

Country Name	Project for the Study on Lae-Nadzab Urban Development Plan
Independent State of Papua New Guinea	

I. Project Outline

Background	Lae was the second largest city in the Independent State of Papua New Guinea (PNG) with a dense population and flourishing industries as well as the major center for shipping. Boosted by the mining industry, the population and housing needs around Lae City drastically increased, exerting great demand of land for housing as well as urban public services. The existing “Lae-Nadzab Urban Development Plan (2005-2015)” was prepared and approved in 2005. However, due to lack of coordination between publicly financed infrastructure development and urban development, implementation of the plan had been limited. Under such circumstances, the Government of PNG requested the Government of Japan to assist in reviewing and updating the existing urban development plan.								
Objectives of the Project	In Lae-Nadzab area, this project aimed to: i) formulate an urban development plan (2016-2025); and ii) implement a pre-feasibility study for a prioritized project under the plan, thereby contributing to the sustainable economic and social development of the area. 1. Expected Goals through the proposed plan ¹ : 1) Infrastructure projects and large-scale development projects are implemented with reference to the approved urban development plan. 2) Priority projects are implemented with feasibility studies.								
Activities of the Project	1. Project Site: Lae-Nadzab area 2. Main Activities: (i) Reviewing the existing plan and identifying development issues, (ii) Conducting various field surveys including an Origin-Destination survey for transport development, (iii) Developing plans on land use and infrastructure development, (iv) Conducting environmental and social assessment ² , (v) Preparation of the new “Lae-Nadzab Urban Development Plan (2016-2025)”, and (vi) Conducting a pre-feasibility study for a prioritized project. 3. Inputs (to carry out above activities) <table><tr><td>Japanese Side</td><td>PNG Side</td></tr><tr><td>1) Mission Members:19 persons</td><td>1) Staff Allocated: 20 persons</td></tr><tr><td></td><td>2) Facilities: Office space, etc.</td></tr></table>			Japanese Side	PNG Side	1) Mission Members:19 persons	1) Staff Allocated: 20 persons		2) Facilities: Office space, etc.
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Project Period	May 2015 – November 2016 (Extended period: September – November 2016)	Project Cost	(ex-ante) 200 million yen, (actual) 253 million yen						
Implementing Agency	Morobe Provincial Administration (MPA); Lae Urban Local Level Government (LULLG)								
Cooperation Agency in Japan	Yachiyo Engineering Co., Ltd.; Kokusai Kogyo Co., Ltd.								

II. Result of the Evaluation

1 Relevance
<p><Consistency with the Development Policy of PNG at the Time of Ex-Ante Evaluation></p> <p>The project was consistent with “National Urbanization Policy (2010-2030)”, which aimed “to strengthen the economic, social and environmental fabric of PNG’s towns and cities by better managing the urbanisation process and urban growth challenges”.</p> <p><Consistency with the Development Needs of PNG at the Time of Ex-Ante Evaluation></p> <p>As mentioned in “Background” above, the project was consistent with the development needs of PNG for updating the existing urban development plan of Lae City (the second largest city), so that its rapid growth could be better managed.</p> <p><Consistency with Japan’s ODA Policy at the Time of Ex-Ante Evaluation></p> <p>The project was consistent with “Japan’s ODA Policy for the Independent State of Papua New Guinea (2012)”, including infrastructure development under a priority area, i.e. “Strengthening of the Foundation of Economic Growth”.</p> <p><Evaluation Result></p> <p>In light of the above, the relevance of the project is high.</p>
2 Effectiveness/Impact
<p><Status of Achievement for the Objectives at the time of Project Completion></p> <p>The project achieved the Objectives at the time of project completion. The new Lae-Nadzab Urban Development Plan (hereinafter referred to as the LNUDP) was formulated for the period from 2016 to 2025; and a pre-feasibility study was conducted for “Construction of Bypass Highway behind Lae Tidal Basin”, which was one of the five priority projects proposed in the LNUDP. The bypass project aimed to construct a bypass to the Lae Port to avoid congestion of an existing highway. The bypass was also expected to lead future urbanization in the Lae Tidal Basin, an expected development area behind the Lae Port. Three alternative alignments were suggested for</p>

¹ The degree of achievement of expected goals is not to be assessed in principle at the time of ex-post evaluation, since it is defined as the medium-to-long-term goals which will be attained as a result of crystallizing the proposed plan (“output” of the project).

