent and accountable governance, peace and the respect for human rights are closely interlinked preconditions for human flourishing, sustainable development and stability, anchored in PNG's national development strategies, the 2030 Agenda and the New European Consensus for Development as well as the new post-Cotonou EU-ACP Agreement. Transparent and accountable governance is key to translate PNG's immense natural wealth into inclusive development outcomes. Actions under PA 3 will be complemented with funds from other sources, including Human Rights and Democracy and funds managed by FPI, and will include support to AROB, following agreement with the authorities.

**Good Governance:** PNG acknowledges major challenges in anchoring and enforcing transparent and accountable governance-enabling rules, regulations, principles and legislation in the public sector, notably in the areas of public financial management and the fight against corruption. Public sector integrity, the fight against corruption and the enforcement of the rule of law are included in PNG's MDTP III 2018-2022. In its wake, Parliament adopted in 2020 the Whistle-blower's Act and the Bill establishing ICAC, while the Government adopted the 2020-2025 National Anticorruption Plan of Action. Its implementation is supported by EU technical and financial assistance under the EU-PNG Partnership for Good Governance. The 2020 PFM roadmap commits the Government to substantial improvements in transparency and accountability of PFM. PNG has made some progress under the Extractive Industries Transparency Initiative (EITI), a global standard for the good governance of oil, gas and mineral resources. Sustaining PNG's current anti-corruption drive against deeply entrenched vested interests requires continued efforts in the years to come. Currently, the EU is the main development partner engaged in the anti-corruption space. While some specific future actions will be based on the final evaluation of the current EU-PNG Partnership for Good Governance, the continued strengthening of technical and institutional capacities to prevent, investigate and prosecute corruption cases, to increase people's demands for integrity and accountability and reduce their tolerance for corruption, will require sustained support.

**Peace and Human Rights:** The respect for human rights is anchored in PNG's constitution and a number of human rights treaties and international labour rights conventions have been ratified<sup>3</sup>. However, several shortcomings are recognized, including violence against women and children, human trafficking, land rights abuses, police brutality and tribal conflicts. Progress is slowed down by weak institutional capacities, the delayed (though soon to be expected) establishment of a Human Rights Commission, and poor policy implementation.

The **full establishment and functioning of the Human Rights Commission** remains on the agenda of the Government of PNG, with legislation expected to be adopted in 2022. Given the importance of this institution to improve the respect for human rights, the EU commits to provide legal, institutional and technical support to its establishment and full functioning, in line with the Paris Principles, while at the same time strengthening the PNG network of human rights defenders. It is notably key for the Human Rights Commission to have an effective

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<sup>3</sup> UN treaties: see [https://tbinternet.ohchr.org/\\_layouts/15/TreatyBodyExternal/Treaty.aspx?CountryID=134&Lang=EN](https://tbinternet.ohchr.org/_layouts/15/TreatyBodyExternal/Treaty.aspx?CountryID=134&Lang=EN)  
ILO conventions: see [https://www.ilo.org/dyn/normlex/en/f?p=1000:11200:0::NO:11200:P11200\\_COUNTRY\\_ID:103487](https://www.ilo.org/dyn/normlex/en/f?p=1000:11200:0::NO:11200:P11200_COUNTRY_ID:103487)

mechanism to handle complaints on alleged human rights violations, to exercise independent oversight over public bodies' actions, to support the work of human rights defenders and to raise awareness and education on the protection of human rights. Cooperation with regional and global networks of National Human Rights Institutions (NHRIs) could be envisaged.

PNG faces significant challenges in **protecting citizens from violence**. Violence erupts frequently over land disputes and access to resources, within communal conflicts and as a result of sorcery accusations, reflecting to some extent the inability of traditional and formal institutions to manage the stresses that come with rapid social and economic transformation. One region particularly affected by frequent outbreaks of violence are parts of the PNG Highlands. The lack of adequate state response reinforces disputes and drives people or communities to take the law into their own hands. In its "Crime Prevention through Revitalized Village Courts" strategy, GoPNG identifies Village Courts as a key instrument to address this situation.

