NATIONAL HOUSING CORPORATION

NATIONAL HOUSING SECTOR DEVELOPMENT PLAN 2023 - 2027

GOVERNMENT SECTOR

CUSTOMERS

FINANCIAL SECTOR

NATIONAL HOUSING CORPORATION

FOREIGN SECTOR

PRIVATE SECTOR

CUSTOMARY LAND OWNERS AND NGO'S

REVIVE, RESTORE, REALIGN AND RESET THE NATIONAL HOUSING SECTOR

NATIONAL HOUSING SECTOR DEVELOPMENT PLAN
2023 – 2027

REVIVE, RESTORE, REALIGN AND RESET THE NATIONAL HOUSING SECTOR

For more information contact:

National Housing Corporation
P.O Box 1550
BOROKO
National Capital District

ISBN : 978 - 9980 - 947 - 77 - 2
Telephone :(+675) 325 9918 or (+675) 325 3663.
Email Address : nhcactreview@gmail.com

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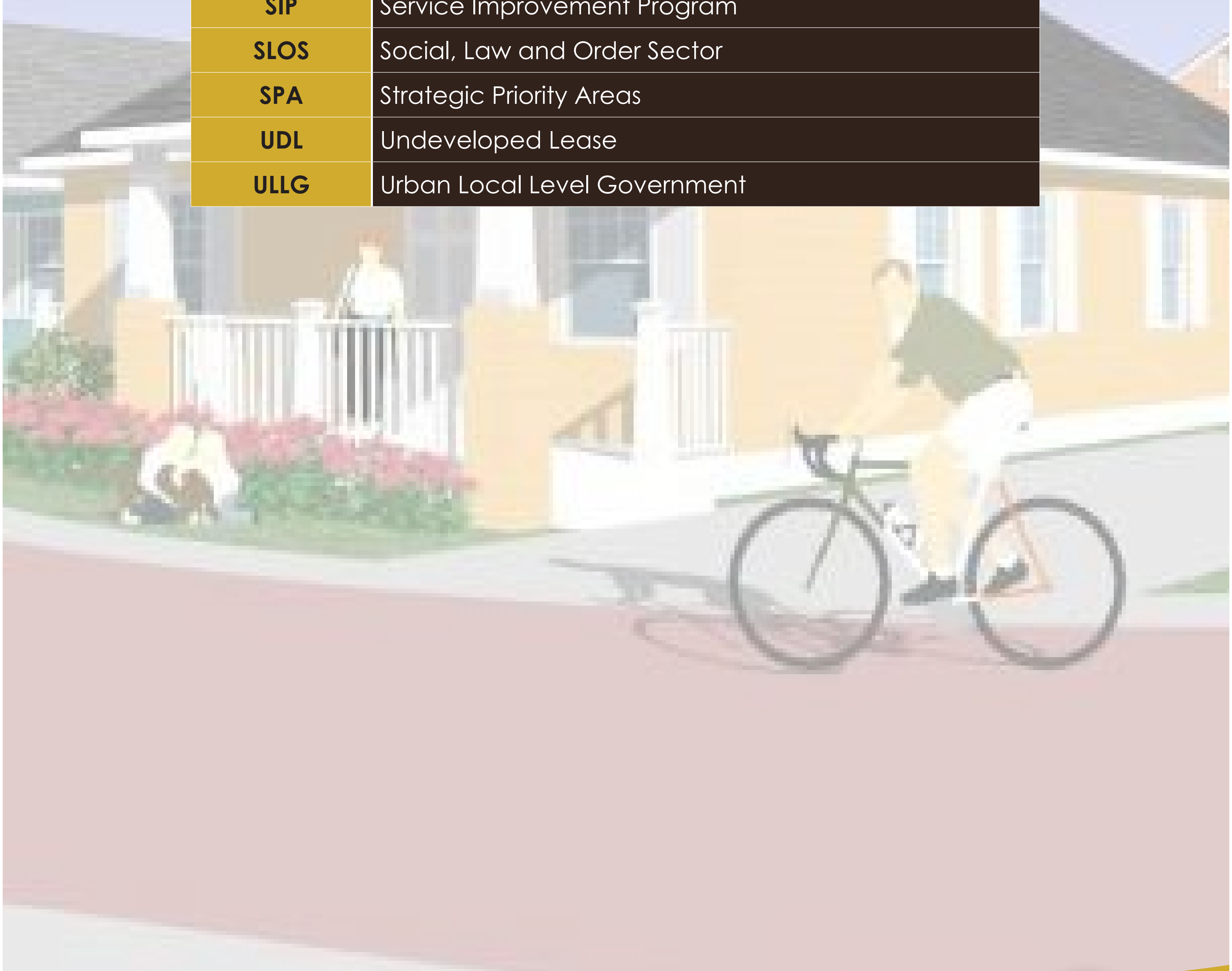
Acronyms and Abreviations

