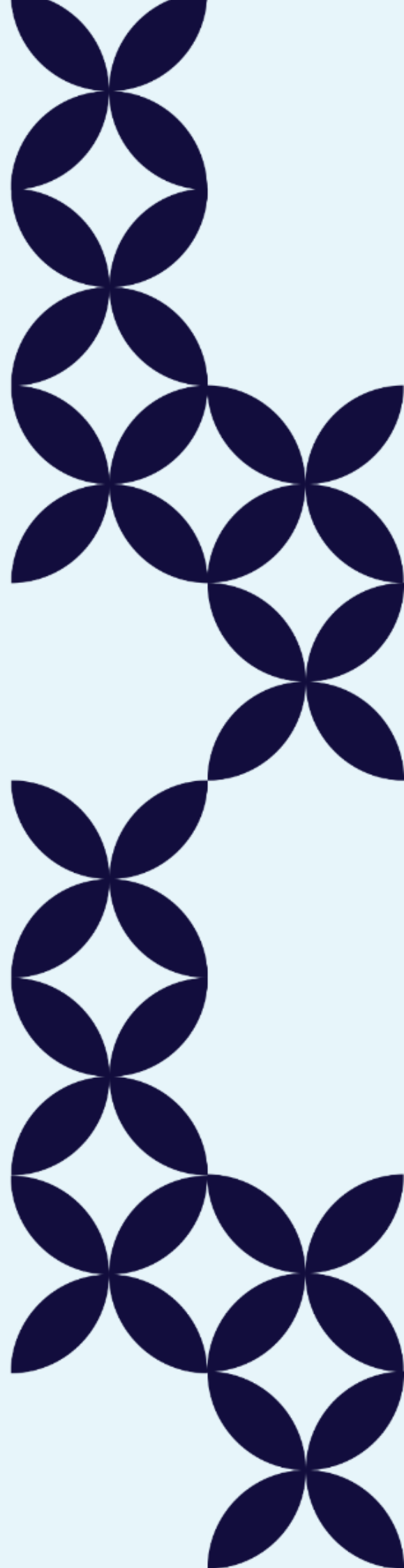
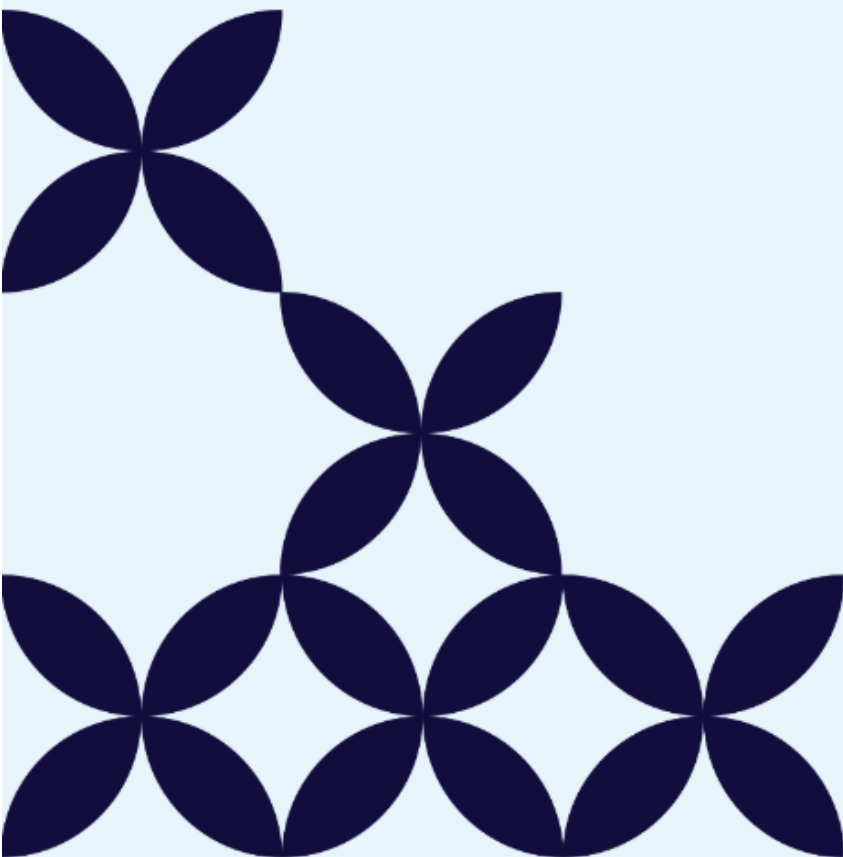