In view of current and potentially growing triggers for conflicts, such as climate change, fight for land, population growth and natural disasters, the continued support to strengthening peaceful conflict resolution mechanisms at grassroots levels is indispensable. The EU is currently supporting reforms of the Village Court system through the EU-PNG partnership for Good Governance. This MIP proposes a follow-up program, based on a final evaluation of the current action. It will include enhanced use of digital technology and increased role of women and youth in Village Courts, as well as strengthening local peacemakers, mediation, conflict prevention and conflict resolution, notably in areas particularly affected by conflict.

**Gender inequality and gender-based violence (GBV)** remain one of the key challenges for PNG. A majority of women and girls experience rape or assault during their life time. While GBV has long been criminalised and domestic violence was specifically proscribed under the 2013 Family Protection Act, enforcement remains weak and inconsistent. Nevertheless, some progress has been made, not least in connection with the EU-funded Spotlight Initiative. An interim GBV Secretariat has been finally established in 2020 to coordinate the implementation of the National Strategy on Gender Based Violence 2016-2030, awareness raising activities have been rolled out and civil society actors in the GBV space are being mobilized. A number of highly dedicated human rights defenders operate at grassroots levels in support of victims, often at their own expenses and at risk for themselves and their families.

Nevertheless, major weaknesses continue to exist in terms of awareness, protection of GBV victims, prosecution of perpetrators, functioning referral pathways, as well as government and civil society institutions in the GBV space. Tangible progress towards the achievement of gender equality and elimination of GBV requires continued and sustained efforts and support. Specific actions will be based on the evaluation of the EU-funded Spotlight Initiative PNG, currently under implementation.

### **1.5 Duration of the MIP and option for synchronisation**

This MIP has a duration of 7 years, aligned with the 2021-2027 Multi-annual Financial Framework, while PNG's current medium-term development plan MDTP III covers the period 2018-2022 in tune with its parliamentary cycle. The risk of some political instability in the run-up and aftermath to the 2022 general elections is taken into consideration. While PNG's Vision 2050 and the Development Strategic Plan 2010-2030 are likely to remain valid, the future government is expected to adopt a new medium-term development plan after 2022. This MIP

foresees a mid-term review in 2024 including the option to adapt to changing priorities if needed.

## **2 EU support per priority area and proposals of Team Europe Initiative**

**2.1 PA 1: “Our Forest Our Future” – Team Europe Initiative Forestry, Climate Change and Biodiversity nexus (FCCB)** Primarily focussing on SDGs 13 (climate action) and 15 (life on land), this Priority Area 1 “Our Forest, our Future” will also help PNG progress towards additional SDGs: 1 (no poverty), 2 (food security, improved nutrition and sustainable agriculture), 5 (gender equality), 7 (sustainable energy), 8 (decent work and economic growth), 12 (responsible consumption and production) and 17 (partnerships for the goals). The program will channel support primarily to the following three sectors: DAC code 312 - Forestry Development, DAC codes 410 - General Environment Protection and 430 - Rural Development. Being an integrated approach, other sectors will be considered as well such as DAC code 232 - Energy Generation Renewable Resources, 321 - Forest Industries and DAC code 151 – social inclusion.

### **2.1.1 Specific objectives for PA 1**

To achieve a model that reconciles forestry, biodiversity and environmental protection with sustainable, inclusive and gender-responsive economic development, growth and jobs, while improving effective implementation of social and labour standards and increasing the use of digital tools, three Specific Objectives (SOs) have been identified:

**SO 1:** An enabling evidence-based legal, regulatory and institutional framework for FCCB is in place, including through improved stakeholder participation and improved institutional coordination.

**SO 2:** Improved FCCB awareness, knowledge, capacities and mobilization.

**SO 3:** Increased investment, sustainable growth and jobs in the FCCB space.

### **2.1.2 Expected results**

Following on from the SOs, the following results are expected:

To achieve an **enabling evidence based regulatory and institutional framework for FCCB, (SO1)**, expected results include (i) increased availability of relevant digitalized data and information, (ii) improved environmental/ forestry governance, legislative and regulatory frameworks and policy processes and (iii) Enhanced protection and sustainable management of terrestrial ecosystems.