AWPCF	Annual Work Plan and Cash Flow
BSP 2023	Budget Strategy Paper 2023
BSP	Bank of South Pacific
CACC	Central Agencies Coordinating Committee
CLOs	Customary Land Owners
CLRC	Constitutional & Law Reform Commission
DDA	District Development Authority
DoF	Department of Finance
DJAG	Department of Justice & Attorney General
DLPP	Department of Lands and Physical Planning
DNPM	Department of National Planning & Monitoring
DPLGA	Department of Provincial & Local Government Affairs
DoT	Department of Treasury
DoW	Department of Works
DPs	Development Partners
DSIP	District Service Improvement Program
FBO	Faith Based Organizations
GoPNG	Government of Papua New Guinea
HDI	Human Development Index
LLGs	Local Level Government's
MoA	Memorandum of Agreement
MoU	Memorandum of Understanding
M&E	Monitoring & Evaluation
MPD	Macro Planning Division
MTDP	Medium – Term Development Plan
NCDC	National Capital District Commission
NGO	Non – Government Organizations
NHC	National Housing Corporation
NHSDP	National Housing Sector Development Plan

NMEF	National Monitoring & Evaluation Framework
NPC	National Procurement Commission
NSDF	National Service Delivery Framework
NASFUND	Nambawan Super Nambawan Superannuation Fund
PG	Provincial Governments
PIP	Public Investment Program
PNGDSP	Papua New Guinea Development Strategic Plan
PPP	Private Public Partnership
PSIP	Provincial Service Improvement Program
SDGs	Sustainable Development Goal
SIP	Service Improvement Program
SLOS	Social, Law and Order Sector
SPA	Strategic Priority Areas
UDL	Undeveloped Lease
ULLG	Urban Local Level Government



STATEMENTS

Statement by the Housing Minister

As the Minister responsible for Housing, I express my deepest gratitude to the Marape – Rosso Government for the foresight to **Revive, Restore, Realign and Reset** the Housing Sector as one of the key pillars under its signature **"Connect PNG Program"** to connect National Housing Infrastructure Development and the recreate Urban Townships and Growth Centres throughout Papua New Guinea. These landmark programs and massive investments that is captured under the first Housing Sector Development Plan 2023 – 2027 is a testament to the resilience and commitment by this Government to diversify limited resources to boost the eco – system of the housing sectors to enable economic growth and development for our people.

As espoused in the Medium – Term Development Plan IV 2023 – 2027, the Marape – Rosso Government in this medium – term will expand a total of K800 million in its effort to revive the housing sector and increase social and affordable housing for all Papua New Guineans under six (6) different Deliberate Intervention Programs (DIPs) notably, SPA 2.7 and 2.8.

As Minister responsible, I am determined under my leadership to drive key institutional, policy and legal reforms in line with the intent of the new Papua New Guinea National Housing Policy 2023 – 2033 and the DIPs captured in the National Housing Sector Development Plan 2023 – 2030. It is this government's vision through this Plan to improve monitoring, evaluation, reporting and compliance across key stakeholders in the public and private sector to establish the first National Housing Ministerial Committee and the National Housing Sector Coordination

Committee, concurrently. These two vital Coordinating Committees will ensure there is improvement in policy coordination, alignment, resource mobilization and effective in decision – making for the sector.

