



Australian Government



Papua New Guinea Covid-19 Development Response Plan

Australia and Papua New Guinea (PNG) share a special relationship, strong bonds and shared ambitions for the future, all of which were reinforced by the *Papua New Guinea-Australia Comprehensive Strategic and Economic Partnership* (CSEP), signed by Prime Minister Morrison and Prime Minister Marape in August.

A stable, prosperous, peaceful and resilient PNG is critical to Australia's interests. We are PNG's largest development partner, with an investment of around \$600 million per year; its main partner on economic and security issues; and its most active supporter in helping it respond to the COVID-19 crisis.

COVID-19 SITUATION ANALYSIS

COVID-19 is having a disruptive impact on PNG. The PNG Government has acted quickly to limit the spread of the virus, manage community transmission and seek international support. However, PNG faces challenges in containing the spread and treating those in need. According to the UN and Water Aid, only 41 per cent of people have access to basic water supply and only 12 per cent of schools have handwashing facilities with both water and soap. Lockdown restrictions and border closures have slowed economic activity, reduced household incomes, disrupted education, and exacerbated poverty and gender inequality. The outbreak is having direct and indirect health, social and economic consequences.

Prior to COVID-19, around a quarter of the population lived in extreme poverty (USD1.90 a day). According to Devpolicy, even if COVID-19 impacts are mild with a 5 per cent contraction in household consumption, about 400,000 people could be pushed into extreme poverty. Many of those would be people with disabilities.

Without a formal social protection system, there is no readily available mechanism to reach poor households and informal workers affected by COVID-19. Family, community support networks and churches are however making up some of this gap.

PNG is maintaining food supplies from both domestic production and imports. However, food access and affordability in some urban markets have been affected. There is some risk of social disruption and more crime if economic activity and food access do not improve.

The PNG Government has forecast a decline of three per cent in real GDP in 2020, five percentage points below projections made prior to COVID-19. In June 2020, a World Bank/IMF Debt Sustainability Assessment found that PNG was at high risk of debt distress. PNG faced economic and fiscal challenges prior to the pandemic. Since 2014, the country has had consecutive budget deficits and falling GDP per capita. As the value of oil, gas and other exports fell, the economic situation declined. The PNG Government has forecast a fiscal deficit of PGK6.6 billion (around \$2.6 billion for 2020). This is straining the Government's ability to meet salaries and operational costs and to fund essential services. The Marape Government is responding through an economic stimulus package and a reform program. General elections are due to take place in 2022.

Structural issues in PNG's healthcare system have been exacerbated by COVID-19. There are only about 500 doctors, 4,000 nurses and 5,000 hospital beds for a population of between 8-10 million. Most facilities are short-staffed. COVID-19 outbreaks not only affect the Government's ability to deliver services but fear and stigma are leading to reduced use of services.

Security forces were stretched before COVID-19, with the Papua New Guinea Defence Force (PNGDF) operating

across disparate environments, maritime domains and border regions. The COVID-19 outbreak has exacerbated this. There has been a significant increase in military deployments including to assist the provinces and secure the porous land border with Indonesia.

PNG is vulnerable to the impacts of disasters and climate change, and the spread of pests such as Fall Armyworm puts livelihoods and food security at risk. COVID-19 has complicated the response to these issues.

COVID-19 has created greater risks for women and children. UNFPA reports that they are more likely to experience family and sexual violence (FSV) due to containment measures and financial pressure, but access to FSV services has been disrupted. According to Care Australia, most health workers are women, women are mainly informal workers with no labour protections and the rise in demand for water, sanitation and hygiene (WASH) facilities has led to an increased workload for women and girls who collect water. Women also provide most of the unpaid care, and sexual and reproductive health and rights (SRHR) have been disrupted.

AUSTRALIA'S RESPONSE

The PNG COVID-19 Development Response Plan (CRP) sets out how Australia is helping PNG to respond to and recover from COVID-19 shocks over the next two years. Our support is framed around three pillars: health security; stability; and economic recovery, in line with *Partnerships for Recovery: Australia's COVID-19 Development Response* strategy. The recently agreed CSEP represents PNG and Australia's shared priorities across the whole bilateral relationship and provides the longer-term framework in which the CRP sits.

Australia's COVID-19 support focuses on working with PNG to manage its economic and social challenges, responding to the potential for a worsening COVID-19 outbreak, and helping to ensure security and stability. Key Government implementing partners include the Australian Defence Force (ADF), Australian Federal Police (AFP), Department of Home Affairs, Australian Border Force (ABF), Attorney-General's Department, Treasury and the Department of Foreign Affairs and Trade (DFAT).