**To improve FCCB awareness, knowledge, capacities and mobilization (SO2)**, expected results include (a) Reinforced capacities of public, private and CSO sector actors in FCCB, (b) FCCB included in the education sector, (c) Improved outreach and awareness on FCCB issues among the PNG population, (d) Green Deal Diplomacy intensified, (e) Civil society voice and action in FCCB enhanced.

**To increase public and private sector investment, sustainable growth and decent jobs in the FCCB space (SO3)**, expected results include (i) Increasing use of sustainable, resilient and inclusive food systems and agribusiness options; (ii) Increased income opportunities in FCCB, (iii) Increased public and private sustainable sector investment in FCCB, including through innovative financing, digitalisation, CO<sub>2</sub> and biodiversity offsetting, (iv) Increased proportion of decarbonised, clean, affordable renewable energy, (v) Increased climate proofing and energy / resource efficiency of relevant infrastructure.

### **2.1.3 Indicators**

The following higher level indicators will be used to assess the successful implementation of the action, incorporating indicators from the EU result Framework and the SDGs:

#### **SO1: Enabling evidence-based legal, regulatory and institutional framework for FCCB**

Number of FCCB-related datasets published/online.

EU-PNG Forest Partnership and Timber Legality Verification System adopted.

Level of compliance with PNG's NDC targets.

Areas of terrestrial ecosystems under (a) protection and (b) sustainable management with EU support.

#### **SO2: Improved FCCB awareness, knowledge, capacities and mobilization**

Number of public, private and CSO sector stakeholders trained on FCCB related issues.

Number of students at various levels reached through institutionalized inclusion of FCCB issues.

Number of people reached by awareness campaigns and events on FCCB issues.

Number of Green Deal and related Diplomacy events and activities.

Number of human rights defenders in the FCCB space supported.

#### **SO3: Increased investment, sustainable growth and jobs in the FCCB space**

Number of newly developed sustainable agricultural value chains with a neutral or positive environmental / climate impact and reversing the loss of biodiversity.

Number of women with increased training, financial resources and technology for FCCB related income generation, including sustainable food production.

Amount of public and private sector funding channelled into the FCCB space.

Progress towards the NDC target of 78% share of RE sources in the energy mix for on-grid power connection.

Number of essential infrastructure items climate-proofed and/or made more energy- and/or resource-efficient with EU support.

### **2.1.4 Support to investments under the EFSD+**

PA 1 offers substantial scope for the mobilization of additional investments. Among others, companies emitting CO<sub>2</sub> in PNG are interested to explore CO<sub>2</sub> offsetting opportunities. Blending opportunities exist in the climate proofing of infrastructure, and guarantees may be used for potential investors in innovative renewable energy solutions. EU grant funding can also be used to leverage financing from other sources, such as from the Adaptation Fund or the Green Climate Fund. Collaboration with the EIB, the leading IFI in forestry in Asia, will be

further explored. Guarantees for private sector in SFM, in partnership with landholding communities and in value adding and domestic processing of forest based products will be considered. Subject to its confirmation through the implementation phase, it is expected that an indicative amount of EUR 1.5 million may be used between 2021 and 2024 to provision EFSD+ guarantee operations under this priority area.

Sustainable finance represents a real potential in the region and could help accelerate financial flows towards green, inclusive and resilient transitions, e.g. through green bonds and other relevant sustainable finance instruments.

## **2.2 PA 2: “Water is Life”: Water, Sanitation, Hygiene (WaSH) for Human Development**

Though primarily focussing on SDG 6 (water/sanitation), PA 2 will also help PNG progress towards SDGs 1: (No poverty), SDG 3: (Good health and well-being), SDG 4: (Quality education), SDG 5: (Gender equality), SDG 10: (reduced inequalities), SDG 11 (sustainable cities and communities) and SDG 13: (Climate action), thus making it pivotal for human capital development. The sectors supported under PA 2 are (a) Basic drinking water supply and basic sanitation (DAC code 140) and (b) Health education (DAC code 122). This PA is aligned with PNG’s national WaSH Policy and will build on experience and lessons learnt from EU’s longstanding engagement in the WaSH sector.

