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Q1 Respondent

PAPUA NEW GUINEA

Q2 About you

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Page 7: SECTION 1: AID-FOR-TRADE PRIORITIES (YOUR GOVERNMENT'S AID-FOR-TRADE PRIORITIES)

Q3 Does your national development strategy include trade priorities ? (i.e. Aid-for-Trade priorities) **Yes**

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Q4 If yes, please indicate your Aid-for-Trade priorities:Below are listed the most common priority areas grouped according to broad Aid-for-Trade categories. Please rank the top 5 priority areas among the ones listed below.(1 being the most important)

Export diversification	3
Network and/or transport infrastructure of a cross border nature	2
Trade facilitation	4
Transport infrastructure (airport, roads, rail, port)	1
Other priority areas including: MSMEs, Women's economic empowerment, Youth, etc. (please specify)	5

Please specify further the priorities that you selected above as well as the main problems/obstacles encountered in furthering them and provide a weblink to the relevant strategy.

The priority of the government is to grow the economy through increasing exports, reducing imports,wealth creation, and improving service delivery. The priorities selected above contribute to the overall goal of growing the economy. The main obstacles include the lack of coordination between the Government agencies and the development partners in collaborating to implement these priorities. Please refer: www.planning.gov.pg

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Q5 Have your Aid-for-Trade priorities changed since 2016?

Yes,

Please specify further the priorities that you selected above, as well as the main problems/obstacles encountered in furthering them. Please include a weblink to the relevant strategy.:

PNG's aid for Trade priorities maybe changed from time to time and changes to schedules will be considered by Annual Development partnership Dialogue. refer: www.planning.gov.pg

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Q6 If yes, please rank the top 3 drivers of these changes :(Please choose no more than 3 options)

Economic diversification **1**

New national development strategy **2**

Trade Facilitation Agreement Implementation **3**

Additional information on the top 3 drivers of changes in your Aid-for-Trade priorities since 2016.:

1. Economic diversification - PNG relies on the Non-renewable resource sector. economy base is too small,hence,priority of government is to broaden economy base by investing in agriculture, renewable resource sector. 2. New National Development strategy eg; Medium Term Development Plan (MTDP) 1 & 2- creating enabling environment and MTDP 3 now looks growing the economy. 3. Trade Facilitation - enhances PNG's ability to trade comparatively/ comparative advantage.

Q7 Have these changes been reflected in your dialogue with development partners?

Yes,

Additional information on how changes in your Aid-for-Trade priorities have been reflected in your dialogue with development partners.:

- Through reason of the DCP 2018-2022. - Through dialogue mechanism by the government and the development partners, NGO, private sector. - Bilateral policy dialogue with all development partners through high level PNG forum. - through the existing dialogue mechanism highlighted in the DCP.

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Q8 Please provide names, titles, references or weblinks to policy documents relevant to Aid for Trade in your country.

- | | | |
|-------------------------------------|---|------------------------|
| A. National Trade policy | - | 2017 - 2032 |
| B. Medium Term Development Plan | - | 2016 - 2017 /2018-2019 |
| C. PNG Development Cooperation Plan | - | 2018 - 2022 |

refer: www.planning.gov.pg

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Q9 Is economic diversification a priority in your national or regional development strategy?

Yes,

If yes, please provide additional information (including as to how economic diversification is defined and measured).: Given the heavy reliance on the extractive industries, PNG is now looking at investing and supporting activities and programs in the agriculture and livestock sector. This is to ensure that the economy is resilient to any external shocks such as the fall in mineral prices which has negatively impacted revenue for the country specific indicators such as production export revenue and of agriculture commodities will be monitored. GDP will be the main measure used.

Q10 What are the main constraints to economic diversification identified in your national or regional development strategy?(You may tick more than 1 box)

High input costs ,

Inadequate network infrastructure (power, water, telecommunications)

,

Limited agricultural production capacity ,

Limited industrial or manufacturing capacity ,

Transport infrastructure (airport, roads, rail, port) ,

Unaffordable and/or unreliable electricity access,

Additional information on the main constraints to economic diversification as identified in your national or regional development strategy.:

PNG has a rugged terrain and accessibility to goods and services, and particularly to markets has always been a challenge. The enabling environment to support economic activities such as the network infrastructure and transport infrastructure has limited to ability of people to venture into other areas of development. Other factors affecting the quality of agriculture produce and meeting bio-security standards for exporting agriculture and livestock are lacking.