Australia will provide COVID-19 supplementary funding of \$304.7 million as part of a COVID-19 Response Package. This package will provide support to the Pacific and Timor-Leste to deliver critical, temporary, economic support to address pandemic impacts; this targeted, temporary (ODA) funding is for two years and is in addition to Australia's \$4 billion ODA program.

Health Security

COVID-19 has underlined the importance of effective health systems. It is essential that health systems respond to COVID-19 without neglecting ongoing needs for immunisation, SRHR services, maternal and child health, and other communicable diseases such as malaria, tuberculosis and HIV.

Australia's health programs have been adjusted to ensure they include COVID-19 preparedness and mitigation measures. Funding for health security has been increased and our support will continue to be directed to strengthening local systems. We will support essential services, since disrupted services during COVID-19 lead to increased mortality and morbidities. Wider impacts have also been felt, such as disruption to SRHR services which lead to women and girls dropping out of work and education.

Our focus over the CRP period will be on: (i) the prevention, detection and response to COVID-19, while also continuing our work in other communicable diseases, including malaria, HIV, and TB; and (ii) support to Provincial Health Authorities to improve delivery of primary health care services, including immunisation coverage, maternal and child health, access to family planning and other services. Our focus on government services will be balanced with support for NGO and church-led services, and ensuring marginalised groups including people with disabilities can access health services. Our global partnerships in WASH are providing technical and community WASH support in PNG, including sustainable access to WASH services for women and girls.

At PNG's request, we will continue to provide support to workforce training, strengthening women's leadership in health, and improving health information systems, financial management and health governance.

This work will proceed in parallel with Australian support for COVID-19 preparation and response, including through Provincial Health Authorities. We are providing technical advice and resources, and have deployed Australian Medical Assistance Teams (AUSMAT), to provide on-the-ground support and help strengthen PNG government systems. We have assisted PNG with its testing needs, including providing testing equipment and conducting testing in Australia. We have provided Personal Protective Equipment to front-line workers, and are supporting NGO and church-led information campaigns and WASH. We have launched a new internet-based program to provide health care workers with access to vital COVID-19 messages to help protect

them and their patients. The ADF has supported the provision of commercial air and sea transport, as well as ADF lift options, to move testing teams and essential health supplies.

At Prime Minister Marape's request, we rapidly developed and are now implementing a program to mitigate the risk of community transmission through 14 key produce markets. This will have positive impacts for women as primary users of markets.

Prime Minister Marape also asked us to focus on health infrastructure, including WASH and portable health clinics, and to improve the reliability of services, such as power, in existing health facilities. Our largest single infrastructure investment in PNG, the ANGAU hospital in Lae, will be completed in the CRP period, with the addition of an infectious diseases ward.

We will work in partnership with the World Health Organization (WHO) and through the Indo-Pacific Centre for Health Security, amongst others. We will also support equitable access to safe and effective COVID-19 vaccines in PNG through multilateral and regional initiatives to finance, assess, deliver and monitor COVID-19 vaccines.

Stability

Australia and Papua New Guinea share an interest in a secure, stable and peaceful region. We will soon commence negotiations on a Bilateral Security Treaty, a key outcome of the CSEP, intended to better represent the breadth of our security cooperation.

The Defence Cooperation Program in PNG is providing the ADF's largest international response to COVID-19. It supports the PNGDF across operations, infrastructure and equipment. This has significantly assisted the PNGDF's COVID-19 response, particularly around border security. We will help PNG to redevelop the Lombrum Naval Base, expanding cooperation and interoperability in maritime security, force capability and infrastructure investment. The AFP, through its policing partnership, has swung in behind the Royal PNG Constabulary's (RPNGC) coordinating role in COVID-19. Longer-term, the AFP, through the Policing Partnership, will continue to support RPNGC to build its capabilities and support its ambitions for reform.

We will continue to promote stability and social cohesion by supporting the Bougainville Peace Agreement, following the 2019 referendum and 2020 election. We will support local peacebuilders, including women, to build community cohesion and help facilitate dialogue.

We are increasing funding for gender work and have pivoted existing gender and law and justice programs to

provide more protection and services for survivors of FSV. We will further bolster crisis support services for FSV survivors, expand safe transport for women and girls and improve community-level messaging on COVID-19 and FSV, including information on support services.

Disability inclusive development is an important component of Australia's response. We are working with churches and disability-focused NGOs to build stability through community-based inclusive development and disability awareness, and helping the Government to develop policy in this area.

Australia is playing a key role in supporting PNG's COVID-19 Education Emergency Response and Recovery Plan, as ongoing education promotes stability for children. We are re-orientating existing programs across ten provinces to help students learn safely. With local and international partners, we will focus on WASH, including hand washing stations, hygiene education and products, learning materials and teacher training. We will continue our work in primary and expand our support for secondary education, emphasising girls' access to education.