### **2.2.1. Specific objective for PA 2**

To ensure gender-responsive availability and sustainable management of water and sanitation, including to disadvantaged groups (e.g. persons with disabilities), and reduce the risk of exposure to waste and contaminated water, the specific objectives of PA 2 are:

**SO 1:** Beneficiary populations are using and maintaining increased and equitable access to safe, adequate and sustainable water supply and sanitation services, including innovative localized solutions for waste and waste water in selected rural and peri-urban areas, schools, health centres and places of human agglomeration, with particular focus on women and girls, children and those traditionally left behind.

**SO 2:** WaSH policy makers and implementers operate effectively in an enabling environment with adequate capacities (including digital) towards the achievement of national WaSH goals.

### **2.2.2 Expected results**

Following on from the Specific Objective, the following results are expected:

**To achieve SO1,** expected results include (i) Improved safe, adequate and sustainable water supply, sanitation and hand washing facilities area available in selected rural and peri-urban areas schools, health centres and places of human agglomeration, (ii) increased awareness among the target population in the selected areas on the importance of using and maintaining hygiene and sanitation facilities, (iii) Improved WaSH in schools environment for adolescent girls, (vi) Increased employment opportunities for youth in WaSH provision and maintenance.

**To achieve SO 2**, expected results include (i) increased availability of WaSH data (including digital) for policy and monitoring purposes at national, provincial and local level government, (ii) improved policy coordination among state bodies, in consultation with non-state stakeholders, (iii) improved WaSH and waste water planning, budgeting, implementation and monitoring systems and (iv) increased investment in WaSH, including through innovative financing.

### **2.2.3 Indicators**

The following higher level indicators will be used to assess the successful implementation of the action, incorporating indicators from the EU Result Framework and the SDGs:

#### **SO 1: Beneficiary populations are using and maintaining increased and equitable access to safe, adequate and sustainable water supply and sanitation**

Number of people with access to improved drinking water source and/or sanitation facility with EU support.

Number of people reached with key hygiene and sanitation messages.

Number of adolescent girls benefiting from improved water and sanitation facilities for menstrual hygiene management.

Number of youth from targeted communities (a) trained and (b) employed through EU WaSH support.

#### **SO 2: WaSH policy makers and implementers operate effectively in an enabling environment with adequate capacities towards the achievement of national WaSH goals**

Improved WaSH information system for national provincial and local level governments.

Status of WaSH related inter-institutional coordination mechanisms.

Number of WaSH stakeholders of various categories trained.

Amount of additional funding mobilized.

### **2.2.4 Support to investments under the EFSD+**

Opportunities for investments promoted by EFSD+ exist in PA 2, notably for the climate change proofing of WaSH infrastructure through blending.

## **2.3 PA 3: Transparent and accountable Governance**

PA 3 focusses primarily on 3 sectors (1) good governance, (2) peace and human rights, and (3) social inclusion and gender equality (DAC 151), aiming at achieving progress towards SDGs 5 (gender equality) and 16 (peace and justice, strong institutions). The sub-sectors supported under PA 3 are Public Financial Management (PFM), Fight against corruption, Support to the Human Rights Commission and Human Rights defenders, eliminating gender based violence, and promoting peaceful conflict resolution. This PA will build on experience and lessons learnt from EU's longstanding engagement in PFM, human rights and the "EU-PNG Partnership for Good Governance". Governance in the environmental sector is addressed through PA 1.

### 2.3.1. Specific objective for PA 3

To support PNG in its efforts to improve its track record in key areas of good governance and human rights, the Specific Objectives (SOs) to be achieved under this PA 3 are:

**SO 1:** Enhanced transparency and accountability processes are established and implemented in government institutions and the Parliament, supported by an enhanced voice of civil society and awareness of the population.

**SO 2:** Increased equitable access to and use of essential human rights protection services and peace building/ conflict prevention processes.