Papua New Guinea

Country Plan

May 2025



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Purpose of this document

The New Zealand Ministry of Foreign Affairs and Trade (MFAT) has developed this Plan to guide the planning and management of New Zealand's overall engagement with Papua New Guinea, and as a foundation for dialogue with partners and stakeholders.

The Plan is used to bring clarity to what work should be prioritised, and to help monitor progress towards shared outcomes and strategic goals.

This is a living document that will be reviewed with partners and updated periodically to ensure it responds to changes in country / regional context, including the impacts of any external shocks.

An integrated approach to Pacific engagement

New Zealand pursues an integrated approach to engagement with Papua New Guinea. We focus on coherence across our diplomatic, trade and economic, climate change, environment, security and development objectives to deliver sustainable progress, advance New Zealand's interests and values, and support Papua New Guinea's priorities. As such, our development contribution (both policy and financial) is an integral pillar of our foreign policy – it reflects our network of international relationships and commitments, and is an expression of our values.



Country overview

Country context

Papua New Guinea is the largest and most populated Pacific Island country: population estimates range between 9 to 17 million with a land area 1.7 times the size of New Zealand. It is made up of 600 islands and atolls and has over 800 diverse cultures and languages. Around 90% of the population lives rurally, the majority living inland in mountainous regions with only 8 percent living within one kilometre of the coast. Papua New Guinea is vulnerable to the impacts of climate change and is particularly susceptible to extreme weather events and changing weather patterns.

Although the economy has now recovered from COVID-19, Papua New Guinea's growth remains below its pre-COVID trajectory. Law and order problems, high unemployment, fuel shortages, challenges accessing foreign exchange and cost of living increases mean that although economic growth was positive in 2023, Papua New Guinea continues to face economic challenges. Extractive industries are a key government revenue stream with several planned major resource projects expected to deliver economic benefits. Eighty percent of the population work in the informal economy, with agriculture the dominant source of livelihoods.

Papua New Guinea has some of the most significant development challenges in the Pacific. For the Pacific region, it has the highest percentage of the population below the international poverty line, the highest prevalence of undernourishment, the highest maternal mortality ratio, and the lowest proportion of population using safely managed drinking water services. Gender equality is a significant challenge and systemic violation of women's rights exist throughout the country. Papua New Guinea ranked 151 out of 164 countries on the Gender Inequality Index in 2022.

Papua New Guinea is by far the largest recipient of Official Development Assistance in the region – although one of the lowest on a per capita basis – receiving a total US\$12.3 billion of aid between 2012 and 2021. Key donors include Australia, Japan, China, the European Union, the Asia Development Bank, the World Bank, the International Monetary Fund, and New Zealand. The governance and civil society sector received the highest amount of support, followed by health, transport, and education.

New Zealand's partnership with Papua New Guinea

New Zealand has a positive and long-standing relationship with Papua New Guinea based on our shared geography and history, people-to-people connections, and common interests in the Pacific region and beyond. We have had a High Commission in Port Moresby since 1975 when Papua New Guinea became independent, and Papua New Guinea has a High Commission in Wellington.

Collectively, New Zealand and Papua New Guinea work to advance our relationship in several key areas, with a focus on:

- Strengthening Bilateral Relations
- Promoting Sustainable Development
- Enhancing Climate Resilience
- Fostering Economic Growth and Trade
- Improving Human Development
- Enhancing Regional Stability and Security
- Advancing Shared Regional Interests
- Deepening People to People Connection

In practice, the Papua New Guinea-New Zealand relationship is guided by our Statement of Partnership, which provides an overarching framework for bilateral cooperation in key thematic areas. New Zealand and Papua New Guinea's Foreign Ministers meet regularly, whether through bilateral visits or engagements in the margins of



multilateral forums, which provides an opportunity to review bilateral relations, identify opportunities for strengthening engagement, and exchanging views on regional and international developments.