No way are we going to create a healthy, wealthy and harmonious nation that we envision in Vision 2050 with the majority of the population living in bush huts and makeshifts in settlements. In ensuing, we must not repeat the mistake of the past but we must learn from those lessons and ensure that this sector plan is successfully delivered.

With this, as Minister responsible for Housing, I am confident that this robust development plan will bolster the development of the housing sector towards our greater Vision 2050 to become a middle income country by 2050 and therefore, encourage all agencies of government, the private sector and development partners to take ownership of this plan and work partnership with the National Housing Corporation over the medium – term to successfully meet the government's aspiration to provide decent social and affordable houses by 2050.

God Bless Papua New Guinea and the Housing Sector.

DR. KOBBY BOMAREO, MP
MINISTER FOR HOUSING
MEMBER FOR TEWAI – SIASSI

Foreword by the Managing Director

The National Housing Sector Development Plan 2023 – 2027 is the ***"Blue Print"*** aligned to the Medium - Term Development Plan IV 2023 – 2027 to develop this critical sector in this medium – term in pursuit of the government's aspiration to ***"Revive, Restore, Realign and Reset"*** Papua New Guinea's Housing Sector. I am proud to publicize the first development plan for the sector as the 18th Managing Director of the National Housing Corporation. The NHSDP clearly articulates the sector targets, the strategic priority areas, funding modalities, partnership, implementation, a risk management framework, accountability structures that are guided by stringent monitoring and evaluation processes.

There are **twenty (21) Priority Areas;**

1. *Enhance Public Private Partnership*
2. *Introduce Strata Titling and Modular Housing Designs*
3. *ncrease Land Accessibility*
4. *Increase Financing Resourcing*
5. *Housing Infrastructure Development*
6. *Housing Building Materials and Technology Research*
7. *People Capital Development and Capacity Building*
8. *Urbanization of Squatters Settlements and Informal Housing Sector*
9. *Rural District Institutional Housing*
10. *Provincial Institutional Housing*
11. *Public and Social Housing*
12. *Rental Housing*

13. *Homeownership Schemes*
14. *Increase Rural Housing throughout Papua New Guinea*
15. *Unplanned Settlements to Planned Settlements*
16. *Redevelopment of Formal Housing Tenements*
17. *Develop Housing Market for Income Groups Targeted by Affordable Housing Program and Social Housing for Less Privileged*
18. *Create a Real Estate Commercial Management entity for NHC*
19. *Ensure sustainable Physical Planning, Environment and Climate Change practices*
20. *Improve Regulatory and Institutional Framework*
21. *Establish NHC National Property Registry and Research Data Base*

Under this 21 Priority Areas, there are six (6) Deliberate Intervention Programs that have been identified and will be funded adequately over this medium – term. However, these massive intervention programs bored by government alone is not sufficient and therefore, requires improved partnership by all the relevant stakeholders is key to achieving success.

After almost 31 years, the National Housing Corporation for the first time will work closely with the Provincial Governments and Districts Development Authorities in recognition of the Organic Law on Provincial and Local Level Government to devolve some functions of NHC to respective provinces and districts administrations to build and own institutional houses as assets under their mandate. This demonstrates the Marape – Rosso Government's commitment to inter - governmental cooperation and partnership.

On this note, the effective delivery of the National Housing Sector Development Plan 2023 – 2027 is not the sole responsibility of the National Housing Corporation but a shared responsibility of each and every one of us including, the Private Sector, the Non – Government Organization and Development Partners. I encourage everyone of us to take full ownership of the NHSDP so we can build a better future for our country by leaving no one behind. I commit the NHSDP to God and ask for his wisdom to guide us all in delivering for our housing sector, moving forward.

MR. ABEL TOL, LLB
MANANGING DIRECTOR
NATIONAL HOUSING COPORATION

Statement by the Chairman of the NHC Board

The Housing Sector of Papua New Guinea is broad and unique. The National Housing Corporation Board (NHC Board) is the peak body responsible for public and private sector engagement in the Housing Sector of PNG and recognizes the immense work the NHC and stakeholders all have before us to drive this Housing sector into the next era of real, tangible development for all citizens of Papua New Guinea.