For both SOs, an increased use of appropriate digital tools is envisaged. CSOs will play an important role in implementing the actions. Complementarity with other sources of funding, including EIDHR and FPI, will be ensured.

### 2.3.2 Expected results

Following on from the Specific Objective, the following results are expected:

**To achieve SO 1**, expected results include (a) increased integrity of public financial management, including enhanced use of digital means, (b) increased capacities, awareness and engagement of public, private and CSO stakeholders to fight against corruption.

**To achieve SO 2**, expected results include (a) improved access to human rights protection mechanisms

(b) Increased capacities of communities for peaceful conflict resolution and (c) increased protection of women and girls from GBV, including through the strengthening of women's organizations (GAP III).

### 2.3.3 Indicators

The following higher level indicators are proposed, incorporating indicators from the EU result Framework and the SDGs:

#### **SO 1: Enhanced transparency and accountability processes are established and implemented**

Scores of the next PFM assessments (PEFA and TADAT).

Number of CSOs, private sector and general public actors (a) reached and (b) trained through EU support.

#### **SO 2: Increased equitable access to and use of essential human rights protection services and peace building/ conflict prevention processes**

Status of the establishment and functioning of the Human Rights Commission, in line with the Paris Principles.

Number of human rights defenders trained and supported by the EU.

Number of people in high conflict areas reached through peaceful conflict resolution actions.

Proportion of people who think it is justifiable for a person to subject an intimate partner to violence, by gender and age of the respondent (GAP III).

#### **2.3.4. Possible use of blending and guarantees for investment under EFSD+**

No opportunities for investments promoted by EFSD+ have been identified under PA 3.

### **2.4 Proposal of country Team Europe Initiative**

All actions under priority area 1 (see chapter 2.1.) for the indicative amount of EUR 63 million will be implemented as the “Our Forest, Our Future” Team Europe Initiative “Forestry, Climate Change and Biodiversity nexus”(FCCB), in collaboration with EUMS (for instance France), European Financial Institutions (for instance AFD, EIB), Civil Society Organizations (CSOs) and private sector actors interested in offsetting their emissions, through additional grants, blending or other innovative forms of financing. Negotiations for financial contributions from MS are still ongoing, no final commitments are known at this point in time.

The EU’s indicative contribution to this TEI (EUR 63 million) is subject to the confirmation of the Team Europe partners’ indicative meaningful contribution as early as possible. In the absence thereof, the EU’s indicative contribution may be redirected in accordance with the priority areas of the MIP and their allocations. The obligation of the Union and the Member States to coordinate their development policies following initiatives by the Commission to this effect, as per article 210 TFEU, always applies.

## **3 Support measures**

### **3.1 Measures in favour of civil society**

CSOs are an indispensable part of the social fabric of PNG, and of the EU’s cooperation strategy. Government actors frequently include CSOs in consultations, including via the Consultative Implementation and Monitoring Council (CIMC), which in the past has been supported by the EU. Many - including faith-based – CSOs exist, as well as community based organizations (including groups representing disability, gender, youth), in addition to grass roots human rights defenders and their networks. While their voice is being heard, overall their institutional and managerial, monitoring, advocacy and watchdog capacities remain weak.

The EU has well established relations with key CSOs in PNG across many sectors. During the previous MFF, significant funds have been and are being channelled via local and international CSOs, under each of the focal sectors and through global and local call for proposals, in particular in the human rights space. Under this MIP, substantial cooperation with CSOs, including youth organisations, and social partners is foreseen where appropriate. Continuous dialogue with those organisations during project implementation is anticipated under the TEI/ PA 1 (FCCB) as well as in the fields of WaSH (PA 2) and governance/human rights, including on peace building, gender equality, human rights defenders, and the fight against corruption (PA 3). For further measures to strengthen capacities of CSOs, Youth and Business Community, the EU will design and publish calls for proposal in the course of this multi annual financial framework.

### **3.2 Cooperation facility**

The EU keeps using existing TA facilities to provide upon demand advisory services to various key partners in PNG, including in the fields of public sector reform, support to PNG's public investment program, good governance, police reform, WaSH, public financial management and others.