Q11 Please indicate in which of category(ies) of aid-for-trade financing you receive aid-for-trade support for economic diversification.(You may tick more than 1 box and/or leave boxes unticked if you do not receive support)

Trade policy and regulations (Including training of trade officials, analysis of proposals and positions and their impact, support for national stakeholders to articulate commercial interest and identify trade-offs, dispute issues, institutional and technical support to facilitate implementation of trade agreements and to adapt to and comply with rules and standards)

Trade policy and administrative management

Trade facilitation,

Transport and storage infrastructure

Additional information on which category(ies) of aid-for-trade financing you receive aid-for-trade support for economic diversification.:

Funding support for specific programs such as the Trade Related Assistance by European Union(EU)and others were received. Refer to the list of programs funded by development partners.

Q12 Does the aid-for-trade support you receive for economic diversification align with the priorities established in your national or regional trade and development strategy(ies)?

Unsure,

Additional information on how the aid-for-trade support you receive for economic diversification aligns with the priorities established in your national or regional trade and development strategy(ies).:

Need to review development strategies (MTDP, Trade Policy) against programs being supported.

Q13 Has your government recorded progress in economic diversification since the launch of the Aid-for-Trade initiative in 2006?

Unsure,

Additional information on whether your government has recorded progress in economic diversification since the launch of the Aid-for-Trade initiative in 2006?:

Study needs to be undertaken to determine if there is any progress.

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Q14 If yes, please specify in which area(s):(You may tick more than 1 box)

Respondent skipped this question

Q15 If yes, please also indicate in which sector(s): (You may tick more than 1 box)

Respondent skipped this question

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Q16 In which category(ies) of Aid for Trade is the support you receive impactful for economic diversification?(You may tick more than 1 box and/or leave boxes unticked if you do not receive support)

Unsure,

Additional information on the category(ies) of Aid for Trade in which the support you receive is impactful for economic diversification, including information on which your answer is based.:

Need to review programs funded by the development partners and assess their impact.

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Q17 What factors contribute to the success of the aid-for-trade support you receive for economic diversification?(You may tick more than 1 box. Please limit your answer to the top five factors)

Alignment of aid-for-trade support with national/regional priorities

,

Country ownership,

Institutional capacity to implement projects

Additional information on the factors that contribute to the success of the aid-for-trade support you receive for economic diversification. :

The above factors selected are important as development partners need to observe the priorities of Government and collaborate with the concerned agencies to implement projects.

Q18 What factors may limit the success of the aid-for-trade support you receive for economic diversification?(You may tick more than 1 box. Please limit your answer to the top five factors.)

Diverging priorities between partner and donor

Additional information on the factors that may limit the success of the aid-for-trade support you receive for economic diversification.:

Almost all factors above contribute in one way or the other to limiting the success of aid for trade. All these are issues currently faced.

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Q19 Does the Aid for Trade you receive help mobilize other forms of development finance for economic diversification (i.e. non-concessional financing, foreign direct investment, remittances, trade finance, etc.).

Yes,

Additional information on how Aid for Trade received helps mobilize other forms of development finance for economic diversification.:

PNG now experiences foreign direct investment from particular donors.

Q20 Which development partner(s) are the most important source of aid-for-trade financing for economic diversification?(You may tick more than 1 box)

Additional information on the development partners that are important sources of aid-for-trade financing for economic diversification.:

Needs to undertake and study on all those development partners whom PNG has benefited one way or the other since independence to provide accurate information. Refer; www.planning.gov.pg

Q21 Which South-South partner(s) are the most important source of financing for your economic diversification?(You may tick more than 1 box)

Additional information on the South-South partner(s) that are important sources of financing for your economic diversification.:

Need to check through all financing partners from all government agencies to provide the correct information. Please refer: www.planning.gov.pg

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Q22 Looking ahead, in which sector(s) will future support for economic diversification be most required? (You may tick more than 1 box)

Agriculture,

Additional information on the sector(s) that will require most support for economic diversification.:

Agriculture is the medium term priority of the Government in growing economic to support the extractive industry.