The NHC Board and its Directors are pleased with the vision of the National Housing Sector Development Plan 2023 - 2027. The plan sets out a clear pathway, interventions and strategies that will build a sustainable and inclusive Housing Sector.

As Chairman I want to promote Affordability and accessibility, GoPNG Public Private Partnerships and Regulatory Reforms synonymous to implementing the PNG NHP 2023 – 2033. The way forward is Stakeholder Collaboration emphasising that success requires concerted efforts from the GoPNG, private sector, financial institutions to bridge the housing gap.

NHC will now RESET from reliance to accessible, sustainable home ownership for citizens.

We understand and appreciate that the private sector must play an active role in the effective implementation of this plan and stand ready to provide strong collaboration and coordination to create an environment for effective housing partnership to thrive.

I confirm that this National Housing Sector Development Plan 2023-2027 has been widely circulated, reviewed and accepted by relevant authorities, individuals and the industry at large. It is therefore time to move forward with the full implementation of the NHSDP 2023 – 2027 consistent to the GoPNG MTDP IV 2023 – 2027.

Under MTDP IV, SPA 2.7 identifies National Housing Infrastructure as a priority area, with a projected investment requirement of approximately K640 million by 2027 to deliver institutional housing, public service housing, provincial housing, rural district housing and affordable housing programs. Funding must be availed to deliver real housing in PNG.

On behalf of the NHC Board and as Chairman, I accept the five-year National Housing Sector Development Plan 2023 – 2027 and call for all of us to work together to achieve its goals. Let's Reset the Housing Sector together to achieve the housing aspirations of our people of PNG.

God Bless Papua New Guinea.

……………………………………………………

MR. JAMES WONG
Chairman
NHC Board

Acknowledgement

The National Housing Corporation acknowledges the overall policy direction of the Marape – Rosso Government in Medium – Term Development Plan IV 2023 – 2027 to Connect Housing Infrastructure for all Papua New Guineans under the signature Connect PNG Program.

NHC acknowledges our key partners and individuals for their invaluable contributions towards the formulation of the National Housing Sector Development Plan 2023 – 2027 especially, the Department of National Planning & Monitoring's, Policy and Planning Wing and the National Housing Corporation's Corporate Services Division's, Policy and Research Unit.

This Plan would not have been possible without the vision, foresight and strategic thinking of the Housing Minister Dr Kobby Bomareo, the NHC Board under Chairman Mr James Wong, the Managing Director for the National Housing Corporation, Mr. Abel Tol, the Executive Director, Operations, Mr. Jon Ndramei, the Executive Director for Corporate Services Division Mr. Anthony Luke, the General Manager FICT, Mr Johnny David and the Manager Policy and Research Unit, Mr. Reuben Gaigo and staff.

We are also grateful for the sound technical guidance and advise of these individuals from the Department of National Planning & Monitoring Mr. Michael Kumung, Deputy Secretary, Policy & Planning Wing, Mr. Lawrence Duguman, First Assistant Secretary, Policy and Budgets Division, Mr. Jeremiah Paua, Assistant Secretary, Utilities Branch, Programming and Monitoring Wing and Mr. Brian Kunai, Senior Policy Officer, Policy & Budgets Division. They provided learned insights about resources mobilization and the promotion of partnership modalities to enhance the main national programs under the housing sector is achieved over this medium – term, meeting the minimum service standards as espoused in MTDP IV, moving forward. We also acknowledge the technical assistance of FAS Macroplanning Division Mr Sanja Pepae and Mr Gaffa Geroro for vetting the Plan to certification.

With this, NHC is grateful to everyone who has contributed to the formulation of this plan and acknowledge you all as a critical partner that will drive the sector forward.

God Bless our efforts and commitment to His people.