For this MIP, the EU foresees a continuous need to draw upon a Cooperation facility for (a) ad-hoc upon-demand capacity building and institutional support in key areas; (b) policy dialogues: events, conferences, studies, fellowships, exchange platforms to support sector dialogues; (c) supporting the participation of people of reference, in particular from civil society, in EU programs; (d) public diplomacy, visibility and communication; (e) preparation, implementation and evaluation of EU programmes as well as possible use of TAIEX & Twinning and (f) organizations that strengthen the trade and investment links between the EU and PNG, including through business to business events.

Support measures will also be designed to deliver on the main objectives in relation to future EU actions in the field of public diplomacy: prepare strategic communication initiatives that will inform PNG audiences about key EU policies and priorities, and promote EU policies as well as its multilateral agenda in PNG ; strengthen EU-PNG relations by mobilising networks via public diplomacy actions, including in the academia and scientific environment, business circles, and youth community; and tackle disinformation and enhance the resilience of the information environment.

The Cooperation facility will, based on the Trade Policy Review Communication, also support the implementation of the EPA, including the EPA national action plan, for instance in fisheries, trade facilitation, compliance, capacity building, advisory work, customs, export competitiveness and others as required. Support to the effective implementation of internationally agreed labour standards (fundamental ILO conventions) may be explored, as well as ratification of the labour inspections convention and related capacity building. If needed, a contribution to overcoming the Covid-19 pandemic can be considered under this facility. Support measures will also be used to carry out an extensive gender analysis and promote people to people exchanges and dialogues with CSOs, including women and youth platforms.

## **4 Financial overview**

Although the duration of this MIP is seven years, the indicative allocations for PNG, and for each of the priority areas and support measures laid down in the table below are provided for the 2021-2024 period only. The indicative allocations for 2025-2027, as well as the possible modification of other substantial elements of this MIP, will be subject to a decision by the EU. This decision should be preceded by a review of the implementation of this MIP, which should include a dialogue with the authorities and other stakeholders of PNG.

<b>Priority Area</b>	<b>Amount EUR million</b>	<b>%</b>
<b>PA 1: “Our Forest our Future” Forestry, Climate change and Biodiversity nexus (TEI)</b>	<b>63</b>	<b>55</b>
<b>PA 2: “Water is Life” Water, sanitation and hygiene (WaSH) in connection with Human Development</b>	<b>23</b>	<b>20</b>
<b>PA3: Transparent and accountable Governance</b>	<b>22</b>	<b>19</b>
<b>Support measures</b>	<b>7</b>	<b>6</b>
<b>TOTAL for initial period 2021-2024</b>	<b>115</b>	<b>100</b>

