

STATUS OF PROJECTS IN EXECUTION – FY05
SOPE
REGION: EAST ASIA AND PACIFIC
COUNTRY: PAPUA NEW GUINEA

Operations Policy and Country Services
SEPTEMBER 23, 2005



Report on the Status of Projects in Execution - FY05
Region: East Asia and Pacific
Country: Papua New Guinea

Introduction

The Status of Projects in Execution (SOPE) Report for FY05 provides information on all IBRD/IDA projects that were active on and beyond June 30, 2005. Thus it bridges the gap in information available to the public between the Project Appraisal Document, disclosed after the Bank approves a project, and the Implementation Completion Report, disclosed after the project closes.

The World Bank has issued a SOPE Report every year as an internal communication to the Board of Executive Directors. Now, in accordance with the Bank's revised disclosure policy, the SOPE Report is also available to the public. By publishing this improved report, we have addressed one of the main concerns we heard from the public during disclosure consultations – that the public has very little access to information on projects while they are being implemented. Readers familiar with past reports will note that projects that closed during the fiscal year are no longer included in the SOPE, since their Implementation Completion Reports are now also disclosed.

The FY05 SOPE introduces a new element: in order to disclose project-by-project comparisons of disbursement estimates and actual disbursements, the SOPE report contains a line chart¹ showing the original estimated disbursement schedule, the latest approved revised schedule (if any) and actual disbursements for investment operations and a table showing the loan/credit/grant amount and disbursements to date.

¹ Notes:

- Amounts for Projects in currencies other than U.S. dollars may not match exactly due to exchange rate fluctuations over the life of the project.
- Disbursement graphs are not included for Development Policy Loans, which provide quick-disbursing external financing to support policy and institutional reforms. For these loans, funds are disbursed in one or more stages (tranches), released when the borrower complies with agreed conditions.
- Projects which are not yet effective may not have a planned disbursement schedule and thus may not include a graph.

Country: Papua New Guinea

Project Name (ID): Road Maintenance and Rehabilitation (P004397)

Country: Pap. New Guinea

Board Approval Date: 06/06/2002

Closing Date: 12/31/2006

Loan/Credit/Grant Number: IBRD-71190

Sector(s): Roads and highways (80%), Central government administration (11%), Sub-national government administration (9%)

Theme(s): Infrastructure services for private sector development (P), Rural services and infrastructure (P), Decentralization (P), Participation and civic engagement (S), Small and medium enterprise support (S)

Project Development Objectives:

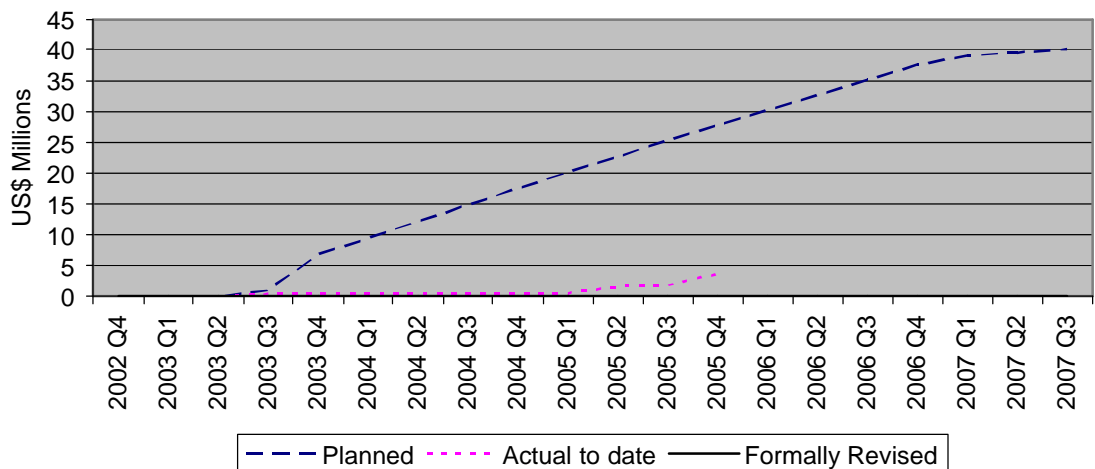
To (a) restore satisfactory physical condition and safety to parts of national and provincial roads and bridges in six project provinces; (b) strengthen strategic planning and management of road sector assets; (c)strengthen institutional arrangements for road maintenance; (d) increase private sector contracting of maintenance works.