Certificate of Alignmemnt

CERTIFICATE
OF ALIGNMENT
TO MTDP IV (2023-2027)

I, Mr. Koney Samuel, by virtue of the powers vested in me as
Secretary for the Department of National Planning and Monitoring
and in compliance with the Papua New Guinea Planning
and Monitoring Responsibility Act 2016, hereby
approve and certify the
NATIONAL HOUSING
SECTOR DEVELOPMENT PLAN (2023-2027)
for implementation.

KONEY SAMUEL
SECRETARY
DEPARTMENT OF NATIONAL PLANNING AND MONITORING

19 DECEMBER 2025

SERIAL NO: MTDP IV-S0012

Executive Summary

The National Housing Sector Development Plan 2023 – 2027 is themed as ''Revive, Restore, Realign and Reset the National Housing Sector'' and aligned to the Papua New Guinea National Housing Policy 2023 – 2033, This is the external implementation matrix of the PNGNHP.

The theme captures the Marape – Rosso Government foresight under its signature "Connect PNG Program" to connect National Housing Infrastructure Development and the recreate Urban Townships and Growth Centres throughout Papua New Guinea. These landmark programs and massive investments is captured under the first Housing Sector Development Plan 2023–2027 is a testament to the resilience and commitment by this Government to diversify limited resources to boost the eco – system of the housing sectors to enable economic growth and development for our people.

The GoPNG will invest a total of K800 million in its effort to revive the housing sector and increase social and affordable housing for all Papua New Guineans as espoused in the Medium – Term Development Plan IV 2023 – 2027 under six (6) different Deliberate Intervention Programs (DIPs) notably, DIP 2.7 and 2.8.
When implemented, this medium-term plan will trigger, under SPA 2 Connect PNG Infrastructure, national growth, transformation and prosperity and further creating affordable, public, social and sustainable housing and creating wealth for Papua New Guineans.

The housing sector will be able to contribute effectively towards the objectives of the MTDP IV to contribute to grow the GDP by 2030.

This plan will enable NHC to partner with the GoPNG agencies and the private sector agencies and relevant stakeholders to integrate, align and complement their development programs and project links and initiatives to the MTDP IV SPA 2.
Mobilization of funding by GoPNG is fully commendable. The annual capital investment budget for the 6 programs identified under SPA 2 must be funded in accordance with the PIP guidelines hence, this NHSDP is aligned to the MTDP IV priorities and can access the PIP funding.

NHC as per the NEC Decision 341/2023 is GoPNG's dedicated implementing agency for national housing. NHC will undertake regular monitoring and evaluation of PIP Funding and its implementation to measure 1. Value for money on investment and 2. Policy outcome indicators. This will qualify as a score sheet to measure our performance against the KRAa and minimum service standards.

Vision

"To create an enabling environment that facilitates the promotion for access to adequate, quality, affordable, environmentally friendly, sustainable, social and urbanized rural based housing for all Papua New Guineans promoting inclusive communities and supporting economic growth"

Mission

"To develop a well – regulated, efficient and equitable national housing sector through the centralized and coordinated PNGNHP 2023 – 2033 policy, public – private partnerships and sustainable urban planning"

Goal

"To provide an enabling framework that promotes access to adequate, quality affordable, environmentally friendly, sustainable, social and urbanized rural based housing for all Papua New Guineans"

Core PNGNHP 2023 – 2033 Areas and Outcome Statements

- **KPA1: AFFORDABLE SOCIAL AND PUBLIC HOUSING**

  Outcome Statement: A robust and public housing program targeting middle and low income earning public servants, e3mployees of business entities

- **KPA2: HOUSING AND URBANIZATION**

  Outcome Statement: An effective partnership and coordination with government agencies, SOEs and private sector dealing with the housing and urban development regarding land accessibility and trunk infrastructure and services, which is established, strengthened and made effective.

- **KPA3: MAINTAINING STANDARDS AND COMPLIANCE**

  Outcome Statement: A diligent process of maintaining standard in the housing development and necessary compliance to housing laws and regulations are instituted, supported and funded.

- **KPA4: SUSTAINING THE HOUSING INDUSTRY**

  Outcome Statement: A sustainable economic housing industry that support the government revenues and enhances the rental and mortgage arrangement by NHC, which is supported and funded.