### **Attachments**

1. Intervention framework
2. Donor matrix showing the current indicative allocations per sector

**Attachment 1. Intervention framework<sup>4</sup>**

<b>Priority area 1: “Our Forest Our Future” – Team Europe Initiative to address the Forestry/ Climate Change/ Biodiversity (FCCB) nexus</b>			
<b>DAC code: 312, 410, 430, 151</b>			
<b>SO 1: Enabling evidence-based framework for FCCB policy design and implementation</b>			
<b>Expected Results</b>	<b>Indicators</b>	<b>Baseline, targets</b>	<b>Sources of Verification</b>
(a) Increased availability of relevant digitalized data and information	(a1) Number of FCCB-related datasets published/online	2020: 0 2027: tbd	PNG REDD+ and project reports
(b) Improved environmental/ forestry governance and policy processes	(b1) EU-PNG Forest Partnership and Timber Legality Verification System adopted  (b2) Level of compliance with PNG’s NDC targets	2020: 0 2027: tbd  2020: 0 2027: tbd	PNG Climate Change and Development Authority (CDDA) reports
(c) Enhanced protection and sustainable management of terrestrial ecosystems	(c1) Areas of terrestrial ecosystems under (a) protection and (b) sustainable management with EU support (km <sup>2</sup> ) (EU RF Level 2)	2020: 0 2027: tbd	Department of Environment and Conservation reports, Project reports
<b>SO2: Improved FCCB awareness, knowledge, capacities and mobilization</b>			
<b>Expected Results</b>	<b>Indicators</b>	<b>Baseline, targets</b>	<b>Sources of Verification</b>
(a) Reinforced capacities of public, private and CSO sector actors in FCCB	(a1) Number of public, private and CSO sector stakeholders trained on FCCB related issues	2020: 0 2027: tbd	Project reports
(b) FCCB included in the education sector	(b1) Number of students at various levels reached through institutionalized inclusion of FCCB issues (disaggregated by sex)	2020: 0 2027 tbd	Department of Education reports, Project reports
(c) Improved outreach and awareness on FCCB issues among the PNG population	(c1) Number of people reached by awareness campaigns and events on FCCB issues (disaggregated by sex)	2020: 0 2027: tbd	Project reports
(d) Green Deal Diplomacy intensified.	(d1) Number of Green Deal and related Diplomacy events and activities	2020: 0 2027: tbd	Delegation reports
(e) Civil society voice and action in FCCB enhanced	(e1) Number of human rights defenders in the FCCB space supported	2020: 0 2027: tbd	Project reports
<b>SO3: Increased FCCB investment, sustainable growth and jobs</b>			
<b>Expected Results</b>	<b>Indicators</b>	<b>Baseline, targets</b>	<b>Sources of Verification</b>
(a) Increasing use of sustainable, resilient and	(a1) Number of newly developed sustainable agricultural value chains with a neutral or positive	2020: 0 2027: tbd	Department of Agriculture reports,

<sup>4</sup> All indicators will be further elaborated and disaggregated.

inclusive food systems and agribusiness options	environmental / climate impact and reversing the loss of biodiversity		project reports
(b) Increased income opportunities in FCCB	(b1) Number of women with increased training, financial resources and technology for FCCB related income generation, including sustainable food production (GAP III)	2020: 0 2027: tbd	Department of Agriculture reports, project reports
(c) Increased public and private sector investment in FCCB	(c1) Amount of public and private sector funding channelled into the FCCB space	2020: 0 2027: tbd	Statutory GoPNG reports
(d) Increased proportion of decarbonised, clean, affordable renewable energy	(d1) Progress towards the NDC target of 78% share of RE sources in the energy mix for on-grid power connection	2020: 0 2027: tbd	CDDA reports
(e) Increased climate proofing and energy / resource efficiency of relevant infrastructure	(e1) Number of essential infrastructure items climate-proofed and/or made more energy- and/or resource-efficient with EU support	2020: 2027: tbd	Project reports

**Priority area 2: “Water is Life”: Water, Sanitation and Hygiene (WaSH) for Human Development**

**DAC code: 140**

**SO 1: Beneficiary populations are using and maintaining increased and equitable access to safe, adequate and sustainable water supply and sanitation services**

<b>Expected Results</b>	<b>Indicators</b>	<b>Baseline, targets</b>	<b>Sources of Verification</b>
(a) Improved safe, adequate and sustainable water supply, sanitation and hand washing facilities	(a1) Number of people with access to improved drinking water source and/or sanitation facility with EU support (EU RF Level 2)	2020: 0 2027: tbd	Reports from GoPNG WaSH PMU, projects and subnational governments
(b) Increased awareness on the importance of WaSH	(b1) Number of people reached with key hygiene and sanitation messages	2020: 0 2027: tbd	Reports from GoPNG WaSH PMU, projects and subnational governments
(c) Improved WaSH in schools environment for adolescent girls	(c1) Number of adolescent girls benefiting from improved water and sanitation facilities for menstrual hygiene management	2020: 0 2027: tbd	Reports from projects and subnational governments
(d) Increased employment opportunities for youth in WaSH provision and maintenance	(d1) Number of youth from targeted communities (a) trained and (b) employed through EU WaSH support	2020: 0 2027: tbd	Reports from projects and subnational governments

**SO 2: WaSH policy makers and implementers operate effectively in an enabling environment with adequate capacities towards the achievement of national WaSH goals**

