June 24, 2015

Approval by Mail: PPCR Papua New Guinea: Building Resilience to Climate Change in Papua New Guinea Project (ADB)

Dear PPCR Sub-Committee Members,

Please find attached for your review and approval, the following requests submitted by the Asian Development Bank (ADB):

1. a proposal entitled *Building Resilience to Climate Change in Papua New Guinea Project*, for your approval of a PPCR allocation of USD 24.25 million in grant funding;
2. a request of USD 196,957 for the second tranche of funding for MDB Project Implementation and Supervision Services;
3. a concept note for the use of the additional PPCR allocation of USD 5.0 million, proposed for increasing the climate resilience of a provincial government wharf in Alotau, Milne Bay. This additional financing will complement output 3 of the proposed project and contribute to component 3 of the PNG SPCR;
4. a project preparation grant request for USD 200,000 to support the project sponsored by the additional funding in Alotau Wharf *(Additional Financing for Building Resilience to Climate Change in Papua New Guinea)*.

For your information, a request to endorse the concept note for the allocation of the additional USD 5.0 million in PPCR grant resources to the project was submitted to the Sub-Committee in May 2014; however, the request was subsequently withdrawn. The withdrawal notification can be found here.

The Sub-Committee is requested to approve the following decision

> **The PPCR Sub-Committee approves USD 24.5 million in PPCR grant funding for the proposal entitled, *Building Resilience to Climate Change in Papua New Guinea Project,* submitted by the Asian Development Bank (ADB);**
>
> **The PPCR Sub-Committee approves an amount of USD 196,957 for the second tranche of project implementation and supervision services for ADB for the proposal entitled, *PNG: Building Resilience to Climate Change in Papua New Guinea Project*.**
>
> **The PPCR Sub-Committee notes the letter of support from the government of Papua New Guinea and endorses the concept note for the allocation of an additional USD 5.0 million in PPCR grant resources to the project *Additional Financing for Building Resilience to Climate Change in Papua New Guinea*.**
>
> **The PPCR Sub-Committee approves an amount of USD 200,000 in project preparation grant funding for *Additional Financing for Building Resilience to Climate Change in Papua New Guinea*.**

For your information the following table summarizes the allocation of resources for Papua New Guinea under the SPCR and endorsed additional funding. The Trustee has confirmed that there are sufficient resources available for the commitment requested.

PPCR - Papua New Guinea		
Allocations		USD million
SPCR Allocation (endorsed November 2012)		25.00
Additional Funding (endorsed November 2012)		5.00
	Total	**30.00**
Approved Project Preparation Grants		
Building Climate Resilience in Papua New Guinea (ADB)		0.75
	Sub-total	**.750**
Project Submitted for Approval		
Building Climate Resilience in Papua New Guinea (ADB)		24.25
Project Preparation Grand Submitted for Approval		
Additional Financing for Building Climate Resilience in Papua New Guinea (ADB)		0.20
Total approved PPCR funding if above project and PPG are approved		***25.20***
Total PPCR Allocation remaining		***4.80***

Figures as of June 16, 2015

If we do not receive an objection to this proposed decision by close of business on **July 8, 2015**, the decision will be approved.

Sincerely,

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Additional attachments:

1) A letter from the government supporting the use of additional PPCR funding for the USD 5.0 million project in Alotau Wharf *(Additional Financing for Building Resilience to Climate Change in Papua New Guinea)*;
2) A report and recommendation of the president (RRP) supporting the project;
3) Annex 9 of the PNG SPCR describing the scope of SPCR component 3; and
4) The Project Administration Manual for *Building Resilience to Climate Change in Papua New Guinea Project*.