² According to “JICA Guidelines for Environmental and Social Considerations (April 2010)”, this project is classified as “Category B”, i.e. with non-significant but potential adverse impacts. In line with the guidelines, environment and social assessment was conducted in the course of formulating the urban development plan, as well as implementing the pre-feasibility study.

the bypass, whose length was ranging from 3.35 km to 7.70 km, and whose cost was estimated from PGK 97 to 230 million.

<Utilization Status of the Proposed Plan at the time of Ex-post Evaluation>

Utilization status of the proposed plan has been partially achieved at the time of ex-post evaluation. Indicator 1 (approval of the LNUDP) has been partially achieved. Obtaining approval for a development plan as per “Physical Planning Act 1989” is a lengthy procedure in PNG. The provincial approval for the LNUDP was obtained, but the national approval has not yet been obtained. According to MPA and LULLG, the national approval is most likely to be obtained in late 2020 or early 2021, since they are currently working with the Minister of Lands & Physical Planning who is the parliament member from Lae District. On the other hand, Indicator 2 has been achieved. A feasibility study for “Construction of Bypass Highway behind Lae Tidal Basin” was conducted from July 2018 to January 2019, by utilizing the pre-feasibility study under the project, and the approval for the bypass alignment was granted.

<Status of Achievement for Expected Goals through the Proposed Plan at the time of Ex-post Evaluation>

Expected goals through the proposed plan have been partially achieved. By 2050, the LNUDP proposed 75 infrastructure/ large-scale development projects, out of which, 35 were planned to commence by 2020³. At the time of ex-post evaluation, five projects were commenced, therefore Indicator 1 (implementation of more than half of the proposed projects) has not been achieved. However, it is notable that preparatory work, including a sort of feasibility study such as a land survey, was commenced for all the five “priority projects” (Indicator 2). For example, the subdivision plan for “Yalu-Nadzab Industrial Park Development” was prepared and approved, and discussions with land owners for “Construction of Yalu-Igam Highway” are on-going. It must be noted that the five priority projects are being pended (except for discussions with land owners) due to lack of funds. As discussed, the LNUDP has not been approved at the national level, and thus the budget from the central government cannot be allocated for the proposed projects under the LNUDP. The provincial government has allocated PGK 2.2 million since 2016, which enabled to commence the preparatory work.

<Other Impacts at the time of Ex-post Evaluation>

No negative impact has been observed. There are land issues but is no “land acquisition”, because more than 95%⁴ of the land in PNG is “customary land”, i.e. the land owned by communities (clans). Hence, MPA and LULLG have been working with locals and stakeholders to identify legitimate land owners and register their respective lands through “Integrated Land Group”. According to MPA, many land owners are supportive to priority projects, and allow the projects to use their lands in the form of leasing, etc.

<Evaluation Result>

In light of the above, the effectiveness/impact of the project is fair.

Status of Achievement of Utilization Status of the Proposed Plan and Expected Goals through the Proposed Plan