(a) Increased availability of WaSH data	(a1) Improved WaSH information system for national provincial and local level governments	2020: 0 2027: tbd	Reports from GoPNG WaSH PMU, projects and subnational governments
(b) Improved policy coordination among state bodies, in consultation with non-state stakeholders,	(b1) Status of WaSH related inter-institutional coordination mechanisms	2020: 0 2027: tbd	Reports from GoPNG WaSH PMU, projects and subnational governments
(c) Improved WaSH planning, budgeting, implementation and monitoring systems	(c1) Number of WaSH stakeholders of various categories trained	2020: 0 2027: tbd	Reports from GoPNG WaSH PMU, projects and subnational governments
(d) Increased investment in WaSH, including through innovative financing	(d1) Amount of additional funding mobilized	2020: 0 2027: tbd	Reports from GoPNG WaSH PMU, projects and subnational governments

**Priority area 3: Transparent and accountable Governance**

**DAC code:151**

**SO 1: Enhanced transparency and accountability processes are established and implemented**

<b>Expected Results</b>	<b>Indicators</b>	<b>Baseline, targets</b>	<b>Sources of Verification</b>
(a) Increased integrity of public financial management	(a1) Scores of the next PFM assessments (PEFA and TADAT)	2020: 0 2027: tbd	PEFA, PFM TADAT reports
(b) Increased capacities, awareness and engagement of public, private and CSO stakeholders to fight against corruption	(b1) Number of CSOs, private sector and general public actors (a) reached and (b) trained through EU support	2020: 0 2027: tbd	Project reports

**SO 2: Increased equitable access to and use of essential human rights protection services and peace building/ conflict prevention processes**

<b>Expected Results</b>	<b>Indicators</b>	<b>Baseline, targets</b>	<b>Sources of Verification</b>
(a) Improved access to human rights protection mechanisms	(a1) Status of the establishment and functioning of the Human Rights Commission, in line with the Paris Principles <sup>5</sup>	2020: 0 2027: tbd  202: 0	Department of Justice reports, statutory GoPNG reports on

<sup>5</sup> Principles relating to the Status of National Institutions (the Paris principles). Adopted by UN General Assembly resolution 48/134 of 20 December 1998

	(a2) Number of human rights defenders trained and supported by the EU	2027: tbd	peace and human rights, project reports.
(b) Increased capacities of communities for peaceful conflict resolution	(b1) Number of people in high conflict areas reached through peaceful conflict resolution actions	2020: tbd 2027: tbd	Department of Justice reports, project reports
(c) Increased protection of women and girls from GBV	(c1) Proportion of people who think it is justifiable for a person to subject an intimate partner to violence, by gender and age of the respondent (GAP III)	2020: tbd 2027: tbd	Department of Justice reports, project reports

**Attachment 2. Donor matrix showing the current indicative allocations per sector**

areas/sectors	Environment				Human Development					Economic Development, Infrastructure							Good Governance, Democracy, HRights, Public Sector						Other	Total
	Climate Change	forestry	bio-diversity	others/ various	education, skills	employment	health	WaSH	others/ various	Transport	Telecom	Energy/Electricity	Agriculture, Fisheries	Finance	Industry, Trade	others/ various	Justice	Police	Anti-Corruption	PFM	Democracy; HRights	others/ various		
development partner*																								
EU (11th EDF in MEUR)				4,9				33				16,5	85						26,9	2	29	7		
Australia (2020/2021 in MAUD)					71,5		137			101 Infrastructure and trade			18				197					71	596	
USA (various, in MUSDa)	45,9						22	1,2				59,4										44,2	7	179,7
New Zealand (2018-21 in MNZD)												60	20								8		20	108
Japan (since 2013, in MPGK including ODA loans)	46				29,7		8,4			922,2		252,7				296						10,4		1525,7
ADB (cumulated committed loans 2019, in MUSD)					64		561	52,8		1818		248	202	57	39							134	16	3191,8
IFC ongoing projects, in MUSD)						35	65	70		169			239										25	603
UN System** (spent, 2019 in MUSD)	14,9				36,4					2,6							9,2							63,1

\* bilateral funds only

\* Amounts invested by the UN system are to a large extent included in the funding by bilateral development partners further above