

Please read carefully the "Guidelines for the Submission of Proposals" which outline the modalities for application and the criteria for the selection of proposals spelled out in the Cities Alliance Charter. Please ensure that all necessary supporting documentation is attached to this form. Additional information may also be enclosed, **but total submission should not exceed 12 pages.**

## 1. TITLE of PROPOSAL: Papua New Guinea Settlement Upgrading Programme

### 2. PROPOSAL SUBMITTED BY<sup>1</sup>:

Name and Title: Mr. Max Kep  
Organisation: Director, Office of Urbanisation  
Address: P.O. Box 1311, Waigani, NCD, Port Moresby, Papua New Guinea  
Telephone/Fax/E-mail: Ph: (675) 3250674. Email: mexskep@yahoo.com

Contact person for questions on the application:

Name and Title: Mr. Daniel Gono  
Organisation: Deputy Director, Office of Urbanisation  
Address: P.O. Box 1311, Waigani, Port Moresby, NCD Papua New Guinea  
Telephone/Fax/E-mail: Ph: (675) 3250674. Email: [dgonno@global.net.pg](mailto:dgonno@global.net.pg)

Task Manager Name & Title: Kaminiel Warkia – Executive Director  
Organisation: Papua New Guinea Urban Local Level Government Association (PNGULLGA)  
Address: P.O. Box 1098, Port Moresby, National Capital District, PNG  
Telephone/Fax/E-mail: (675) 3409346 [warkiabaul@gmail.com](mailto:warkiabaul@gmail.com)

Name and Title: Mr. Leslie Alu, City Manager,  
Organisation: National Capital District Commission (NCDC)  
Task Manager Name & Title: Ms Angela Mageto, Director, Regulatory Services Department  
Address: P.O. Box 7270, Boroko, National Capital District, Papua New Guinea  
Telephone/Fax/E-mail: Ph: (675) Fax: Email: [angelaM@ncdc.gov.png](mailto:angelaM@ncdc.gov.png)

Name and Title: Honourable Koni Sari, Mayor  
Organisation: Goroka City  
Task Manager Name & Title:  
Address: P.O. Box, Papua New Guinea  
Telephone/Fax/E-mail: Ph: (675) Fax: Email:

### 3. CITIES ALLIANCE MEMBER(S) SPONSORING THE APPLICATION:

Name and Title: Mr. Toshi Noda  
Organisation: United National Human Settlements Programme (UN-HABITAT)  
Address: ROAP ACROS 8F, 1-1-1 Tenjin, Chuo-ku, Fukuoka, Japan  
Contact Person/Title: Mr Chris Radford  
Telephone/Fax/E-mail: Tel (8192) 724-7121; Fax: (8192) 724-7124 Email: [chris.radford@fukuoka.unhabitat.org](mailto:chris.radford@fukuoka.unhabitat.org)

Name and Title: Ms Somsook Boonyabanha  
Organisation: Asian Coalition for Housing Rights  
Address: 73 Soi Sonthiwattana 4, Ladprao 110, Ladprao Rd Bangkok 10310, Thailand  
Telephone/Fax/E-mail: [somsook@loxinfo.co.th](mailto:somsook@loxinfo.co.th), [achr@loxinfo.co.th](mailto:achr@loxinfo.co.th)

Name and Title: Charles Andrews, Country Director  
Organisation: Asian Development Bank  
Address: Level 13, Deloitte Tower, P.O. Box 1992, Port Moresby NCD Papua New Guinea  
Telephone/Fax/E-mail: 675 321 0400 fax: 675 321 0407 email: [candrews@adb.org](mailto:candrews@adb.org)

Name and Title: Rob Jauncey, Senior Country Officer for the Pacific  
Organisation: World Bank (Timor-Leste, PNG and the Pacific Islands Office)  
Address: Level 19, 14 Martin Place, Sydney, NSW 2000, Australia  
Telephone/Fax/E-mail: +61-2-9235-6522; [rjauncey@worldbank.org](mailto:rjauncey@worldbank.org)

<sup>1</sup> Country-specific proposals typically originate from local authorities, but must be sponsored by at least one member of the Cities Alliance (see [Cities Alliance Charter](#), Section D.14).

Name and Title: Roberto Cecutti, First Secretary (Economics, Trade and Governance)  
Organisation: European Union  
Address: 3rd Floor, The Lodge, P.O. Box 76, Port Moresby, NCD, Papua New Guinea  
Telephone/Fax/E-mail: Tel: (675) 321 3544 Fax: (675) 321 7850 email: Roberto.Cecutti@ec.europa.eu

Name and Title: Andrew Lepani, Project Officer  
Organisation: UNDP  
Address: UN House, Deloitte Tower, Level 14, Douglas Street, Port Moresby, NCD, PNG  
Telephone/Fax/E-mail: Tel: +675 321 2877 Fax: +675 321 1224 Email: Andrew.Lepani@undp.org

**4. RECIPIENT (subject to CA Secretariat Fiduciary clearance) AND IMPLEMENTING ORGANISATIONS:**

Name and Title: Mr Max Kep, Director  
Organisation: Office of Urbanisation (Cities Alliance Project account)  
Address: P.O. Box 1311, Waigani, NCD, Port Moresby, 121 Papua New Guinea  
Telephone/Fax/E-mail: Ph: (675) 3250674. Email: mexskep@yahoo.com

Name and Title: Ms Somsook Boonyabancha  
Organisation: Asian Coalition for Housing Rights  
Address: 73 Soi Sonthiwattana 4, Ladprao 110, Ladprao Rd Bangkok 10310, Thailand  
Telephone/Fax/E-mail: [somsook@loxinfo.co.th](mailto:somsook@loxinfo.co.th), [achr@loxinfo.co.th](mailto:achr@loxinfo.co.th)

Task Manager Name & Title: Mr. Chris Radford, Senior Human Settlements Officer  
Organisation: United Nations Human Settlements Programme  
Address: UN-HABITAT Regional Office for Asia & the Pacific, ACROS 8F, 1-1-1 Tenjin, Chuo-ku, Fukuoka 810-0001 JAPAN  
Contact Person/Title: Mr. Chris Radford, Senior Human Settlements Officer  
Telephone/Fax/E-mail: Tel: (81-92) 724-7121 Fax: (81-92) 724-7124  
Email: [chris.radford@fukuoka.unhabitat.org](mailto:chris.radford@fukuoka.unhabitat.org)

**5. OTHER IMPLEMENTING PARTIES (if any):**

---

**INFORMATION ON PROPOSED PROJECT:**

6. Type of project (*check one*):  
City Development Strategy\_\_\_ **Settlement Upgrading XXX\_\_\_**
7. Geographic scope of project (*specify*):  
City: Port Moresby (NCD) and Goroka City  
Country: Papua New Guinea
8. Expected duration: 30 Months

**BUDGET SUMMARY:**

9. Amount of total budget requested from Cities Alliance funding: US Dollars \$350,000
10. Co-financing amount of total budget, including local partners: US Dollars \$899,000
11. Total project budget cost: US Dollars \$1,249,000

---

**DESCRIPTION OF PROPOSED PROJECT:**

**12. Background**

**12.1 Overview of PNG's urban sector:**

Whilst Papua New Guinea (PNG) remains a largely rural populated country, there has been a steady and unrelenting urbanising trend since the 1970s evidenced by high rates of urban growth (4.5% pa, or double the natural rates), with the 2010 national population estimated as being 6,609,745 persons. Taking into account under enumeration and importantly, the increasing amount of peri urban development occurring outside local level government areas (including declared town boundaries), the urban share for 2010 is estimated at around 15% or 991,461 persons. In other words, nearly 1 million Papuan New Guineans now live in urban areas. By 2020, the PNG national population is estimated to be 8,267,400 persons<sup>2</sup> and at a 15% urban share, some 1,240,000 residents will be urban dwellers. In this setting, urbanisation is an inescapable reality for PNG.

---

<sup>2</sup> Source for 2010 and 2020 national population estimates: South Pacific Commission, Noumea, 2009.