Progress toward achieving development objective(s):

Progress is being made on maintaining and restoring national and provincial roads. Progress has been hampered by counterpart funding shortages; however, the situation is expected to improve in 2005 and 2006. All project works are being carried out by contractors, not force account, thus helping to strengthen small and medium contractors. Technical assistance to measure the road and economic impacts of road improvements is progressing well. Institutional strengthening is taking place with staff training and with various laboratories acquiring needed equipment and spare parts.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

| Loan/Credit/Grant | Status | Amount | Disbursed | Undisbursed | Cancellation |
|-------------------|-----------|--------|-----------|-------------|--------------|
| IBRD-71190 | Effective | 40.00 | 3.66 | 36.34 | 0.00 |



Project Name (ID): Second Gazelle Restoration (P054238)

Country: Pap. New Guinea

Board Approval Date: 12/09/1999

Closing Date: 06/30/2007

Loan/Credit/Grant Number: IBRD-45250

Sector(s): General transportation (29%), General water, sanitation and flood protection (21%), Other social services (17%), Power (17%), General public administration (16%)

Theme(s): Other social development (P), Access to urban services and housing (P), Infrastructure services for private sector development (P), Natural disaster management (S)

Project Development Objectives:

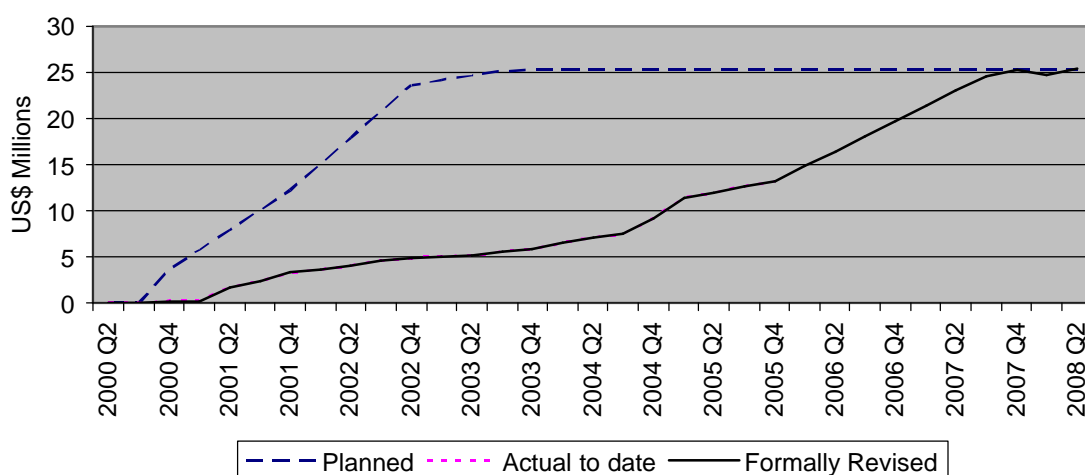
(a) to upgrade existing facilities and transportation infrastructure to support a shift in the location of settlement and economic activity towards lower risk areas centered on the new provincial capital at Kokopo; (b) to consolidate relocation sites in safe zones for evacuation of displaced communities from devastated and high risk areas; and (c) to restore such infrastructure and services in Rabaul to ensure the effective operation of the port.

Progress toward achieving development objective(s):

Implementation has been slower than expected due to a number of factors particularly severe counterpart funding constraints. Even so, about 65% of the project is completed, with much already achieved in providing services in Kokopo and the Gazelle Peninsula, as well as in longer-term development planning. Recent amendments and reallocations and adequate counterpart funding now provide a firm foundation for completing key components and achieving the project's development objectives by June 2007.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

| Loan/Credit/Grant | Status | Amount | Disbursed | Undisbursed | Cancellation |
|-------------------|-----------|--------|-----------|-------------|--------------|
| IBRD-45250 | Effective | 25.26 | 13.12 | 12.14 | 0.00 |



Project Name (ID): Mining Sector Institutional Strengthening Technical Assistance (P060330)
Country: Pap. New Guinea
Board Approval Date: 06/01/2000
Midterm Review Date: 01/16/2004
Closing Date: 12/31/2005
Loan/Credit/Grant Number: IBRD-70180, JPN-50523
Sector(s): Central government administration (100%)
Theme(s): Regulation and competition policy (P), Pollution management and environmental health (S)

