

November 15, 2012

## Comments from United Kingdom on the Strategic Program for Climate Resilience for Papua New Guinea

Dear Patricia

Thank you for the opportunity to send further comments on PNG's SPCR. The UK thanks the Government of Papua New Guinea and the Asian Development Bank for considering the suggestions and recommendations from the independent reviewer and the Sub Committee in the final SPCR, presented to the Sub Committee meeting on 1 November 2012. As set out in our previous comments, we are keen to see progress on: analysis of the institutional and governance context; capacity building and sustainability; Results Framework; stakeholder consultations; environmental and social assessments; and also on application of the ADB's Anti-Corruption Policy. We would like to highlight the following areas:

- Sustainability of the Project Management Unit (PMU): We understand that the PMU will comprise of government personnel. Although the principle of transferring knowledge to core civil servant staff is welcomed and is vital to longer term sustainability, doing this through the model of a PMU often results in taking away much needed staff from already stretched departments, and can be unsustainable in the long term by fragmenting Government structures. How does the Government of Papua New Guinea plan to mitigate against this affecting business as usual in other key departments and undermining government structures in the longer term, and will there be an exit strategy for how the PMU will be transitioned into Government when the programme is complete (e.g through transfer of skills, capacity and functions), to ensure the sustainability of capacity building?
- Admin costs: The ADB estimate for admin is 8% (which continues to be high by comparison with other agencies). Even though we appreciate that this must include M&E, comms and other core work, we must ensure that we get maximum value for money, and that pure admin is kept to the absolute minimum at all times. We thank the ADB in advance for agreeing to compare this with the rate in Tonga's SPCR and report back, and if there are significant discrepancies, hope this will include measures to improve efficiency.
- Results: We note that the results framework has been updated, and would also like to have confirmation that an evaluative component will be developed for the SPCR.
- Anti-Corruption: We will welcome regular reporting on the governance aspects identified, including application of the ADB's Anti-Corruption Policy, and periodic inspection of contractors' fund withdrawals and settlements. We will also expect regular reporting on how the implementation arrangements are

ensuring that the quality of construction work is to the required climate resilient standards.

Many thanks

Jane

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