This rapid urbanisation has resulted in rapidly expanding informal under-served and increasingly vulnerable settlements to house the urban poor, lacking even the most basic of urban services, with insecure tenure, overcrowding, far from (and lacking) employment opportunities, experiencing increasing crime and disorder. These problems have been exacerbated by insufficient resources and human capacities within (i) central government, (ii) local level government and (iii) service providers to respond to this rapid urban growth. As a result, five priority underlying crosscutting problems have emerged with important ramifications for improved systems of urban governance, which are increasingly seen as potentially serious threats to national growth and development. These are emphasized in the current *Medium Term Development Strategy 2005-10 (MTDS)* for PNG.

(i) **Unplanned urbanisation:** rural to urban migration is now recognized and accepted in PNG as an inevitable outcome of national socio-economic development. Where urban growth is left 'unmanaged' as is the current situation, serious negative consequences occur. This includes (i) marginalizing the surrounding urban landowners (primarily customary landowners) and their settlement inhabitants on whose land the city is expanding in a haphazard manner, and (ii) an absence of basic urban services as these are beyond the delivery capacity of urban governments and their service providers due to tenure insecurity, limited capital investment, financial management and human capacity issues. This project will therefore assist in generating the foundations, means and tools to better manage the urbanisation issues that confront most towns and cities, burgeoning informal settlements on customary and State lands land, and where the land owners are yet to become development partners in the urbanization process. It is also these same areas that are also characterized by inadequate housing, water, sanitation, waste disposal and power; resulting in the emergence of serious urban social problems, including crime and unemployment.

(ii) **Urban land availability and utilisation:** with 97% of all PNG land under customary ownership, the customary land tenure system is firmly embedded in Papua New Guinean culture. The Development Strategic Plan (DSP), 2010-2030, identifies the limited availability of customary owned land for development as a constraint on economic development. The DSP identifies a target of 20% of land, primarily the stock of customary land, to be developed by 2030. This is a major issue in the urban sector where urban local level governments have had until recently had limited access to customary land to cater for their inevitable expansion. Driven by Vision 2050 and the DSP, the Government's efforts are now concentrating on seeking the active involvement of traditional landowners in the urban development process through the National Land Development Programme (NLDP-to be supported by AusAID). The NLDP has number of components one of which is involved in developing urban land where customary landowners are voluntarily wishing to be part of the process. This CA proposal, through the introduction of participatory urban planning and management and community-based settlement upgrading processes, will assist selected Local-Level (and Provincial) Governments and surrounding land owning groups in their peri-urban areas to become partners in the overall urban development process. A key aim is to bring land onto the urban market in a more timely and orderly manner than current given the reality of urban growth is that informal settlements outstrip planned settlements. in PNG towns and cities.

(iii) **Faltering decentralisation and dysfunctional service delivery systems:** the Organic Law on Provincial and Local-level Government was designed as the key decentralisation process to devolve functions and responsibilities to provincial and locally elected governments. This respected the fact that urban centres of all sizes play a critical role in the delivery of decentralised services through their roles as service centres for rural areas, including providing a market for rural produce. This project, through support to project packaging for settlement upgrading and strengthening of city financing mechanisms (Component 4) will help the OoU, NCDC and Goroka City to prepare pre-feasibility studies for trunk infrastructure to support priority settlements.

(iv) **Inadequate institutional resource capacity:** Noting there are over some 280 locally elected governments in PNG of all varying sizes, the level of service and infrastructure provision in many local level government areas is "grossly inadequate,"<sup>3</sup> This situation requires rapid but sustainable institutional capacity-development among the Urban Local Level governments (ULLGs) as weak institutional capacity also contributes to: (a) poor cross-sectoral, inter-government and inter-agency coordination; (b) relatively underdeveloped mechanisms for broad-based public and multi-stakeholder participation; (c) limited local level government financial management experience; and, (d) shortage of particular skills and experience. All of the above contribute to limiting opportunities for PNG towns and cities to play a greater potential role as "engines" of socio-economic growth. This project will therefore develop mechanisms to strengthen local government capacities to better deliver urban services under their mandate and through support to the PNG Local Level Government Association (PNGLLGA). One aim is to strengthen the capacity of the PNGLLGA to support its members through the sharing of good urban management Practices from within PNG as well as other Pacific island Countries (PICs).

(v) **Crime and insecurity:** Securing human safety addressed through good principles and practice in governance is of paramount importance for the future of PNG. The Port Moresby Safer Cities Initiative (2002-2004) concluded that urban management and governance issues are key elements to address the crime and violence in the city, and by inference elsewhere in PNG cities and towns. A cost share contribution from UN-Habitat will explore urban planning and management mechanisms that will reduce human insecurity in urban centers, and in particular (through UN-Habitat Safer City support) to document past settlement upgrading approaches (World Bank, JICA) and synthesise lessons learned to guide future settlements upgrading in PNG (in partnership with the World Bank's Urban \$12.5m Youth Employment Project).

## 12.2 The GoPNG's Strategic Response:

(i) **Urbanisation:** To help build a consensus on the importance of the urban sector and develop a program of action, the Government under its National Executive Committee (NEC) resolution 113 of 3rd July 2003, established a Ministerial

<sup>3</sup> *MTDS2005-2010 (MTDS)*, November 2004, p.10

Urbanisation Committee (MUC) and a technical level National Consultative Committee on Urbanisation (NCCU). The latter is supported by an Office of Urbanisation (OoU), a separate entity setup to finalise the National Urbanisation Policy, develop and implement a plan of action (currently funded by budgets from the Department of Community Development (DCD) and the National Land Development Programme (NLDP). The principal policy vehicle for pursuing the urbanisation goals of the Government became the White Paper on Urbanisation<sup>4</sup> developed by the NCCU, and recently expanded into the *National Urbanisation Policy 2005-2020* (NUP). The NUP was adopted by the NEC on June 21, 2010.. The NUP has identified 5 priority implementation components: provision of primary infrastructure and services, sites and services and settlements upgrading, rejuvenating rural centres, strengthening urban management capacities, and developing national urbanisation programmes. The above will be supported by an institutional reform agenda necessary for policy implementation<sup>5</sup> including a draft Urbanisation and Physical Planning Act (2010).

**(ii) Customary Land Management and Development:** More recently and in parallel to help build a consensus on the importance of mobilizing customary land for development, the Government held a National Land Summit (August 2005) in Lae City on: “Land, Economic Growth and Development”. This resulted in the establishment of the National Land Development Task Force (NLDTF) to generate strategic options to access land for development. The report of the NLDTF with its 54 recommendations to address problems relating to land administration, land dispute resolution, and how best to access land under customary ownership to enable development was endorsed by the NEC decision 267/2006. The latter led to the establishment of a National Land Development Programme (NLDP), replaced the MUC with the Ministerial Land and Urbanisation Committee (MLUC) to guide development and implementation of the NLDP, allocated funding from the Department of Lands and Physical Planning (DL&PP) to the Office of Urbanisation for pilot projects, and established the Land Development Advisory and Monitoring Committee in the National Research Institute (NRI). Whilst the OoU is currently in transition from DCD and DL&PP as a separate entity responsible for better managing national urbanisation, with its operational budget anchored in the former and its development budget anchored in the latter, AusAID have responded positively to a GoPNG request for technical and financial support by committing Aus\$20m to support strengthening of these and other new institutional arrangements. This includes support for developing the NLDP Phase 1 Plan, 2010-2015, and the broader NLDP Strategic Plan, 2010-2030. .