Q23 Looking ahead, in which category of aid-for-trade financing do you think that your government will require aid-for-trade support for economic diversification.(You may tick more than 1 box and/or leave boxes unticked if you do not receive support)

Trade education/training,

Transport and storage infrastructure ,

Energy supply and generation infrastructure ,

Banking and financial services ,

Agriculture,

Additional information on which category(ies) of Aid for Trade you think your government will require further aid-for-trade support for economic diversification.:

The above selected categories are priorities of the PNG Government.

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Q24 Is there any Aid-for-Trade project or programme for economic diversification that you would like to showcase as an example of best practice?(Please provide additional information and include weblinks as relevant)

Refer to project list;

European Development Fund (EDF) programs.

- Trade related assistance program
- Rural economic Development Program

Asian Development Bank (ADB).

- Productive partnership Agriculture Program (PPAP)

These are few examples.

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Q25 Is economic empowerment a priority in your national or regional development strategy?

Yes,

If yes, please provide additional information on how economic empowerment is prioritized in your national or regional strategy.:

The theme of the MEDIUM TERM DEVELOPMENT PLAN (MTDP 3) is inclusive sustainable economic growth. Hence, women, youth and MSMEs have been given particular mention. For example, accessing MSMEs in finance, number of girls educated, and integrating youth into economic activities.

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Q26 For which groups does your national or regional development strategy seek to promote economic empowerment?(You may tick more than 1 box)

Women's economic empowerment

Micro, Small and Medium Sized Enterprises

Youth economic empowerment

Additional information on the groups for which your national or regional developing strategy is seeking to promote economic empowerment.:

Women & MSMEs and youth have been given special mention to have access to financial support and participate in economic activities which is mentioned in the MTDP3.

Q27 Does the national or regional development strategy propose any indicators to track economic empowerment or include any targets to achieve?

Yes,

If yes, please provide additional information on the indicators, or targets, on economic empowerment that are included in your national or regional development strategy.:

Indicators include Number of youth in SMEs, Percentage of youth employed. # Number of women with credit account, Women engaged in the SMEs. # Proportion of MSMEs having access to financial credits, Number of registered MSMEs and employment in MSME sector. We do have government policies & visions like; vision 2050 & Government strategic implementation plan and government put measures and achievable targets. Sometimes government lack in accountability and proof assessing if strategise targets have been achieved as per set.

Q28 Does the national or regional development strategy link economic empowerment to participation in international trade?

No

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Q29 Please indicate in which category(ies) of aid-for-trade financing you receive aid-for-trade support for economic empowerment. (You may tick more than 1 box and/or leave all boxes unticked if you do not receive support)

Trade facilitation,

Banking and financial services

Agriculture,

Additional information on the categories of aid-for-trade financing in which you receive aid-for-trade support for economic empowerment.:

Need to talk with relevant government agencies to provide accurate feedback. Refer: www.planning.gov.pg

Q30 Does the aid-for-trade support you receive for economic empowerment align with the empowerment priorities established in your national or regional trade and development strategy(ies)?

Yes,

Additional information on how the aid-for-trade support you receive for economic empowerment aligns with the empowerment priorities established in your national or regional trade and development strategy(ies).:

PNG's aid for Trade priorities maybe changed from time to time and changes to schedules will be considered by Annual Development partnership Dialogue. Refer: www.planning.gov.pg

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Q31 How best can Aid for Trade make a contribution to women's economic empowerment?(You may tick more than 1 box. Please limit your answer to the top five factors)

Providing access to finance ,

Supporting the growth and economic development of women

,

Supporting the growth and economic development of Youth

,

Additional information or examples of projects and programmes on how Aid for Trade can make a contribution to women's economic empowerment:

- Rural Economic Development Program - Industrial Centres Developed - Microfinance Expansion Program. n PNG where males are dominant in all activities and it is really helpful for the women if they are being privilege from such initiatives to participate and have them recognized and compete well amongst the large men population. After such initiative women will automatically know that they have the equal power to make decisions that benefit themselves' their families, communities and the nation. Safe City Program (mobile Bill payment system - making safer for womens and encouraging then to market and have them opportunity to pursue economic empowerments. Through the UNDP and aid organization - assistance with help of local women now women's empowerment in PNG is taking shape.