Project Development Objectives:

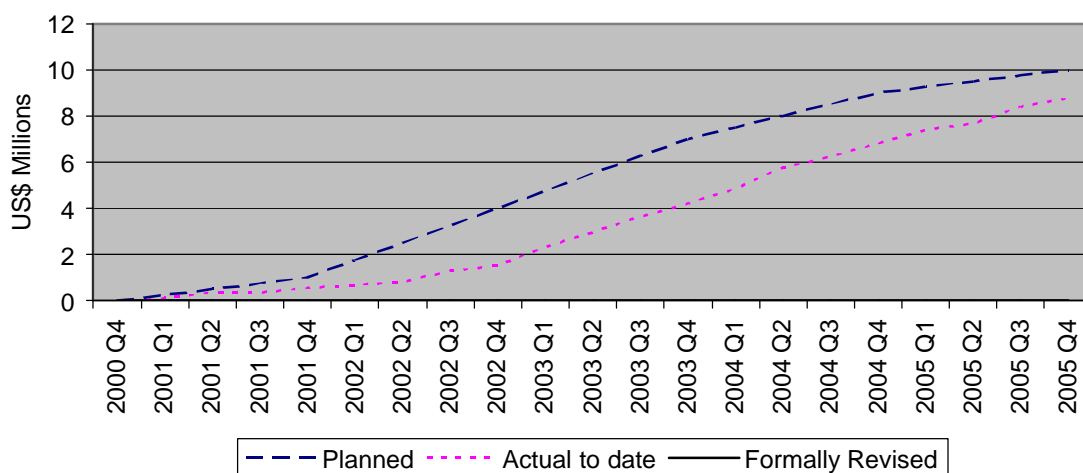
To strengthen the institutional capacity within the Department of Mining and the Internal Revenue Commission to administer and regulate exploration and mining projects, and thereby contribute to socially and environmentally sustainable private mineral investment in the mining sector

Progress toward achieving development objective(s):

The project is on track for closure as originally scheduled, with the projected outcomes largely achieved. New exploration activities supported by the project have increased; community development-related support activities at mining sites have increased; an improved structure is in place for benefits management and better integration of landowner concerns; technical and safety audits have increased and two new mines inspectors have been commissioned. A new Mines Safety Act is being enacted.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

| Loan/Credit/Grant | Status | Amount | Disbursed | Undisbursed | Cancellation |
|-------------------|-----------|--------|-----------|-------------|--------------|
| IBRD-70180 | Effective | 10.00 | 8.84 | 1.16 | 0.00 |
| JPN-50523 | Effective | 0.47 | 0.05 | 0.42 | 0.00 |



Project Name (ID): Gas Development and Utilization Technical Assistance (P066954)

Country: Pap. New Guinea

Board Approval Date: 06/01/2000

Midterm Review Date: 02/15/2004

Closing Date: 09/30/2006

Loan/Credit/Grant Number: IBRD-70190

Sector(s): Central government administration (73%), Oil and gas (27%)

Theme(s): Regulation and competition policy (P), Export development and competitiveness (S), Other financial and private sector development (S)

Project Development Objectives:

To build the capacity in the government for the efficient management of gas sector development

Progress toward achieving development objective(s):

Progress is sound. The project has substantially enhanced the skills of the professional staff who are increasingly undertaking their duties unassisted and dealing confidently with industry and sector issues. Policies have been further developed and associated guidelines have been prepared for sector development with a series of amendments to the Oil and Gas Act and preparation of appropriate regulations. Gas development has been actively promoted based on gas reserves in the Papuan basin. The Division has reviewed critical matters and options related to the PNG Gas Project (for export of gas to Australia) and spear-headed the government's negotiation of agreements for such, which led to the commencement of the project's front end engineering and design phase. The Division supported the government in preparing and inaugurating fiscal incentives for petroleum exploration which has resulted in a surge in license applications and a consequent increase in the number of petroleum exploration licenses.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

| Loan/Credit/Grant | Status | Amount | Disbursed | Undisbursed | Cancellation |
|-------------------|-----------|--------|-----------|-------------|--------------|
| IBRD-70190 | Effective | 7.00 | 6.06 | 0.94 | 0.00 |