Furthermore, under NEC decision 269 in 2005, the OoU was directed to carry out a number of demonstration projects under two new national Programmes:

- **National Service Center Development Programme:** Recognising cities as the “engine of growth” and the concurrent importance of rural-urban linkages, the OoU reviewed and short-listed 16 towns and cities that exhibited potential for (i) the development of urban service centers and (ii) development of peri urban customary land. These areas were assessed for their “realistic” potential to support urban and rural economic development whilst strengthening national socio-economic development. In support of this strategy, UN-Habitat and UNDP supported OoU in their Urban Profiling (2008-09) to further detail out the potential of Kokopo, Goroka and Port Moresby as “service centers” and their role in the urban hierarchy. This resulted in a City Profile for each city to guide future capital infrastructure and capacity-development investments, and have proved to be “models” for other Provincial and District Service Centres to replicate
- **Urban Customary Land Registration and Development Programme:** Recognising the need to bring customary land owners into the urban development process, the OoU prioritized Taurama Valley (NCD) and Faniufa (Goroka). customary land areas from the short list of 16 towns and cities, and generally encouraged local level Governments to engage with customary land owning groups, resulting in NCD selecting June Valley as their pilot under their NCD Settlements Upgrading Strategy. These three demonstration projects are now developing innovative ways to mainstream customary landowners who want to voluntarily develop their land for urban development. This includes land registration, land surveying, establishment of the landowners as Incorporated Land Groups (ILGs), development of subdivision plans, design of engineering works and the like. Such voluntary groups will be the beneficiaries under revised legislation that promotes the establishment and registration of ILGs and their proper management.
- The CA proposal forms part of UN-Habitat’s agreed support under Intermediate Outcome 3 “Provincial Planning and Management” of the UN Country Programme Action Plan (UNCPAP), and specifically to Output 3.4: “Consultative Forums facilitating the participation of civil society and private sector in decision-making at Provincial and Local-levels in partnership with selected Provincial and Local-level Governments”. This will in turn: (i) *enhance leadership and participation* in the planning, management and implementation of economic and social development policies and strategies to ensure accountability, consistency, equity and sustainability; (ii) *improve access, quality and delivery of basic services*; and, (iii) *improve regional and global integration* with regional and global development processes and systems; founded on seven basic principles: City driven and owned, City/District/provincial/National-level complementarity, broad-based participation, pro-poor focus, institutional strengthening and human capacity-building, and knowledge sharing:

### 13. Objectives and Scope of the Proposal:

The overall objective of this proposal is to support the preparation of Community-based Settlements Upgrading Action Plans (CSUAPs) for Taurama Valley and June Valley in Port Moresby’s National Capital District (NCD), and Faniufa in

<sup>4</sup> *The National Urbanization Policy*, Office of Urbanization, Department for Community Development, Government of Papua New Guinea, Draft Only, May 2005.

<sup>5</sup> The seven sectoral areas are: population and employment; transportation and infrastructure; urban forms and environment; housing and social services; land availability; law and order; and, development administration.

Goroka City, and connect them to citywide primary and secondary infrastructure through the preparation of City Infrastructural Investment Programmes (CIIPs) for NCD and Goroka City, which will also support pre-feasibility studies for priority investment projects identified in prior UN-Habitat support to the cities through OoU. . The documented experiences and lessons learned will include recommendations for more sustainable urban development financing systems which give specific attention to improved service delivery and in-situ community-based settlement upgrading. Given the coastal location of NCD, special attention will be paid to identify its vulnerability to potential Climate Change Impacts when developing its CSUAPs and CIIP.

In the process, the capacity of NCDC and Goroka City as well as OoU and other implementing partner staff, national and city institutional frameworks and coordination mechanisms for urban planning, serviced land management and shelter delivery will be strengthened through application of an intensive and continuous in-service “learning by doing” capacity-building programme, so they can better support the creation of more inclusive, participative, productive, livable and sustainable human settlements development. Similarly, implementation of the national urbanization policy and legislative framework will be strengthened as proposal implementation is documented, lessons synthesized and shared for structured city, national (through the Economic Ministerial Committee) and Pacific regional stakeholder dialogues, resulting in inclusion of settlement upgrading policies.

As a result, proposal implementation is expected to help the OoU, NCDC and Goroka City to adapt the Cities Alliance “Cities without Slums” methodology, global experience and good practices to the PNG context through its support to settlement upgrading in the selected priority Taurama Valley and June Valley of Port Moresby and Faniufa (Goroka) settlements to set the foundations for subsequent efforts to up-scale the lessons learned city-wide, nationally to other cities, as well as mainstream them in the NUP and legislative reforms. The long-term outcome is expected to be the more sustained provision of serviced and affordable shelter for urban poor dwellers, and thus contribute significantly to the PNG Government’s efforts to achieve its MDG targets, especially MDG 7/11, as well as those of water and sanitation 7/10. As these experiences are progressively integrated into PNG’s National Sustainable Development Planning process, the proposal will progressively support PNG to implement its commitments under the Pacific Urban Agenda and especially Initiative 13.5 of the Pacific Plan.

The lessons learned and documented good practice from this proposal will also enrich the NUP”, including national debates and dialogues on the importance of urbanization through the Economic Ministers Committee

#### **14. Methodology:**

The project will be implemented through the following components:

**Component 1: Project Start-up:** Establish the Project implementation structure and make sure all key stakeholders have a common understanding on expectations, approach, timeframe and remain committed to investing their counterpart inputs:

- 1.1 Review and assess critical changes that have taken place since the proposal was submitted, update the work plan, and draft the M&E Framework.
- 1.2 Brief key national (including Cities Alliance members and partners in the development community) and city stakeholders on the project concept, objectives, outputs, process steps, communication mechanisms, and agree through signing a Memorandum of Understanding their participation, roles, responsibilities, commitments, basic expectations and deliverables
- 1.3 Establish the Project Advisory Group, agree the revised work plan and M&E arrangements, and reconfirm cost sharing commitments and other inputs.
- 1.4 Establish the National and City Project Teams (NPT and CPTs), linkages with the District/Provincial Administrations, and orient members to the aims and objectives of the CA proposal.
- 1.5 Procure supporting services from implementing partners (research, training and capacity-building institutions, facilitating NGOs and knowledge management providers), and orient them on project scope, principles, process activities and expected outputs
- 1.6 Summarise the findings, conclusions and recommendations into an Inception Report

**Component 2: Community-based Settlement Upgrading Action Plan (CSUAP):** Provide international technical support, best practices and toolkits to the OoU and NCDC pilot settlement upgrading projects such as those in the Taurama and June Valleys (NCD), and Faniufa (Goroka), to strengthen implementation of the National Land Development Programme and NCDC’s approved “Settlement Strategic Plan” as it applies to Port Moresby.

2.1 Identify local NGOs/CBOs that could be involved and capable of supporting community based settlements upgrading and savings and credit scheme and livelihoods approaches, including Gawad Kalinga (or Givem Ker as registered in PNG) and FSPI’s national partner

2.2 Introduce best practice “community action planning, community savings and credit schemes and community contracting approaches” from Thailand’s Asian Coalition of Housing Rights and UN- Habitat’s Philippines and Sri Lanka experiences, to support the development of settlement upgrading plans by the communities themselves

2.3 Localise ACHR community based settlements upgrading, savings, credit and livelihoods approaches.

2.4 Using community action planning approaches, work through the communities in the prioritized settlement to generate supporting socio-economic data covering inter-alia: demographic data, access to services, physical shelter conditions, over crowdedness and social cohesion, community structures (CBOs/NGOs), tenure, employment and livelihood characteristics, affordability levels, etc.

2.5 Analyse the data with the community groups, and summarise the priority issues to be addressed, affordable

development standards, constraints and opportunities to overcome those constraints; paying particular attention to inter-connectedness of the areas and potentially disparate needs and affordabilities.

2.6 Support the community groups to prepare strategies through a review of constraints and opportunities, the generation of alternative development scenarios based on affordable standards, investment funding sources and expected returns

2.7 Support the preparation of detailed action plans and utility network designs with the community groups for future settlement and infrastructural layouts

2.8 Support preparation of studies, including capital and operational costings, review of governance and management arrangements, and user charges

**Component 3 – Adapt the NCDC City profiling methodology to support Port Moresby NCD to better address Climate Change Impacts:**

3.1 Scope the national institutional support mechanisms for cities to address climate change impacts

3.2 Strengthen OoU and NCDC's GIS capabilities through training support from UPNG

3.3 Pilot a Climate Change Vulnerability Analysis<sup>6</sup> for the NCD

3.4 Identify and integrate likely climate vulnerabilities of the two NCD prioritised communities into their CSUAP

3.5 Identify core infrastructure at risk and integrate likely climate vulnerable infrastructure impacts into the NCD CIIP.