In March, Prime Minister Luxon and Prime Minister Marape signed a renewed Statement of Partnership which sets out the shared principles, priorities and understandings that guide cooperation and engagement between the two Governments. Our Statement of Partnership jointly identifies five priority areas:

- Partnership and Dialogue – in which our leaders, governments and institutions engage frequently to exchange ideas and perspectives and collaborate more actively to achieve priorities in our two countries, our region and the world.
- People and Communities – in which we invest in and expand the connections between our peoples and communities in support of human development and human rights.
- Economic Development and Prosperity – in which we grow our trade, economic, labour mobility and business links in support of strong, resilient, inclusive and connected economies.
- Peace and Security – in which we advance the peace and security of our two countries, our region and beyond; and
- Environment and Planet – in which we deepen our collaboration on climate change and environment to better face the challenges and take up the opportunities that lie ahead.

New Zealand works closely to align our development assistance with Papua New Guinea's strategic goals as set out in its Medium-Term Development Plan IV (MTDP IV). Within Papua New Guinea, we are most recognised for our long-standing investment in the energy and agriculture sector, including the redevelopment of fresh produce markets, as well as our support for peace and development in Bougainville. Papua New Guinea welcomes New Zealand experience and expertise, as evidenced through cooperation with the New Zealand Electoral Commission, Public Service Commission, Ministry for Primary Industries and Plant and Food Research (amongst others).

We have a close relationship with the Papua New Guinea Defence Force (PNGDF) which includes long running training under the Mutual Assistance Programme, the secondment of an NZDF office into the PNGDF, support to delivery of the Kumul Leadership framework and construction of a Leadership Centre. NZDF also has a Defence Adviser based in the High Commission in Port Moresby.

The Papua New Guinean market remains an important one for New Zealand businesses active in the Pacific, with two-way trade growing by 4.8% in 2023. Both governments value existing trade and economic links and have spoken of the opportunities to grow this further. New Zealand provides support to economic development, including programmes focused on economic policy, private sector development, and Small and Medium Enterprises.

Papua New Guinea has participated in the Recognised Seasonal Employer (RSE) scheme since 2010. In 2023, around 400 Papua New Guinean RSE workers were employed largely in the agricultural sector, representing a significant contribution to New Zealand's economy. Since independence, New Zealand has delivered 500 tertiary degrees to Papua New Guineans (as well as many more short-term training scholarships), supporting professional skills development. Alumni also play an important role in strengthening people-to-people links and building mutual understanding between our two countries.

In the Autonomous Region of Bougainville, New Zealand has a legacy role as witnessing signatory to the Bougainville Peace Agreement. Today, we have a series of development activities - including long-running programmes in community health and policing - that support Bougainville's development.

New Zealand adopts a partnership approach to supporting humanitarian response and disaster management in the Pacific. We focus on responding quickly to requests by Pacific governments, and delivering practical and financial assistance for those most in need when a disaster strikes. This includes a 'whole of Government' commitment to work with other New Zealand Government agencies to deploy specialist emergency capabilities



in a disaster response. We also work closely with other development partners, the United Nations, international and local non-government organisations and the private sector. Our bilateral development programmes invest in our Pacific partner's longer-term recovery from disasters. We also recognise the value of investing in measures that reduce and manage the risks of disasters, and increase resilience; and in helping countries be better prepared for disasters through regional, bilateral and NGO partner initiatives.

Partner plans relevant to the relationship

Papua New Guinea's Medium Term Development Plan (MTDP) IV (2023-2027) sets out the Government of PNG's strategic policies, aimed at achieving three key developmental objectives:

- growing PNG's economy to 200 billion Kina by 2030
- creation of one million additional jobs
- improving the quality of life for all people in PNG.

The MTDP outlines 12 priority policy areas: Strategic Economic Investment; Connect PNG Infrastructure; Quality and Affordable Health Care; Quality Education and Skilled Human Capital; Rule of Law and Restorative Justice; National Security; National Revenue and Public Finance Management; Digital Government, National Statistics and Public Service Governance; Research, Science and Technology; Climate Change and Natural Environment Protection; Population, Youth and Women Empowerment; and Strategic Partnerships.