Social protection programs play a critical role during crises. We have launched an innovative cash-for-work scheme with local government and private sector in Lae to address urban unemployment and stimulate local trade and investment. This pilot will inform a new cash transfer program to tackle malnutrition and stunting. We will work with the Government to promote social protection programs.

We have repositioned our program targeting coastal villages on the border with the Torres Strait to focus on COVID-19 prevention and response and to address food insecurity and health issues that could drive border crossings into Australia. Over the CRP period we will increase assistance in this region.

Given PNG's vulnerability to natural disasters we are building flexibility into our CRP so we can step up our humanitarian assistance to PNG if required. Defence is exploring bilateral mechanisms and working with likeminded partners to deepen cooperation in this area.

Economic Recovery

Australia's economic engagement with PNG is being strengthened to assist PNG's COVID-19 response and recovery. The COVID-19 economic shock comes on top of existing fiscal and economic challenges.

Australia has given comprehensive support to PNG. We have agreed to refinance an existing USD300 million loan (provided in late 2019), and provide a further USD100

million loan, including to assist PNG to continue the delivery of core government services, such as healthcare and education.

Together with loan support we are providing technical assistance towards the Government's reform program including its participation in an IMF Staff Monitored Program to help restore macroeconomic and financial sector stability and lay foundations for future growth. Australia will also continue to advocate for international financial institutions to support PNG's fiscal position and economic reform agenda.

We will enhance support to the informal sector, which provides most of PNG's employment. We are testing new approaches to improve access to finance for small and medium enterprises. We are supporting women business owners with skills training and access to finance. We will continue to work to increase food production and strengthen linkages between smallholder farmers and markets. This will improve food security and boost exports.

Building business confidence will be key to attracting new investment, particularly in major pipeline resource projects, and restoring economic growth. We will continue programs to improve the business enabling environment.

We will partner with PNG to build climate-resilient economic infrastructure in core areas, including: telecommunications services for businesses, social services and emergency response; power for health services and other vital functions; water access for hygiene and sanitation; and air, sea and ground transport systems for access to goods and services. We will continue to invest in labour-intensive road maintenance and infrastructure to help create jobs for Papua New Guineans, including in Bougainville and Manus, to boost economic recovery.

We will continue to work through the Australian Infrastructure Financing Facility for the Pacific (AIFFP) to draw in financing for strategic and large-scale quality infrastructure projects, particularly in electrification, which will help economic recovery and local employment. Our investment in the Coral Sea Cable and policy advocacy will improve access to the internet and drive private sector growth.

PNG has a youth bulge and a very low World Bank Human Capital Index score. Upskilling its population is essential to future growth. We will expand our work in technical and vocational education and training (TVET), including through the Australia Pacific Training Coalition, to increase training for jobs in growth industries, including training women in non-traditional areas, and build links between TVET and labour mobility opportunities in Australia.

We will build on our quarantine support to date, including reimbursing on-arrival quarantine costs for repatriation of PNG nationals from Australia who have been on Australian Government-sponsored programs.

HOW WE WILL WORK

Our development program will be flexible and adjust to COVID-19 and other challenges. We will coordinate with and leverage the efforts of other partners to maximise impact. We will continue to work at the national and sub-national levels.

We are committed to a balanced response that protects hard-won development gains and supports recovery through a range of local and international partners, including non-profits, churches, multilateral organisations, and the private sector.

Current travel restrictions and quarantine requirements complicate implementation and monitoring of our development projects. We will make more use of remote technologies and local partners, so that we can continue to deliver an effective development program.

While many of our advisers have remained in place, COVID-19 has disrupted our network and paused key training and capacity building programs. We will carefully manage adviser returns and explore approaches that empower local civil servants and encourage broader public-private coalitions to achieve change.

We will pilot a more integrated approach to engagement in South Fly district, Western Province, reflecting our shared strategic and development interests in this region. It will include existing as well as new programs. It will leverage partnerships with Commonwealth and state governments, churches, private sector and civil society on both sides of the border.