3.6 Support NCDC's Regulatory Services Department to "climate proof" its urban development strategies by incorporating the Vulnerability Assessment findings

3.7 Summarise the lessons learned into a customised PNG "toolkit"

3.8 Support implementation of the NUP through rollout of the toolkit to interested cities in PNG

**Component 4 – City Infrastructure Investment Programme** Building on the outputs from Components 2 and 3, support NCDC and Goroka City to better finance priority infrastructural investments and support settlement upgrading in the nominated areas.

4.1 Establish a City Infrastructure Investment Working Group with NCDC and Goroka City

4.2 Link the various implementing partners to potential financing sources and mechanisms through the City Investment Dialogues coordinated by the City Infrastructure Investment Working Groups

4.3 Conduct an institutional needs assessment of city financial management systems through interviews with Departments associated with revenue collection and financial management

4.4 Conduct a SWOT analysis on city revenue management with all Departments to develop and agree revenue collection priorities

4.5 Identify available/potential city, national (including development agency loan support) and private sector resources to finance urban sector strategies and projects

4.6 Revisit the Goroka and NCDC City Consultation prioritised projects/actions/investments in the light of available and potential resources

4.7 Based on the Action Plan from Component Two (climate proofed through Component Three), support a pre-feasibility study for priority urban infrastructure investment(s) for Goroka and/or NCDC including :

(i) reviewing alternative financing options, including associated management capacities, and recommend a preferred option, (ii) highlighting any major social, economic, financial and environmental issues that require in-depth review during feasibility work such as the relocation of squatter households in the review areas, and (iii) summarising the findings into a report establishing a prima facie case to take the prioritized projects through to feasibility analysis with a financing institution, linked to National, Provincial and District Planning and Budgetary processes

4.8 Develop a plan to generate additional investment finance to meet City investment priorities, including those needed to support the settlement upgrading areas

4.9 Integrate the findings into Provincial and District Planning and Budgeting processes, and especially support through (the AusAID supported) PPII and NLDP, and the (EC supported) District Support Programmes of DP&LLG, as well as the GoPNG's District Service Improvement Programme.

**Component 5 – Capacity-Building and Institutional Strengthening:** UPNG to assess partner capacity-building and institutional strengthening needs, design and implement a Capacity-Building and Institutional Strengthening Action Plan targeting key local stakeholders including city/district and provincial governments, community leaders, private sector, NGOs and CBOs through a "learning by doing approach", to be implemented through UPNG and supporting national/city service providers (where applicable).

5.1 Conduct an Inception/Training Workshop on community-based settlements upgrading

5.2 Assess needs and capacities of OoU, the partner Cities and communities to undertake community-based settlement upgrading

5.3 Assess capacities of national and city training and research institutions in providing urban management and community-based technical support through participatory processes.

5.4 Assess opportunities to strengthen the capacities of community groups and household livelihoods by strengthening settlement up-grading skills through cash for labour, engineering, and house improvement opportunities to implement the settlement upgrading proposals

---

<sup>6</sup> As UN-HABITAT and the World Bank are jointly developing the "Urban Risk Assessment Toolkit" consideration will be given to piloting it in support of NCDC

5.5 Assess local CBOs and NGOs as potential supporting implementing agencies, and build their capacities in areas of organizational, financial, community outreach and vocational training

5.6 Identify urban management “toolkits” being used in PNG, review other suitable sources that could be used to strengthen existing materials; customize such materials through “in-service, learning by doing” technical support.

5.7 Develop an Institutional Strengthening Action Plan for the various stakeholders to prepare City Profiles, CDS and CIIP. Strengthen their community based upgrading skills at the local and national level including the benefits of a ‘learn by doing’ approach. .

5.8 Implement the Action Plan through national/city service providers such as UPNG, PNGULLGA, DP&LLG’s Local Government Training Section, and the CLGF

**Component 6 – Knowledge Sharing, Policy Learning and Toolkit Development:** Build Knowledge Management hubs in the OoU and PNGULLGA to support implementation of the National Urbanization Policy. Promote further dialogue on the importance of the urban sector for national socio-economic development through the Mayors Forum, and integrate settlement upgrading “action learning” of the National Urbanisation Policy implementation into the National Sustainable Development Planning process. By documenting and sharing the Cw/oS implementation approaches, gradually strengthen the city-national policy dialoguing process based on national, Pacific Regional and global good practices

6.1 Prepare a Knowledge Capture/Sharing and Tool Development Action Plan for approval during and implementation after the Inception Workshop, comprising (inter-alia) the following:

6.2 Documenting good practices on city strategic planning and management, budgeting and settlement upgrading in PNG; reviewing applicability of Pacific Regional and global good practices for PNG

6.3 Prepare and conduct a National Consultation on urban development issues to strengthen national support for the urban sector in the National Sustainable Development Planning process, and launch preparation of a National Urbanisation Plan. Promote high Mayoral, national and international development partner attendance

6.4 Organise structured Policy Learning Dialogues with the National Executive Council (NEC) through the Ministerial Lands and Urbanisation Committee, and the Mayors Forum through PNGULLGA on the significance of the CDS and Cw/oS approach

6.5 Support legislative reforms resulting from such policy dialogues.

6.6 Customise UN-Habitat and other international partner urban management toolkits to the PNG situation, and support their roll-out through Training of Trainer workshops

6.7 Prepare new urban management toolkits from the lessons learned from application of the CDS and Cw/oS approach

6.8 Prepare PUA and Pacific Plan Initiative 13.5 implementation progress reports for presentation at Pacific Forum Meetings

**Component 7: Monitoring and Evaluation Framework:** Establish and implement a Monitoring and Evaluation (M&E) Framework of the Cw/oS implementation, its achievements and the eventual outcomes.

7.1 Monitor each component of Cw/oS vis-a-vis the M&E Framework.7.2) Prepare six monthly summaries from the M&E framework

7.2 Submit regular M&E reports to the Project Advisory Committee meetings when called

7.3 Submit M&E information in 6-monthly reporting to the Cities Alliance Secretariat.

### **Sequencing of activities**

Once the Inception Workshop has been conducted, signaling successful completion of the Start-up Component with endorsement of the updated work-plan, supporting M&E framework, and reinforced partner commitments and common expectations; then the remaining components will be undertaken in parallel. The reason for this is that the Cities Alliance support has been designed as a technical support function to existing national and city teams to strengthen implementation of their approved projects and programmes. As such, each component is relatively independent, operating on its own national/city budget, supported by a National Project Team, national consultants and regular UN-Habitat and ACHR technical support missions. The latter will provide technical, training and policy guidance inputs to address the most pressing concerns and requests for support emanating from the beneficiary cities, communities, and implementing partners. Cross-cutting issues such as participatory governance, improved environmental management and gender will be emphasized through-out project implementation; when special efforts will be made to encourage the various Working Groups and implementing agencies to strengthen gender disaggregated data and consider the different gender based needs regarding urban development, especially regarding settlement upgrading needs

### **15 Deliverables:**

**Component 1:** Inception Report prepared comprising of the approved revised Work Plan and M&E Framework, with agreed urban indicators base. Advisory Committee, NPT and CPTs membership and other implementation arrangements established, starting to operate as a routine

**Component 2:** Taurama, June Valley (NDC) and Faniufa (Goroka) Settlement Upgrading Action Plans completed through application and adaptation of good practice and community-based planning approaches, such studies to be considered for follow-up financing (in Component 4)

**Component 3:** City Vulnerability Assessment drafted for NCDC, with key urban development strategies “climate



proofed". National scoping study completed. Lessons learned being rolled out in other PNG cities

**Component 4:** City Infrastructure Investment Programmes for NCD and Goroka which support Settlement Upgrading. Revenue Strengthening Action Plans for NCDC and Goroka City prepared with broader recommendations to make city financial management systems more sustainable. At least one pre-Feasibility Study developed for a prioritised project in NCDC and Goroka, such studies being considered for follow-up financing .