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Aim	Indicators	Results																																								
(Utilization Status of the Proposed Plan) 1. Lae-Nadzab Urban Development Plan (2016-2025) is approved. 2. A feasibility study for a priority project is conducted by utilizing the pre-feasibility study implemented by the project.	1. Approval of the urban development plan	(Ex-post Evaluation) partially achieved <table><tr><th>Steps for Approval of the Development Plan (as per “Physical Planning Act 1989”)</th><th>Progress</th></tr><tr><td>1) Approval of the draft plan at the provincial level</td><td>Completed</td></tr><tr><td>2) Approval of the plan reflecting public comments at the provincial level</td><td>Completed</td></tr><tr><td>3) Final approval by Minister of Lands & Physical Planning is to be placed on a government gazette</td><td>On-going (Targeting late 2020 or early 2021)</td></tr></table>	Steps for Approval of the Development Plan (as per “Physical Planning Act 1989”)	Progress	1) Approval of the draft plan at the provincial level	Completed	2) Approval of the plan reflecting public comments at the provincial level	Completed	3) Final approval by Minister of Lands & Physical Planning is to be placed on a government gazette	On-going (Targeting late 2020 or early 2021)																																
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	2. Conduct of a feasibility study for a priority project	(Ex-post Evaluation) achieved The feasibility study for “Construction of Bypass Highway behind Lae Tidal Basin” was conducted from July 2018 to January 2019, by utilizing the pre-feasibility study, and the approval was granted to the bypass alignment.																																								
(Expected Goals through the Proposed Plan) 1. Infrastructure projects and large-scale development projects are implemented with reference to the approved urban development plan	1. More than half of the infrastructure projects and large-scale development projects are implemented with reference to the approved urban development plan.	(Ex-post Evaluation) not achieved <table><tr><th>Sector</th><th>No. of proposed projects under the plan</th><th>No. of projects planned to commence by 2020</th><th>No. of projects implemented</th></tr><tr><td>a. Industry</td><td>5</td><td>4</td><td>-</td></tr><tr><td>b. Land Use</td><td>20</td><td>10</td><td>3</td></tr><tr><td>c. Transport</td><td>16</td><td>8</td><td>2</td></tr><tr><td>d. Flood Control</td><td>6</td><td>0</td><td>-</td></tr><tr><td>e. Water Supply</td><td>9</td><td>5</td><td>-</td></tr><tr><td>f. Sewerage</td><td>9</td><td>1</td><td>-</td></tr><tr><td>g. Waste Management</td><td>4</td><td>2</td><td>-</td></tr><tr><td>h. Social Services</td><td>6</td><td>5</td><td>-</td></tr><tr><td>Total</td><td>75</td><td>35</td><td>5</td></tr></table>	Sector	No. of proposed projects under the plan	No. of projects planned to commence by 2020	No. of projects implemented	a. Industry	5	4	-	b. Land Use	20	10	3	c. Transport	16	8	2	d. Flood Control	6	0	-	e. Water Supply	9	5	-	f. Sewerage	9	1	-	g. Waste Management	4	2	-	h. Social Services	6	5	-	Total	75	35	5
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³ “Lae-Nadzab Urban Development Plan (2016-2025)” set its implementation stages for periods of 2017, 2018-2020, 2021-2025 and 2026-2050. Such program was subject to adjustment, in case of budgetary constraints. (Source: Final Report, p.15-1)

⁴ Source: Final Report, p.4-5.

2. Priority projects are implemented with feasibility studies.	2. Implementation of priority projects is commenced.	(Ex-post Evaluation) achieved			
		Implementation Status of the Five Priority Projects			
		Project Title	Year	What has been done	Current status
		Construction of Bypass Highway behind Lae Tidal Basin	2018 onwards	Preparatory work such as clearing of land to set up a gravel road	Preparatory work is pending due to lack of fund. Identification and registration of land owners are on-going.
		Yalu-Nadzab Industrial Park	2018	Completion and approval of the subdivision plan.	Pending due to lack of fund
		Tidal Basin North Development	2018	Completion of the subdivision plan (under the process for the final approval)	Pending due to lack of fund
		Provincial Centre Development at Lae old Airport	2018	Preparation of the proposal (partially).	Pending due to lack of fund
		Construction of Yalu-Igam Highway	2019 onwards	Initial discussion with landowners	On-going

Source : Final Report and other JICA documents; Questionnaires and interviews with MPA and LULLG

3 Efficiency

Both the project cost and period exceeded the plan (ratio against the plan: 127% and 119%, respectively). The Outputs of the projects were produced as planned. Therefore, the efficiency of the project is fair.

4 Sustainability

<Policy Aspect>

“National Urbanization Policy (2010-2030)” is still effective till 2030. For implementing the policy, the national government follows “Public Investment Program (PIP)” for budgeting, planning and executing the medium- to large-scale impact projects in the country. Moreover, to cope with the land issues specific to PNG, “National Land Development Program” is being budgeted from 2019 to 2022 for overall land use planning, including “customary land”.