TABLE 1: COVID-19 RESPONSE PLAN PERFORMANCE FRAMEWORK

Response Plans	Health Security	Stability	Economic Recovery
Expected Outcomes	<ul style="list-style-type: none"> - PNG more resilient to, prepared for and able to respond to COVID-19 and other health security threats (SDG 3) - PNG health system improves delivery of primary health care services, including immunisation coverage, maternal and child health, family planning and other services (SDG 3) 	<ul style="list-style-type: none"> - PNG more resilient to, prepared for and capable of responding to security threats and humanitarian crises (SDG 16) - Australia remains PNG's principal security partner - More FSV survivors are able to access quality services (SDG 5) - More women engaged in key decision-making processes (SDG 5) 	<ul style="list-style-type: none"> - PNG takes measures to mitigate the impacts of COVID-19 to maintain resilience, transparency and stability in the economy (SDG 8) - High-quality infrastructure driving private sector investment (SDG 9) - Increased participation by women in the economy (SDG 5) - More men and women gain appropriate skills for employment in priority sectors (SDG 8)
Cross-cutting outcomes	<ul style="list-style-type: none"> - Institutional partnerships mobilised for shared policy priorities - More women engaged in key decision-making processes (SDG 5) 	N/A	N/A
Key Results	<ul style="list-style-type: none"> - Appropriate COVID strategies and response plans are in place at national level and all Provincial Health Authorities (PHAs) - National and provincial health systems have improved capacity and capability to undertake surveillance, risk assessment and rapid response - Supplementary funding and strategic advice is available to all PHAs for COVID response - National laboratory services have the capacity to undertake testing in a timely manner and have increased throughput of COVID tests - 22,325 children receive routine vaccinations in selected provinces - Community is better educated on COVID risks, misinformation and prevention - 400 clinicians have improved understanding of impact of COVID and appropriate treatment - COVID testing and outbreak responses by PHAs are not constrained by lack of PPE - Indicators for routine Australian-supported services including immunisation, TB and HIV treatment, family planning remain stable - ANGAU hospital redevelopment completed with new infectious diseases ward - Relevant infrastructure investments are supporting the government's COVID response - Selected markets comply with the Controls and Guidelines to Support Safer Operations of Markets - Women have been supported to participate in decision making processes in the health sector - Number of people trained in field epidemiology, surveillance, laboratory diagnostics and infection prevention and control. 	<ul style="list-style-type: none"> - Incidence of strengthened governance systems and policy change - RPNGC capacity to provide policing responses to COVID-19 maintained - PNGDF have maritime and air transport support to reach any part of PNG where health and security operations are required - PNGDF counter border security threats - Communities in South Fly District are more resilient and better able to meet their immediate needs - 4,000 primary and secondary teachers provided with training tailored to COVID-19 - 600 hand washing stations reaching over 55,000 students in over 200 schools - Additional women and men reached with social protection programs (1,000 low income households in Lae supported through cash for work scheme) - Increase in number of front line service providers able to manage GBV - Increase in #GBV services and referrals provided to survivors - Number of women and girls survivors of violence receiving services (FSV case management services) - Increased capacity to prosecute FSV cases - Strengthened professional women's networks across the law and justice sector 	<ul style="list-style-type: none"> - Australian budget support as a percentage of supplementary budget expenditure in response to COVID-19 - Australian policy and technical advice supports PNG to meet policy triggers for concessional financing from IFIs and implement SOE reform - Women business owners supported with skills and management training - Two markets constructed - 250 men and women with TVET qualifications - 3,150 kilometres of roads maintained - 10,000 households with improved access to electricity - Minimum levels of connectivity maintained to move essential goods, services and people in and out of PNG to facilitate health and economic outcomes



Response Plans	Health Security	Stability	Economic Recovery
Supporting Investments	<ul style="list-style-type: none"> - COVID-19 Pacific Support Package – economic and health impact funding - Health Capacity Development & Service Delivery - PNG Partnerships Fund - PNG Australia Transition to Health (PATH) - UNICEF-EENC - Human Development M&E Services Provider - ANGAU Hospital Re-development - Health Services Sector Development Program - DFAT-WHO PNG Bilateral Partnership - Gavi, the Vaccine Alliance - Global Fund to Fight AIDS, Tuberculosis and Malaria - Indo-Pacific Centre for Health Security - Stronger Systems for Health Security - ASEAN-Pacific Infectious Disease Detection Programme 	<ul style="list-style-type: none"> - Defence Cooperation Program - PNG- Australia Policing Partnership - Justice Services Stability for Development - Pacific Women Shaping Pacific Development - Gender Equality/Gender Based Violence - Supporting Elections in PNG - PNG Governance Facility - Australia Awards - Education Capacity Development Facility - Bougainville Programming - Climate Change Portfolio - PNG Disaster Risk Reduction Program - Combatting Corruption in PNG - Institutional Partnerships Program - Australian NGO Cooperation Program (ANCP) 	<ul style="list-style-type: none"> - PNG-Aus Transport Sector Support Program - Joint Understanding Technical Enabling Unit - Incentive Fund - Economic and Social Infrastructure Program - Undersea Cables Project - Private Sector and Rural Development - Market Development Facility - Pacific Regional Market Access (PHAMA Plus) - Australia Infrastructure Financing Facility (AIFFP) - Australian Pacific Training Coalition - Australian Centre for International Agricultural Research (ACIAR) - Pacific Labour Scheme