**Component 5:** Capacity-Building and Institutional Strengthening Action Plan and Report of implementation and lessons learned

**Component 6:** National Consultation proceedings. Policy Learning Dialogue proceedings. Knowledge products documenting project implementation experiences and lessons learned completed for mainstreaming into OoU annual programs PNG's National Sustainable Development Planning process strengthened through inclusion of urban sector issues. PUA implementation progress reports submitted to PIFS

**Component 7:** M&E reports to the Project Advisory Committee and Cities Alliance Secretariat

## 16. Expected outcomes and related monitoring indicators and plans

**In the short term**, the immediate outcome of this Cw/oS proposal will be prioritized settlement upgrading proposals in Taurama Valley, June Valley (NCD) and Faniufa (Goroka). These will be supported by infrastructural investments which will improve the living conditions of the urban poor facing hardship. In the process the Cw/oS approach will build the capacity of communities, supporting NGOs, city and national governments to undertake strategic planning and to support a higher flow of investment to targeted areas.

**In the longer term**, implementation of the Cw/oS approach is expected to generate increased economic activity whereby the benefits will flow to neighbouring communities and districts.

The methodology requires that during Component 1: Start-up the key implementing partners will detail out an appropriate **M&E Framework** with identified indicators upon approval of the project proposal, so that it can be used to evaluate and inform the Cw/oS process and its outcomes, building on the Matrix below.

Objective	Deliverables	Outcomes	Indicators
<b>Component 1: Establish the implementation structure</b>	Inception Report	Stakeholders have common understanding on process, commitments and expectations	- Partner cost share commitments honoured - Advisory Groups established and meeting as a routine
<b>Component 2: Community-based Settlement Upgrading Action Plan.</b> Provide international technical support, best practices and toolkits to the OoU, and NCDC pilot settlement upgrading projects in the Taurama and June Valleys (NCD), and Faniufa (Goroka), to strengthen implementation of the National Land Development Programme and NCDC's approved "Settlement Strategic Plan".	- 3 socio-economic and physical conditions survey completed. - Affordable settlement upgrading plan prepared and adapted to each site - City Investment Dialogues reported	- OoU, Goroka City and NCDC staff and partners develop better socio-economic and physical surveying skills, as well as improved understanding of undertaking feasibility studies, and negotiating for implementation finance  - Clearer city and town visions and strategies	Settlement Upgrading Action Plans being used to mobilize investment financing from a variety of sources through City Investment Dialogues
<b>Component 3: Adapt the City Profiling Methodology to support Port Moresby NCD to better address Climate Change Impacts</b>	- Climate Vulnerability Assessment for NCD  - A National Climate Change scoping study	- Stakeholder awareness raised through their better understanding of likely Climate Change Impacts on Port Moresby  - Climate change implications clear from pilot studies	- City vulnerability situation assessed with supporting data  -- Priority CC adaptation needs reflected in the CIIP reports
<b>Component 4: City Infrastructure Investment Programmes for Settlement Upgrading</b> Based on the outcomes for Component 2 and 3, review opportunities for Goroka and NCDC to better finance key infrastructural investments and support settlement upgrading via a pre-feasibility study for priority urban infrastructure investments for Goroka and NCDC. ,	- Revenue Strengthening Action Plans  - 3 Pre-Feasibility Investment Study reports for NCD and Goroka  - City Investment Dialogues reported	- City Infrastructure Investment Working Group making clear recommendations to strengthen City financial management in two areas  - Investment priorities and package defined. Most likely financial resources are identified for settlement upgrading, including potential for private sector involvement  - Improved OoU and partner	- Additional city revenues being generated, with improved access to infrastructural investment opportunities  -- Prioritised project investment feasibility study report completed  -- Strategies for mobilising and securing additional finance agreed and reported



		capacities in feasibility analysis	- Settlement upgrading programs mainstreamed into annual work plans
<b>Component 5: Capacity-Building and Institutional Strengthening.</b> Provide international technical support, best practices and toolkits to the OoU, DP&LLGA, UPNG, PNGULLGA for their review and customization. Design and implement an Institutional Strengthening Action Plan to strengthen ULLG management capacities, targeting key local stakeholders including city/district and provincial governments, community leaders, private sector, NGOs and CBOs through a “learning by doing approach”.	- Toolkits customized - Institutional Strengthening Action Plan - Report of implementation and lessons learned	- Needs Assessment embedded within city governments, the DP&LLGA and UPNG and/or other selected (anchor) training institute.  - Urban planning and management skills improved for partner institutions	- Number of Regional Training of Trainer events participated in, and replicated to PNG with number of participants - Number of partner participants benefited from various training activities - Number of partner members of City National and City Teams benefited from hands on learning by doing inputs
<b>Component 6: Knowledge Sharing, Policy Learning and Toolkit Development</b> Support implementation of the National Urbanisation Policy, and promote further dialogue on the importance of the urban sector for national socio-economic development, integrating its findings into the National Sustainable Development Planning process. By documenting and sharing the Cw/oS implementation approaches, gradually strengthen the city-national policy dialoguing process based on national, Pacific Regional and global good practices	- National Urban Sector Profile completed - polices of the National Urbanization Policy updated - CDS/CIIP and Cw/oS approach documented into knowledge products - Policy Proposition Papers discussed in NEC through Economic Development Committee meetings - Progress reports on PNG implementation of pacific plan Initiative 13.5 reported to PIFS and the Forum	-- Clear documentation of CwoS preparation process -- Improved policy discussion and dialogue on Cw/oS approaches into the planning and development process of PNG -- Better understanding and capability of Cities, Districts and Provinces on integrated, strategic planning methodologies -- Better response mechanisms to Climate Change available for replication by other cities/communities.	-- Number of policy dialogues held on Cw/oS approaches at the national and city levels  - Enhanced regional, national and local dialogue and exchange of experiences in sustainable settlement upgrading policy development.
<b>Component 7: Monitoring and Evaluation.</b> Establish and implement a framework for Monitoring and Evaluation (M&E) of the process of implementing the CDS, its achievements and the eventual outcomes.	- M&E Framework	-- M&E framework in place for long-term assessment and review of CDS and Cw/oS outcomes and impacts	-- M&E Framework developed -- Regular reporting to the project Advisory Committee, partners and at least 6-monthly to the Cities Alliance Secretariat

## 17. Sources of investment to implement the City Infrastructure Investment Programmes and Community-based Settlement Upgrading Action Plans

**17.1 GoPNG Programmes:** The trunk infrastructure priorities already identified in the NCDC and Goroka City Profiles will be targeted to support settlement upgrading and implemented through a number of financial sources:

- By involving the NCDC, District and Provincial Administrators in the Project development and financial management, /CIIP and CSUP processes (components 4, 2 and 6 respectively) the priority projects will naturally be integrated into their City, District and Provincial Planning and Budgeting processes, for sectoral funding allocations from national government budgets.
- In addition the above priority projects are being mainstreamed into the 2011 Government Development Budget allocation of approximately K890 million (US\$320m) to the District-level under Component 4, through the District Service Improvement Program Trust accounts. This requires Members of Parliament to prepare sectoral capital investment proposals linked to the District Planning and Budgeting process for the 89 districts (including NCD and Goroka).
- Similarly the city priority projects will be channeled into regular “Calls for Proposals” by the DP&LLGA for priority development projects to be funded under the EC funded “District Development Programme”
- In addition, the OoU has a development budget of \$10m for Taurama and Faniufa Customary Land Development projects including settlement upgrading programmes. The NCDC has committed to include follow-up investment financing in its development budget once the pre-feasibility studies have been completed for June Valley.

**17.2 ADB:** Strongly supported co-sponsoring the proposal, committing \$50,000 as cost share through its City Development Initiative for Asia to develop pre-feasibility studies for priority projects identified under the earlier UN-Habitat/UNDP UGSP in NCD and Goroka. It should be noted that follow-up capital investments in support of the

secondary towns and OoU's priority Rural Service Centres could be financed through current sector loans, including "off-grid" power supplies and Highlands transportation. Further Urban Sector loan designs would be subject to the results of the planned CDIA pre-feasibility studies building on the work done under this CA project.