Strategic framework for the Papua New Guinea Plan

The IDC Priorities Framework 2024-27¹ is a guiding document for the Papua New Guinea Country Plan. It shows how the IDC Programme contributes to the Ministry's overall goals, as set out in the Ministry's Strategic Framework², and articulates the priority outcomes that we aim to advance through the IDC Programme.

The Papua New Guinea programme logic diagram that is included on the next page, sets out our ambitions for our work with Papua New Guinea, in alignment with the IDC Priorities Framework. It represents our integrated delivery across development, foreign policy, trade, and security and covers a total country view of our IDC investment, covering our core IDC programme, multi-country investments, NGO partnerships and scholarships.

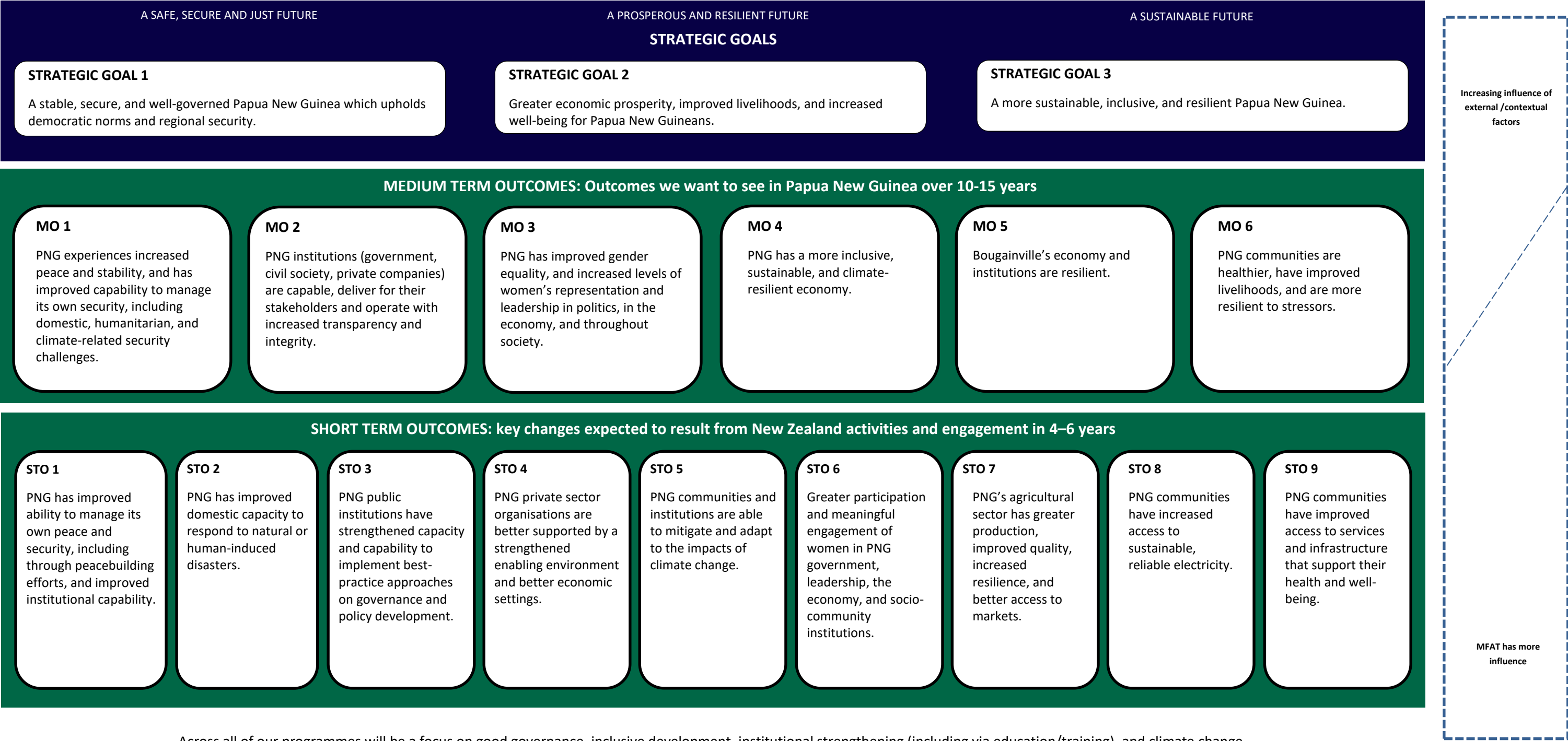
The logic diagram sets out how our strategic goals drive more specific medium and short-term outcomes. New Zealand will work towards these outcomes in partnership with Papua New Guinea. The medium-term outcomes in the logic diagram describe our interests in more detail. The short-term outcomes cover our areas of immediate focus, rather than all the initiatives required to deliver these medium-term outcomes.