Q32 What forms of aid-for-trade financing, in your view, best support women's economic empowerment?(You may tick more than 1 box and/or leave all boxes unticked if you do not receive support)

Transport and storage infrastructure ,

Business support services,

Agriculture,

Additional information on the factors that contribute to the success of Aid for Trade in promoting women's economic empowerment.:

Most women in PNG are engaged in agriculture activities including marketing of their products. Hence, the selected boxes above would contribute to empowering women.

Q33 What factors contribute to the success of Aid for Trade in promoting women's economic empowerment? (You may tick more than 1 box. Please limit your answer to the top five factors)

Unsure,

Additional information on the factors that contribute to the success of Aid for Trade in promoting women's economic empowerment.:

The participation of women in economic activities remains to be a challenge given the cultural status of women in PNG. Hence, would require all factors above including the support from PNGans.

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Q34 How best can Aid for Trade make a contribution to the economic empowerment of MSMEs?(You may tick more than 1 box. Please limit your answer to the top five factors)

Providing access to finance ,

Supporting rural trade ,

Improving the provision of services ,

Additional information or examples of projects and programmes on how Aid for Trade can make a contribution to the economic empowerment of MSMEs.:

Refer MTDP3 - Rural Economic development Program. - Industrial development Centre - Agriculture & SME funding - SME Credit facilitation - Credit Guarantee scheme PNG has women in Micro bank that is a government funded bank used to subsidies loan to make women to actively participate in the MSME to effectively compare and play amongst the men. This is normally called "Grassroots Loan" which means unemployed people with no hope are given second changes in life to pursue business. Like if you have a trade store, markets which the bank will check through and identify it will generate revenue so they fund the loan and monitor it and repayment is collected easily and the grassroots bank assist the business grow especially for women.

Q35 What forms of aid-for-trade financing, in your view, best support the economic empowerment of MSMEs? (You may tick more than 1 box and/or leave all boxes unticked if you do not receive support)

Business support services,

Banking and financial services ,

Trade policy and regulations (Including training of trade officials, analysis of proposals and positions and their impact, support for national stakeholders to articulate commercial interest and identify trade-offs, dispute issues, institutional and technical support to facilitate implementation of trade agreements and to adapt to and comply with rules and standards).

,

Additional information on the factors that contribute to the success of Aid for Trade in promoting the economic empowerment of MSMEs.:

Most MSMEs currently facing difficulties in accessing financial support from the banks and other financial institution. Further, MSMEs lack capacity in developing their businesses.

Q36 What factors contribute to the success of Aid for Trade in promoting the economic empowerment of MSMEs? (You may tick more than 1 box. Please limit your answer to the top five factors)

Mobilization of domestic private investment ,

Institutional capacity to implement projects ,

Sufficient funding and appropriate implementation timelines

Additional information on the factors that contribute to the success of Aid for Trade in promoting the economic empowerment of MSMEs.:

Given the difficulty in accessing financial support and lack of capacity and know-how in managing and running a business.

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Q37 How best can Aid for Trade make a contribution to Youth economic empowerment?(You may tick more than 1 box. Please limit your answer to the top five factors)

Providing access to finance ,

Supporting the growth and economic development of Youth

Improving access to information ,

Additional information or examples of projects and programmes on how Aid for Trade can make a contribution to Youth economic empowerment.:

Refer MTDP3 - National Youth Development Program - Urban Youth Employment Program

Q38 What forms of aid-for-trade financing, in your view, best support to Youth economic empowerment?(You may tick more than 1 box and/or leave all boxes unticked if you do not receive support)

Banking and financial services ,

Agriculture,

Communications infrastructure,

Additional information on the factors that contribute to the success of Aid for Trade in promoting to Youth economic empowerment?:

Most youths who graduate from Gr.8, 10 & 12 find themselves without jobs. Hence, youths need to be equipped with skills in agriculture (as the priority of government), and given the financial backing with an enabling environment to contribute meaningfully in society.