**17.4 World Bank:** Have expressed strong support for and have agreed to co-sponsor the proposal, looking forward to building concrete synergy, cost share and follow-up investment with their Youth Development Programme

**17.5 EC:** Whilst strongly co-sponsoring the proposal and noting the synergies of effort built into the proposal to link up with the EC funded "District Development Programme" in DP&LLGA, the Delegation noted that further follow-up investments would be subject to a review of the present Country Assistance Strategy. This remained strongly rural, but provided opportunities for peri-urban infrastructure development synergies, especially in terms of water and sanitation priorities that may be identified through the City Profiling and CIIDP preparation process

**17.6 JICA:** Whilst a small research grant has facilitated Japanese University support to the Department of Community Development in community-based profiling in selected settlements in Port Moresby, with some small-scale demonstration project investments, large-scale follow-up investment is unlikely. Consideration is starting to be given to investment financing for NCD water and sanitation.

## **18. Partnerships:**

**18.1** A small grant from the Cities Alliance facilitated a strong participative process in proposal preparation, lead by the Director of the Office of Urbanisation and Chair of the NCCU through his staff, supported by a national consultant. Over a period of 8 months and through a variety of meetings with prospective national and city partners, the proposal design team agreed the strategic areas of intervention. It was agreed Cities Alliance funding support and UN-Habitat technical assistance would add-value in the context of continuing NLDP Management Committee, NL&UC and NCCU discussions regarding the urbanization and customary land development sectors. As a result, the District and Provincial Administrators, and the communities of the Taurama Valley and June Valley (NCD) and Faniufa (Goroka) settlements have committed their political leadership, along with cost-sharing support to the proposal. The Director of the OoU will be Project Director and lead implementation of Components 1, 2, 4, 7 and part of 5 and 6, and (subject to satisfying the Cities Alliance Fiduciary Questionnaire) the OoU is expected to receive the PNG grant component, to be disbursed to UPNG and PNGLLGA implementing partners after the Inception Phase, subject to Letters of Agreement being signed and supported by UN-HABITAT as the Cities Alliance member

**18.2** At the national-level, the OoU has been able to strengthen its partnership with the DP&LLGA. The latter body has agreed to review all management tools available to strengthen urban management, adapt to the PNG situation and integrate the best of these into its outreach training for Local-Level Government staff as well as the NRI, which is providing technical support to profile the Taurama Valley community. In addition the OoU has expanded its network of partnerships to include the UPNG as a potential capacity-development partner and "urban advocate" to synthesise the 3 earlier City Profiles into a National Urban Sector Profile to enrich its NUP. The PNGLLGA as a leading "urban advocate", will mobilizing political support for the NUP and its implementation through its annual Convention of Mayors. As a result UPNG is expected to take the lead to implement Component 3, whilst PNGLLGA will take the lead to implement component 6

**18.3** At the international-level, a coalition of urban development partners is emerging in support of the OoU and other GoPNG partners in its initiatives to strengthen better management of urbanisation, urban planning and management in the country. These partners include AusAID, the World Bank, ADB, the EC, UNESCAP's Pacific Operations Centre (Suva, Fiji), CLGF (Suva, Fiji), and UN-Habitat.

**18.4 AusAID:** AusAID in both Port Moresby and Canberra, Australia have been kept informed throughout proposal development, which included 2 missions to both PoM and Canberra. AusAID Canberra also underlined support in principle for the proposal during UN-Habitat's Executive Director's visit to Canberra in June 2009. As a result AusAID have in principle agreed to consider the following parallel financing support:

- Contributions under its \$20m support to the GoPNG's National Land Development Programme, subject to detailed Programme Design currently ongoing in 2010 when more detailed cost-share considerations will be reviewed following formal GoPNG submissions. The Project Design Team has already received a copy of the proposal, and has committed to ensure synergy of efforts and to look for areas for cost share. Already AusAID is providing short-term urban advisory support to assist the OoU complete the NUP, with a proposal under consideration to extend the Adviser's services. Goroka City was specifically selected in order to benefit from potential parallel AusAID cost sharing support through the DP&LLGA's PPII, being the Provincial Centres for the "leading" PPII Provinces where the PPII Corporate Planning process has already been rolled out at the Provincial-level, and the current Phase of PPII support is now moving down to the District-level. This Cities Alliance support will naturally complement the AusAID/DP&LLGA support, feeding the (lower-level) city needs into the District and Provincial arrangements as well as ongoing efforts of the OoU in its land development work in Faniufa.
- In addition, the selection of Goroka City under UN-Habitat/UNDP's UGSP was deliberate to build geographic synergies with the AusAID funded (CLGF executed) "Good Practices Partnership Programme", Under this programme, twin cities from Australia provide hands on capacity development support to PNG cities according to agreed thematic areas of intervention, developed through the UN-Habitat City Profiling approach. As a result some \$100,000 of cost sharing support is expected during implementation of this proposal

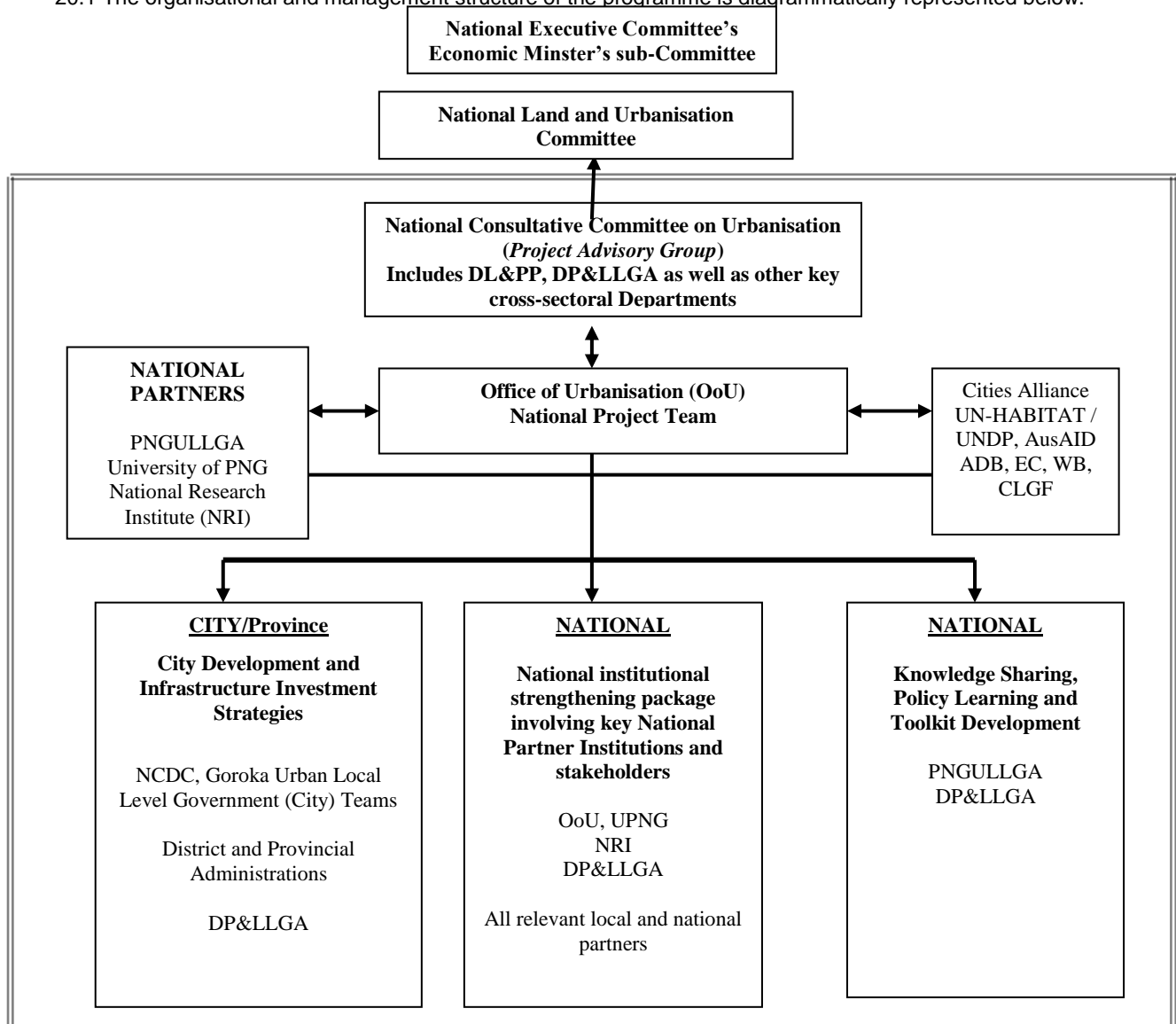
**19. Government commitment and approval**

Letters requesting Cities Alliance financial and UN-Habitat capacity building and “supervisory” support received from OoU, UPNG and PNGULLGA, demonstrating ownership and political support.