¹ See: <https://www.mfat.govt.nz/assets/Aid/Aid-General/IDC-Priorities-Framework-2024.pdf>

² See: <https://www.mfat.govt.nz/assets/About-us-Corporate/MFAT-strategies-and-frameworks/Strategic-Intentions-2024-2028.pdf>



Logic Diagram for New Zealand-Papua New Guinea Development Cooperation



How we put this Plan into action

New Zealand's IDC funding for this Plan is managed over a three-year period (July 2024 – June 2027). There is flexibility to move funds into and between Plans in order to respond to rapidly changing contexts. Current information about New Zealand's overall IDC budget for the current funding triennium is on the MFAT website³.

How we will work to deliver on this Plan

New Zealand's International Cooperation for Effective Sustainable Development (ICESD) Policy⁴ identifies four development principles that guide New Zealand's work with partner countries and sets out a commitment to deliver development that is effective, inclusive, resilient and sustained.

Our bilateral engagement is primarily guided by the New Zealand-Papua New Guinea Statement of Partnership and the MTDP IV, coupled with ongoing engagement with key government agencies in Papua New Guinea (such as the Department of National Planning and Monitoring) to ensure that New Zealand activities align with Papua New Guinea's own priorities. Throughout our programme, we seek to take a partner-led approach, which draws on the particular support that New Zealand can offer.

In Bougainville, our programme aligns with priorities and strategies of the Autonomous Bougainville Government (ABG). We will continue to coordinate closely with the ABG as it implements its new aid coordination policy.

Given the size and complexity of PNG's development challenges, our policy engagement and development assistance will focus on nine priority sectors where we add most value in achievement of PNG's priorities: peace and security; humanitarian response, good governance and institutional strengthening; economic development; climate change; gender; agriculture; energy and health. To achieve this, we will step-up our engagement in agriculture and gender, which will receive an increased share of our development programming. New Zealand has a point of difference and can add value to Papua New Guinea, supporting delivery of key priorities critical to PNG's development.

The bilateral development programme will continue to support enabling infrastructure in the health, agriculture, and energy sectors. In the medium to long-term, we will look to complement these investments with dedicated programmes that build the capacity of people and institutions.

People-to-people links underpin all our engagement, and we will continue to seek opportunities for technical, knowledge and institutional exchanges across all areas of our engagement. Papua New Guinea has expressed strong interest in greater institutional links, and for more opportunities for our respective officials and technical experts to exchange views, perspectives, and models of operating.

Who we will work with to deliver on this Plan

The Government of Papua New Guinea remains our primary partner. We are committed to deepening engagement with the Government, particularly in our nine priority sectors. Our proposed approach of more focused sectoral engagement will help to ensure our programme is better targeted and delivers greater impact. Additionally, it will allow us to demonstrate our value proposition in key sectors, strengthening our relationships and reputation overtime.

New Zealand Government agencies (NZ Inc) expertise is highly valued in PNG and there is demand from the public and private sector to grow institutional links with New Zealand. Drawing on previous successes, we will seek

³ www.mfat.govt.nz/en/aid-and-development/our-approach-to-aid/where-our-funding-goes/our-planned-aid-expenditure/

⁴ See: <https://www.mfat.govt.nz/assets/Aid-Prog-docs/Policy/Policy-Statement-New-Zealands-International-Cooperation-for-Effective-Sustainable-Development-ICESD.pdf>



opportunities for New Zealand technical experts to provide ad hoc support or complement existing programming.

