

PACIFIC ISLANDS REPORT

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ADB PROBES \$38 MILLION FOR PNG SKILLS PROGRAMS

By Ennio Kuble

PORT MORESBY, Papua New Guinea (The National, Jan. 24, 2008) - The Asian Development Bank (ADB) is investigating possible mismanagement of US\$38.89 million [PGK108 million] given to three Government departments to provide skills training to Papua New Guineans.

The three are the National Planning Office, the Department of Community Development and the Education Department. The "Employment Oriented Skills" project began in 2001. The National Planning Office managed the project from 2001 to 2004 and under a special loan revision mission agreement.

In 2004, the Department of Community Development took over. The Department of Education was an implementing agency, overseeing the other component on skills education, human resource and capacity building.

ADB officer-in-charge Allan Lee said the investigation was still continuing and that he could not disclose any details as yet. The bank has engaged a Singapore-based company, Insight Risk Group, to investigate.

Community Development Minister Dame Carol Kidu said she was aware of the investigation but could not comment further as reports of the probe were not made available to her.

Secretary Joseph Klapat said he would not comment until he saw the reports.

ADB gave a US\$20 million [PGK55 million] soft loan for the project with the rest coming from the National Government US\$6.9 million [K19 million], provincial governments US\$5.1 million [PGK14 million), AusAID US\$2.49 million [PGK7 million], German Development Services (US\$2.48 million [PGK6.9 million] and other donors US\$1.9 million [PGK5.3 million].

Meanwhile, a former trainer of the project said that the findings of the investigation should be made public as taxpayers would have to pay for the loan.

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