**IMPLEMENTATION AND FINANCING PLANS:**

**20. Implementation arrangements**

20.1 The organisational and management structure of the programme is diagrammatically represented below.



## **20.2 National Level.**

At the national level, a National Project Team (NPT) will be established in the OoU, responsible for the implementation, coordination, management and monitoring of the Cities Alliance and partner inputs. The NPT will ensure national ownership and ensure the proposal supports implementation of the NUP and the NLDP whilst feeding lessons learned back into policy dialogue through the NCCU to the NL&UC and NEC's Economic Ministers Committee. The OoU will provide 4 officers 50% time, with one Officer each from NCDC and Goroka as focal point to support the programme. The Director of the Office of Urbanisation will be supported by the two Deputy Directors for Policy and Project Implementation, with the DD for Project Implementation performing the role of National Project Manager (with the overall responsibility of overseeing the successful implementation of the project).

The NPT will also include representatives from DP&LLGA, UPNG and PNGULLGA, supported by the national Training (TA) and Knowledge Management (KMA), and international Urban Development (UDA) Advisers. They will be recruited by OoU with procurement advice and support from UN-HABITAT. The NPT will support local level implementation through a series of missions, with the DP&LLGA's assigned focal point officer responsible to ensure optimal communication and synergy between the two AusAID and EC supported Provincial and District governance support initiatives. An UN-Habitat Senior Human Settlements Officer (SHSO, based Fukuoka, Japan) and a Habitat Programme Manager (HPM, based Suva, Fiji) will provide "supervisory support" on behalf of and as a member of the Cities Alliance, including fiduciary, recruitment and technical advice, coordinating international inputs from ACHR and development partners, sharing UN-HABITAT and partner tools, networks and knowledge, whilst ensuring optimal exposure of the project partners to the principles and experiences of the Cities Alliance.. UN-HABITAT will undertake at least 2 missions a year to initiate the programme and support its implementation.

The NPT will also provide a monitoring role, meeting at the end of each calendar month to monitor progress and agree strategic actions in optimising the project impacts, and to address delivery constraints and/or problems, submitting a progress report to the Director OoU, copied to UN-Habitat. As such the NPT provides a mutually supporting project guidance and implementation mechanism to all project partners. It will also provide a platform for policy discussion on good urban governance and management, and endeavour to seek interagency collaboration in support of project implementation at the urban local level government level and ensure inter-agency synergies and complementarity. The Director OoU will prepare 6-monthly progress reports in Cities Alliance format, submitted through UN-Habitat, ROAP-Fukuoka

A Project Advisory Group (PAG) will be established comprising the Director of the Office of Urbanisation, and representatives from the Departments of National Planning and Monitoring, DPP&LLGA, DL&PP, UPNG and the Executive Director PNGULLGA, as well as UN-HABITAT. The PAG will provide the principal monitoring role and will meet every six months to review progress, feeding this into the NCCU and the June/December Cities Alliance reporting requirements. The NCCU involves representatives from the DCD (OoU operational budget), DPA&LLGA, DL&PP, as well as the Department of Housing and Urban Development

## **20.3 Provincial and Local Government Levels.**

The project recognises that much of the existing technical capacity currently resides with the National and Provincial Administrations (though there are marked inter-Provincial differences according to the pace of decentralisation). The institutionalisation of participatory urban management and good governance will involve partnership building between, and capacity development within, provinces their Districts and local level government. During the Start-up Phase, a Provincial level focal point (or Provincial Urban Management Advisor) will be assigned to observe and support the city profiling and ensure close coordination with the DP&LLGA's PPII and DDSP.

## **20.4 City-level Activities**

At the city level, Local Urban Management Officers (LUMA) have been assigned by NCDC and Goroka City as the principal city level focal point between the city, Provincial Administration and the NPT, who will liaise with the national support partners in implementing the project. The LUMA will undertake a senior management oversight and quality control role in championing and ensuring effective local implementation. S/he will be responsible for the formation of a multi-stakeholder local steering and support group that will include representation of all sectors of the community.

**21. Project schedule and delivery targets:**

Activities																															
	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	
<b>1 Project Start-up</b>																															
1.1 Establish Teams, build understanding	█	█																													
1.2 Inception Workshop and Report			█																												
<b>2 Community-based Settlement Upgrading Action Plan</b>																															
2.1 Introduce CAP processes (ACHR technical support)			█				█					█																			
2.2 Strategy Formulation				█	█	█	█	█	█	█	█	█																			
2.3 Action Planning									█	█	█	█																			
2.4 Feasibility Studies																█	█	█	█	█	█	█	█	█							
2.5 City Investment Dialogues																			█												
2.6 Strategic Upgrading directions																					█	█	█	█	█	█	█	█	█	█	█
<b>3 Climate Proofing NDC Plans</b>																															
3.1 National Scoping Study								█	█	█	█	█																			
3.2 GIS Training support					█	█	█	█	█	█	█	█																			
3.3 Vulnerability and Adaptation Assessment																															
3.4 City and National Consultations																															
3.5 Mainstream findings into NDC and National plans																															
3.6 Toolkit and rollout																															
<b>4 City Infrastructure Investment Programmes</b>																															
4.1 Establish the CII Working Group				█	█	█	█	█	█	█	█	█																			
4.2 Needs assessment and SWOT				█	█	█	█	█	█	█	█	█																			
4.2 identify Financing Opportunities																															
4.3 Pre-feasibility Study for 2 areas																															
4.3 Financing Plans																															
4.4 City Investment Dialogues																															
4.5 Integrate into budgets																															
<b>5 Institutional Strengthening</b>																															
5.1 Assess Capacities																															
5.2 Develop a Institutional Strengthening Action Plan																															
5.3 Implement the Action Plan																															
<b>6 Policy Learning and Knowledge Sharing</b>																															
6.1 KM and toolkit dev Action Plan																															
6.2 Document Implementation																															
6.3 National Consultation																															
6.4 National Sustainable Development Planning																															
6.5 City and national Policy Learning Dialogues																															
<b>7 Monitoring and Evaluation</b>																															

## 22. Financing plan

The implementing partners for the various components propose that the grant be made to UN-HABITAT, to be distributed through Agreements of Cooperation as follows – the final details to be agreed during the proposed Inception Workshop:

<b>Office of Urbanisation:</b>	\$135,000 taking the lead for Components 1, 2, 4, 5 and Component 7.
<b>UPNG:</b>	\$15,000 taking the lead for Component 3 (that is, climate proofing)
<b>PNGULLGA:</b>	\$48,500 taking the lead for Component 6 (that is, policy learning and knowledge sharing)
<b>DP&amp;LLGA:</b>	\$15,000 for toolkit development and rollout under Component 5 (that is, institutional strengthening)
<b>NCDC:</b>	Whilst not receiving a direct grant, the NCDC will receive support from UN-Habitat's cost share inputs regarding Component 3, from ADB/CDIA for Component 4, as well as support from ACHR for Component 2.
<b>ACHR:</b>	\$38,000 to provide technical support to Component 2