We seek opportunities for greater donor collaboration and coordination within key sectors. The PEP - a strategic partnership in the Energy sector consisting of Papua New Guinea, New Zealand, Australia, the US, and Japan - is one example where we collaborate to support PNG's electrification ambitions. There are also opportunities to collaborate with newer donors in PNG, such as the EU and France. Australia will remain a key partner for New Zealand in Papua New Guinea. New Zealand cooperates closely with Australia to ensure our respective development programmes are aligned and complementary. This cooperation includes delivery of joint programming where appropriate.

The UN and development banks play a key role mobilising funding towards Papua New Guinea's priorities, coalescing donor support around a thematic area or issue. New Zealand has contributed to the UN Joint Highlands Peacebuilding Programme, the Biodiversity and Climate Fund and the ADB-led Private Sector Development Initiative. Multilateral agencies are also critical delivery partners in PNG as they are resourced to deliver in challenging locations.

MFAT partners with New Zealand non-government organisations (NGOs) through the *Partnering for Impact* programme, which supports inclusive economic, social and environmental resilience, good governance and strengthening of civil society. Through this approach, we partner with NZ NGOs and local civil society to use their experience, knowledge and reach, to support delivery of locally led solutions for people experiencing vulnerabilities.

Where appropriate, we see value in increased localisation of our IDC programme and will explore opportunities to deliver a greater share of programming through local partners.

How we will assess progress against this Plan

The logic diagram sets out the strategic goals, medium- and short-term outcomes we hope will result from New Zealand's activities and engagement with Papua New Guinea.

We report back on progress towards our goals in Papua New Guinea via the annual Minister of Foreign Affairs Report on the IDC appropriation⁵. We also report back on this Plan to the Government of Papua New Guinea via our annual High Level Consultations and engagement with senior officials. This not only gives us an opportunity to discuss what has been achieved in partnership, but also to test whether our Plan remains fit-for-purpose or if we need to change anything.

Progress against the Plan will be assessed with the following indicators:

⁵ See <https://www.mfat.govt.nz/en/aid-and-development/our-approach-to-aid>



Strategic Goals	Indicators
Goal 1: A stable, secure, and well-governed Papua New Guinea which upholds democratic norms and regional security.	<ul style="list-style-type: none"> • SDG 16.7.2 - Proportion of population who believe decision-making is inclusive and responsive • Worldwide Governance Indicators • SDG 16.1.3 - Proportion of population subjected to (a) physical violence, (b) psychological violence and (c) sexual violence in the previous 12 months
Goal 2: Greater economic prosperity, improved livelihoods, and increased well-being for Papua New Guineans.	<ul style="list-style-type: none"> • SDG 1.2.1 - Proportion of population below national poverty lines (% of population) • SDG 8.1.1 - Annual growth rate of real GDP per capita • SDG 3.d.1 - International Health Regulations (IHR) core capacity index • SDG 8.3.1: Proportion of informal employment in non-agricultural employment, by sex; • SDG 8.6.1: Proportion of youth (aged 15-24 years) not in education, employment or training
Goal 3: A more sustainable, inclusive, and resilient Papua New Guinea.	<ul style="list-style-type: none"> • SDG 5.5.1 - Proportion of seats held by women in national parliament • SDG 5.2.1 – Proportion of ever-partnered women and girls victim of physical, sexual or psychological violence by a current or former intimate partner in the previous 12 months • Gini Index (World Bank Estimate) • ND-GAIN Readiness score and Vulnerability score • SDG 15.1.2 - Average proportion of Terrestrial Key Biodiversity Areas (KBAs) covered by protected areas

Short Term Outcome (STO)	Indicators
STO1: PNG has improved ability to manage its own peace and security, including through peacebuilding efforts, and improved institutional capability.	<ul style="list-style-type: none"> • Number of people receiving training or capability-building support in peace and security (M/F) • Evidence of skills and knowledge obtained through training, scholarships and capability building being used to improve peace and security agencies' service delivery (PNGDF / RPNCG / BPS / NDC)
STO2: PNG has improved domestic capacity to respond to natural or human-induced disasters.	<ul style="list-style-type: none"> • Number of affected people provided with essential and useful assistance following a natural or human-induced disaster (M/F) • Evidence of improved PNG-led response timeframes to natural or human-induced disasters as a result of pre-disaster planning and strengthened response systems • Evidence of people-to-people links between NZ and PNG humanitarian personnel
STO3: PNG public institutions have strengthened capacity and capability to implement best-practice	<ul style="list-style-type: none"> • Number of people receiving training or capability-building support in governance (M/F) • Number of new or refreshed policies or systems within PNG's public sector, informed by NZ's approach



