



**Keynote Address by  
Hon. Peter O'Neill, CMB MP  
Minister for Public Service and Minister for Treasury & Finance  
on the  
occasion of the signing ceremony for the  
Productive Partnerships in Agriculture Project (PPAP) Financing Agreement and  
the Rural Telecommunication Project Financing Agreement  
between the  
Government of Papua New Guinea and the World Bank  
Monday, 9 August 2010**

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World Bank Country Director for Papua New Guinea, Mr. Ferid Belhaj, colleague Ministers, Hon. John Hickey, Minister for Agriculture and Livestock, Hon. Patrick Tammur, Minister for Communication and Information, Hon. Paul Tiensten, Minister for National Planning and District Development, Hon. Arthur Somare, Minister for Public Enterprises, Hon. Job Pomat, Minister for Provincial and Local Level Government, Heads of Departments and Statutory Organizations, invited guests, Ladies and Gentlemen.

Today's signing ceremony marks another important achievement in the relationship of Papua New Guinea and its multilateral development partner, the World Bank.

I am pleased to note that the financing of these two projects are viable and in line with the 2010 budget objective of "*Promoting Sustained Economic Growth by Empowering and Transforming the Rural Economy.*" These projects are specifically targeting the rural people who are engaged in one way or another in our agriculture and

communication sectors. These assistances are also consistent with the World Bank's Country Assistance Strategy for Papua New Guinea.

Today's signing ceremony paves the way for a total of USD 40 million, or K 108 million to be disbursed by the World Bank to implement two projects, the Productive Partnerships in Agriculture Project (PPAP), which will be implemented by the Department of Agriculture and Livestock, and the Rural Telecommunication Project, to be implemented by the Department of Communication and Information.

The World Bank will contribute a sum of USD 25 million equivalent to about K68 million to finance the Productive Partnerships in Agriculture Project and another USD15 million equivalent to K41 million to finance the Rural Communications Project.

Please allow me to briefly highlight some aspects of the two projects:

(I) the Productive Partnerships in Agriculture Project (PPAP)

The Productive Partnerships in Agriculture Project is aimed at seeing a dramatic improvement in the performance and sustainability of the livelihoods of smallholder farmers in cocoa and coffee producing areas.

These areas include East New Britain and the Autonomous Region of Bougainville for cocoa, and Eastern Highlands, Simbu and Western Highlands for coffee.

This project has three main components:

- (i) Institutional Strengthening and Industrial Corporation;
- (ii) Productive Partnership; and
- (iii) Market Access Infrastructure.

I am confident that the Department of Agriculture and Livestock and the two participating Commodity Boards, the Cocoa Board of PNG and Coffee Industry Corporation, have the capacity to implement this program.

(II) The Rural Communication Project

The Rural Communication Project will support access to communication for over 42,000 people living in the rural areas, which will be piloted in Simbu and the East Sepik provinces. This will be complemented by the establishment of up to 60 Internet points of access in selected district centers across the country.

Like the agriculture project, this project will be implemented through three components:

- i). Technical assistance for the universal access scheme (UAS);
- ii). The UAS demonstration projects, where the bulk of the funding will be concentrated; and
- iii) Policy and project management support through the Department of Communication and Information.

In conclusion, on behalf of the people and the Government of Papua New Guinea, I sincerely thank the World Bank for its continuous support in complementing the ongoing development efforts for our country.

I thank you all for being here to witness this important signing ceremony.

Thank you.