### A. CITIES ALIANCE GRANT REQUEST

Components / Main Activities	Total (US\$)	Type of Expenditure			
		Consulting Services (US\$)	Training/ Capacity Building (FGD/ wkshops) (US\$)	Dissemination Costs (reports, printing) (US\$)	Other (US\$) communications
<b>PROJECT ACTIVITIES:</b>					
Component 1: Start-up	20,000	1ww mission \$4,500 and 2ww desk int nal UDA \$4,500 (UN-H)  3wm nat consultant (OoU) \$9,000	Inception and Cw/oS Training wkshop \$2,000 (OoU)		
Component 2: Community-based Settlement Upgrading Action Plan	133,500	1wm desk work int nal UDA \$9,000 1ww mission \$4,500 (UN-H)  24wm nat consultants \$72,000 (OoU)  4X1 week missions ACHR \$28,000	\$10,000 FGD (ACHR)		\$10,000 Goroka travel (OoU)
Component 3: Support to Port Moresby NCD to better address Climate Change Impacts:	15,000	\$15,000 (UPNG specialized support for rollout)			Local travel cost shared by OoU/NCDC
Component 4: City Infrastructure Investment Programmes	23,500	1wm int nal UDA \$9,000 + \$4,500 1ww mission (UN-H) (supported by above nat consultant OoU)			\$10,000 Goroka travel (OoU)
Component 5: Capacity-Building and Institutional Strengthening	28,500	1wm int nal UDA \$9,000+ 1ww mission \$4,500 (supported by above nat consultant OoU)	Toolkit development and training workshops \$15,000 (DPLLGA)		
Component 6: Knowledge Sharing, Policy Learning and Tool Development	85,000	1/2wm int nal UDA \$4,500 (UN-H) (supported by above nat consultant OoU)  12wm nat \$36,000 (PNGLLGA)	Policy dialogues and Capacity-building support \$10,000 (PNGLLGA)  Policy dialogues \$27,000 (OoU)	\$5,000 printing support (OoU)	Optns support \$2,500 (PNGLLGA)
Component 7: Monitoring and Evaluation	4,500	1/2wm in tnal UDA \$4,500 (UN-H) supported by above nat consultant (OoU)		Reporting (OoU cost share)	
<i>Sub-Total – Project Activities</i>	310,000	218,500	64,000	5,000	22,500

<b>PROJECT ADMINISTRATION &amp; SUPERVISION:</b>					
Independent Audit (1):					
Supervision Costs (2): a) fees/labour/wages b) travel costs c) office running cost	40,000 <sup>7</sup>				40,000
<i>Sub-Total – Project Administration &amp; Supervision</i>					
<b>TOTAL A (Cities Alliance Grant Request)</b>	<b>350,000</b>				

### B. CO-FINANCING – see below...

Co-financing Partner # 1 <b>Office of Urbanisation</b>	408,750	388,750	20,000		
Co-financing Partner #2: <b>ADB</b>	\$50,000 CDIA for component 4	50,000			
Co-financing Partner #3: <b>UN-HABITAT</b>	173,000	173,000			
Co-financing Partner #5: <b>NCDC</b>	135,500	135,500			
Other Co-financing Partners	131,750	135,000			
<b>TOTAL B (Co-Financing)</b>	<b>899,000</b>	<b>879,000</b>	<b>20,000</b>		

#### 23. Costing assumptions:

GoPNG staff: Director level @ \$30,000; Deputy Director and senior management @ \$20,000 and project officers at \$10,000 pa

National consultants at UNDP rates of \$3,000 a month all inclusive

International Adviser inputs at \$9,000 monthly fee desk work, plus \$4,500 air ticket, terminals and DSA for one week missions.

One day training and policy learning events at \$3,000

Travel: Average 1,500 kina a ticket to each city, 3 nights a mission @300kina a room &1100 kina a mission car hire, gives \$1,000 a mission, with a minimum of 7 missions a city

Office rental @500kina m2/month. OoU space inputs for project team support @25%; NCDC @10%; UPNG and DP&LLGA not included as have marginal space provision

#### 24. Expected currency of expenditures

Into what currency (or currencies) do you expect the grant funding (provided in U.S. dollars) to be converted?

Papuan Kina

What exchange rate assumptions have you used?

3 kina to the USD, along with USD calculations from previous experiences. Currency conversions are at the monthly UN exchange rate when undertaken

#### 25. Co-financing arrangements

Co-financing Source	Description of Co-Financing	Expected Outputs
1. Office of Urbanisation, GoPNG	<b>Cash:</b> US\$300,000 support costs to develop the Taurama (NCD) and Faniufa (Goroka) settlement upgrading Action Plans and Infrastructure Feasibility Studies <b>In-kind:</b> \$108,750 10% time of Director, 25% time NPM, 50% of 3 staff (one for each partner city and a settlement). Office (\$31,250), \$20,000 Inception/ Training Workshop venue and meals; computers,	Reports summarising community awareness raised, land owner liaison and establishing the Incorporated Land Group, physical layout plans, subdivision plans, survey plans of areas to be upgraded, detailed infrastructure and service needs, business modeling with landowners, and engineering

<sup>7</sup> UN-Habitat has reduced its costs in recognition of the economies of scale that can be made on the assumption that this supervision will be part of the agency's overall supervision and support to the 3 Country and Pacific Regional proposals being submitted as a "Pacific Regional Initiative"



	local transport and cost share air fares (\$10,000), printing, communications.	designs for water, roads, drainage and power.
2. DP&LLGA	<b>In kind:</b> \$7,500.10% time input from OoU Focal Point staff member, who is also reviewing potential supporting tool use for roll-out under the CLGF's supported Pacific Regional Training Project	
3. UPNG	<b>In kind:</b> \$15,000. 20% time input from Senior Lecturer previously involved in Urban Profiling in partnership with the OoU, office costs, computer use	
4. PNGULLGA	<b>In Kind:</b> \$20,000. 10% time input from the Director and 50% from Project Officer	
5. District and Provincial Governments	<b>In kind:</b> \$3,000. 1 project officer staff @ 10% time for a Eastern Highlands (Goroka) liaison officer (planning and budget/PPII linkages)	
6. Goroka City,	<b>In-kind:</b> \$26,250. 10% Town Clerk, LUMA @50% time input 5 Other City officials at 10% Office @2,500pa each Computer use and email/communications.	
7. NCD	<b>Cash:</b> \$110,000 has been committed annually for 2009/10, and will be reserved in the 2011 (and annually) budget for June Valley preparatory works <b>In Kind:</b> \$25,500. 25% time input from one staff assigned full-time to the NCD Settlements Strategic Development Plan implementation, 10% Director and Senior Urban Planner, Office space (10% at \$2,500pa)	Reports summarising community awareness raised, land owner liaison and establishing the Incorporated Land Group, physical layout plans, subdivision plans, survey plans of areas to be upgraded, detailed infrastructure and service needs, business modeling with landowners, and engineering designs for water, roads, drainage and power.
8. Taurama Valley, June Valley and Faniufa Communities	<b>In Kind:</b> \$10,000 from each of the 3 communities for their time participation in surveys and for community meetings	
9. UN-HABITAT	<b>Cash:</b> Climate Change profiling \$20,000, Safer Cities settlements upgrading study \$28,000. <b>In-kind:</b> \$125,000 SHSO ROAP and PMO support (2m pa \$75,000 + 20% HPM Suva \$50,000)	Reports on: National Scoping Study, NCD Vulnerability and Adaptation Assessment, climate impacts on the two NCD settlements and related infrastructure needs; urban safety and settlement upgrading
10. CLGF	<b>Cash:</b> \$50,000Support to the PNGULLGA and DP&LLGA for toolkit rollout and support to annual Mayors Conference/policy learning	Report on toolkit rollout nationally, proceedings of annual Mayor's Conference
11. ADB	\$50,000 City Development Initiative for Asia support for component 4	Pre-Feasibility Studies for priority investment projects in NCD and Goroka

**Is all co-financing confirmed/committed?**

Yes except for ADB where the funding is approved in principle, subject to final negotiations (with UN-Habitat support) from Japan Special Fund.

Additional cost share (and follow-up investment) contributions are under consideration by both the World Bank and AusAID, subject to further Programme Development (and thus identification of synergies of effort) during 2010

**26. Additional Financial Management Information from Recipient**

**UN-Habitat:**

Is the Recipient a registered organization under the countries/cities legal requirement? - (No)

Can the recipient provide proof of GLOBAL registration and years of operation? - (Yes)

Does the recipient have prior experience managing other Donor funds and provide documentation to support this? (Yes)

Does the recipient have or can open a bank account? - (Yes)

Is the recipient audited annually?- (Yes)

Do you produce periodic financial reports for monitoring and evaluation?(Yes)