approaches on governance and policy development.	<ul style="list-style-type: none"> • Evidence of increased collaboration and knowledge sharing between NZ and PNG public sector institutions • Evidence of new or refreshed policies supporting best practice governance and policy development
STO4: PNG private sector organisations are better supported by a strengthened enabling environment and better economic settings.	<ul style="list-style-type: none"> • Number of people supported to improve their livelihoods (M/F) • Evidence of strengthened enabling environment for private sector
STO5: PNG communities and institutions are able to mitigate and adapt to the impacts of climate change.	<ul style="list-style-type: none"> • Number of people benefitting from activities which aim to increase resilience to climate change and environmental degradation (M/F) • Number of hectares brought under strengthened ecosystem management • Evidence of PNG accessing new sources of climate finance due to improvements in capability and public financial management and regulatory systems • Evidence of communities being supported to deliver climate action in line with their identified priorities • Evidence of biodiversity and agriculture activities supporting climate-positive outcomes
STO6: Greater participation and meaningful engagement of women in PNG government, leadership, the economy, and socio-community institutions.	<ul style="list-style-type: none"> • Evidence of new collaboration between NZ and PNG that supports gender equity • Gender disaggregated numbers of training participants in all sectors supported by NZ • Evidence of more equal opportunities created for leadership by women • Evidence of women being supported to have full and effective participation at all levels of decision-making in political, economic and public life
STO7: PNG's agricultural sector has greater production, improved quality, increased resilience, and better access to markets.	<ul style="list-style-type: none"> • Number of hectares brought under climate-smart agriculture practices • Evidence of increased sales of agricultural products at markets because of improved transportation of products. • Evidence of decreased food insecurity in communities with access to markets selling a higher number of products due to improvements in agricultural supply-chains.
STO8: PNG communities have increased access to sustainable, reliable electricity	<ul style="list-style-type: none"> • Number of people directly benefitting from improved infrastructure and services (M/F) • Number of households newly connected to electricity through New Zealand support • Number of tonnes of carbon dioxide emissions equivalent reduced and/or avoided through New Zealand support



	<ul style="list-style-type: none"> • Evidence of decreased emissions through improved efficiency of diesel generators and sustained displacement of fossil fuels through increased solar electricity generation. • Evidence of skills and knowledge obtained from NZ capacity-building programmes being used in renewable electricity sector • PNG values New Zealand as an active and engaged member of the PNG Energy Partnership (PEP)
STO9: PNG communities have improved access to services and infrastructure that support their health and well-being.	<ul style="list-style-type: none"> • Number of people receiving training or capability-building support in health (health workforce) (M/F) • Evidence of effective community-owned health programming supported by New Zealand • Number of people benefitting from sexual and reproductive health services (M/F) • Evidence of communities with improved access to vaccinations, eye care services, and sexual and reproductive health services, supported by New Zealand • Percentage of children who received the 2nd dose of measles containing vaccine (MCV2) according to the nationally recommended schedule (%)

The Plan will be evaluated approximately once every four years. The next strategic evaluation of the Papua New Guinea Country Plan is expected to take place in 2026. The Ministry's forward strategic evaluation schedule is available on the website⁶.

⁶<https://www.mfat.govt.nz/en/aid-and-development/our-approach-to-aid/evaluation-and-research>



For further information

Contact details for New Zealand High Commission to Papua New Guinea are available on the MFAT website⁷.

To find out more about New Zealand's engagement with Pacific Island countries also go to the MFAT website, at www.mfat.govt.nz/en/countries-and-regions/australia-and-pacific/.

This document is one in a series of Plans published by the New Zealand Ministry of Foreign Affairs and Trade (MFAT) and managed by the Ministry's Pacific and Development Group. For the latest version please go to www.mfat.govt.nz

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⁷ <http://www.mfat.govt.nz/en/countries-and-regions/>

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⁹ <https://www.legislation.govt.nz/act/public/1981/0047/latest/DLM51358.html>