<Institutional/Organizational Aspect>

Both MPA and LULLG are facing insufficient staff, due to funding constraints⁵. Under MPA, the Lands and Physical Planning Division is in charge of urban development, but currently there is only one officer against the quota of four. Likely under LULLG, the City Planning Unit has only three staff (one city planner, one valuer, and one surveyor). Both MPA and LULLG are requesting for the provincial funds to recruit additional staff. On the other hand, both MPA and LULLG have good channels and relationship to collaborate with related agencies, such as the Department of Lands and Physical Planning, the Department of Works, Water PNG, and PNG Power Limited.

<Technical Aspect>

After the project completion, MPA and LULLG staff participated in training on public awareness raising, and the participants held awareness-raising events on the LNUDP in public areas in November 2017 and February 2018. In addition, they attended training on approval process of development plans, and have been working towards the national approval of the LNUDP accordingly. It is notable that mobilization of “customary land” for priority projects is being implemented by MPA and LULLG, despite its difficulties.

<Financial Aspect>

As mentioned above, the largest impediment to funding is that the LNUDP has not yet been approved at the national level. Nevertheless, MPA has allocated PGK 2.2 million (PGK 0.5 million annually from 2016 to 2019 and PGK 0.2 million in 2020), which enabled a feasibility study and the preparatory work of the five priority projects. Currently MPA and LULLG are working with the Minister of Lands & Physical Planning to get the LNUDP approved by late 2020 or early 2021. Once the LNUDP is gazetted, MPA is to request for budgeting through “Public Investment Program”, so that the national government can fund some of the projects proposed in the LNUDP. Furthermore, both MPA and LULLG are planning to officially visit aid donors to seek avenues on how best the projects can be funded.

<Evaluation Result>

In light of the above, problems have been observed in terms of financial and institutional/organizational aspects of the implementing agencies. Therefore, the sustainability of the project effects is fair.

5 Summary of the Evaluation

The project achieved the Objectives at the time of project completion, by i) preparing “Lae-Nadzab Urban Development Plan (2016-2025)”, and ii) conducting a pre-feasibility study for “Construction of Bypass Highway behind Lae Tidal Basin”. At the time of ex-post evaluation, the plan has not yet been approved at the national level, which impedes funding for implementing proposed projects. On the other hand, a feasibility study or preparatory work is being conducted for all the five priority projects with the limited but continuous funding at the provincial level. Regarding the Sustainability, problems have been observed in terms of financial and institutional/organizational aspects of the implementing agencies, but no problem has been observed in terms of policy and technical aspects. As for Efficiency, both project cost and period exceeded the plan. Considering all of the above points, this project is evaluated to be partially satisfactory.

III. Recommendations & Lessons Learned

Recommendations for the National Government

The Department of Lands and Physical Planning should take the leading role as the mandated government agency to work with both Morobe Provincial Administration and Lae Urban Local Level Government to ensure “Lae-Nadzab Urban Development Plan (2016-2025)” is approved and gazetted by the National Executive Council. Such plan captures mega infrastructure projects that can be financed utilizing

⁵ MPA had to spend much funds for the national elections in 2017, and for “Asia-Pacific Economic Cooperation (APEC) 2018”. For the latter, MPA had to renovate the terminal of the Nadzab Airport as the landing point of senior officials.

“Public Investment Program (PIP)” administered by the Department of National Planning and Monitoring.

Lessons Learned for JICA:

“Lae-Nadzab Urban Development Plan (2016-2025)” is well designed, which captures major impact projects for the development of Lae-Nadzab area. However, the plan is only “partially approved” in the context that only MPA sanctioned the plan, thus annually allocating funds since 2016. On the contrary, the plan has not yet been approved and gazetted by the national government, thus not attracting any large funding. Considering that the approval process of a development plan usually takes a long time due to relevant process involved, even after project completion, all concerned stakeholders should have kept working together and following-up on this plan to be approved and gazetted at an earlier stage. In this regard, not only the local government but also the national government like the Department of Lands and Physical Planning, as an implementing agency, would have preferably been involved in the project and the approval process from the initial stage, in order to have funded some of the impact projects proposed in the plan.

On the side of JICA, it should have continuously monitored the process of approval of the development plan. It would also be important for JICA to keep communicating with the implementing agencies, since an urban development plan requires long-term implementation by a partner country.



A billboard erected in 2019 promoting “Yalu-Nadzab Industrial Park Project”
(The project is to be initiated by the Department of Commerce and Industry,
supported by the provincial and national government.)