Q39 What factors contribute to the success of Aid for Trade in promoting to Youth economic empowerment? (You may tick more than 1 box. Please limit your answer to the top five factors)

Alignment of aid-for-trade support with national/regional priorities

,

Sufficient funding and appropriate implementation timelines

,

Additional information on the factors that contribute to the success of Aid for Trade in promoting Youth economic empowerment.:

Youths have not been given sufficient support in all areas to ensure they are employed and participate meaningfully in economic activities.

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Q40 In your view, can Aid for Trade make a contribution to the achievement of the 2030 Sustainable Development Agenda ?

Yes,

Please provide a weblink to the relevant national strategy or policy document in which SDGs are referred to.:
The Medium Term Development Plan (MTDP3) integrates the SDGs Refer; www.planning.gov.pg

Q41 If yes, please specify which Sustainable Development Goal or Goals (SDGs) Aid for Trade can help to achieve.(You may tick more than 1 box)Sustainable Development Goals:

1. No poverty ,

6. Clean water and sanitation ,

7. Affordable and clean energy ,

13. Climate action ,

14. Life below water ,

Additional information on the Sustainable Development Goal(s) Aid for Trade can help to achieve.:

The MTDP3 has integrated the SDGs.

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Q42 Which donor(s) are now the most important source aid-for-trade financing for your economic empowerment.(You may tick more than 1 box)

DAC COUNTRIES,

Additional information on the donor(s) are the most important source of aid-for-trade financing for your economic empowerment.:

Papua New Guinea is now looking at opening up its trade to traditional & non-traditional partners.

Q43 Which South-South partner(s) are the most important source of financing for your economic empowerment?(You may tick more than 1 box)

Algeria,

Additional information on the South-South partner(s) that are important sources of financing for your economic empowerment.:

Papua New Guinea is now looking at opening up its trade to traditional & non-traditional partners.

Q44 Looking ahead, in which category(ies) of aid-for-trade financing do you think that further support for economic empowerment will be required.(You may tick more than 1 box and/or leave boxes unticked if you do not receive support)

Agriculture,

Trade facilitation,

Transport and storage infrastructure

Communications infrastructure,

Energy supply and generation infrastructure

Additional information on which category(ies) of Aid for Trade you think your country will require further aid-for-trade support for economic empowerment.:

The categories selected above as this are the priority areas of the government amongst others.

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Q45 Please provide any additional information that you think may be relevant.(Please references in the form or weblinks, document symbols etc.)

Papua New Guinea (PNG)'s foreign aid flows accounted for 60 per cent of the government budget and 24 per cent of GDP. PNG has large amounts of fertile agricultural land, dense forestry and fishing resources, substantial natural oil and gas, gold, copper, nickel and other mineral resource deposits. However, despite its natural resource endowments and receiving large amounts of foreign aid, PNG has steadily progressing. Currently PNG's economy is gaining its momentum which is the result of good governance policies and macroeconomic management.

Papua New Guinea's economy depends entirely on the renewable sectors and to have that economic activities to take place there must be good infrastructure in-place which makes more conducive for the flow of goods and services to rural areas and in return raw cash crops from rural areas to reach the markets in main centers. Such activities will instigate millions of revenue to the country which will have fair benefit to the rural communities and government.

Q46 Is there any Aid for Trade project or programme for economic empowerment you would like to showcase as particularly important for your country or as an example of best practice?(Please provide any relevant additional information and include weblinks as relevant)

The Trade Related Assistance -EU.

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Q47 CONSULTATION (Other ministries/agencies consulted in preparing this questionnaire reply):

Yes, Department of Trade, Commerce & Industry in collaboration with Department of National Planning & Monitoring.