- **KPA5: GOVERNANCE AND INSTITUTIONAL FRAMEWORK**

  Outcome Statement: An enabling governance, legislative and institutional mechanism that allows for the effective management, coordination, regulation and delivery of the housing programs is reviewed, improved and strengthened.

Core Objective

Increase housing supply to meet demand across all income groups

- Promote affordable social and institutional housing
- Improve housing quality through enforcement of building standards and compliance and green design
- Strengthening housing finance systems to expand access to credit for mortgage finance and project financing
- Encourage private sector participation in housing development
- Integrate housing with trunk infrastructure and infrastructure services
- Enhance resilience to climate change and disasters

CHAPTER ONE:

OVERVIEW

1.1. Background

The PNG Planning, Monitoring and Responsibility Act 2016, mandates the formulation of the Sectoral Development Plans by all National Government Departments and Agencies since July of 2023 for the purpose of alignment to the Medium -Term Development Plan (MTDP) IV 2023 - 2027, which is the national development framework for the country. The National Housing Corporation is established by an Act of Parliament, (The National Housing Corporation Act, 1990) as a government agency mandated to develop, build and manage social and public housing for Papua New Guineans.

The National Housing Sector Development Plan (NHSDP) sets out the Sector lead implementing aagency's development priorities for the next five years aligned to the MTDP IV timeframe. It provides a roadmap for the NHC as a government lead agencyy in the housing sector with a stake in development. Its alignment to, and the integration of the sectoral priority areas for investment is in ensuring the flow and direction of resources to where they are required in order to deliver much needed social and affordable to make positive changes in the lives of our people.

The NHSDP also highlights key issues that underpin the rationale and the significance of those challenges and to mobilize adequate resources to ensure that it creates an enabling environment that facilitates the promotion of access to adequate, quality, affordable, environmentally friendly, sustainable, social and urbanized rural based housing for Papua New Guineans and neutralized citizens. The Sector Plan taking the queue from the Papua New Guinea National Housing Policy 2023 – 2033 presents clear directions for NHC as an important service-delivery agency and to strengthen its existing and potential linkages and partnerships with the other sectors.

Limitations and the apparent lack of sector coordination in bridging the gap between the government's policy agendas and the actual budgeting, implementation, monitoring and reporting for over 31 years is now been recognized, which lead to the formulation of the Papua New Guinea National Housing Policy 2023 - 2033 as an effective mechanism in **"bridging the gap"** between the people and government's services. Of significance, is the recognition by the current Marape – Rosso Governments under the Connect PNG program that, this sector will emerge as one of the most economical, and capital investment development sustained sectors to better effect service delivery of housing across Papua New Guinea. In addition, through the NHSDP, the cross-cutting nature of NHC will gain the awaited commitment for cooperation and coordination in partnership with other sectors.

1.2. Rationale

The National Housing Corporation mandate, powers and functions is created by the National Housing Corporation Act1990. The Act empowers NHC to implement its –

1. *Main mandate to provide social housing for Papua New Guineans.*
2. *Maintain fiduciary duties of the Board and Minister and*
3. *Maintain its Commercial and Investment portfolio to reinvest back into its social mandate*

Improved and affordable housing is an all-time agenda of the government, civil societies, community-based organizations, development partners and stakeholders. Progress in service delivery equates to national advancement in its Human Development Index (HDI) and improvement in the quality of the lives of our people.

The fundamental basis of this development plan is first of all, the recognition of the National Housing Corporation as a service-delivering aagency to ensure that our people living standards are improved, and secondly, it is sustainable and becomes a sustainable capital development entity of government to contributing to the economic development and growth of Papua New Guinea.

The NHSDP is derived from the PNG NHP 2023 – 2033 and the NHC Corporate Plan 2025 – 2030 and is aligned to the National Planning Framework. The Plan also focuses on achieving global development agendas like the Sustainable Development Goals and the Medium – Term Development Plan IV 2023 - 2027. Hence, this Plan will ensure effective mobilization of resources, coordination, improve partnership to enable develop priorities of the sector is funded to meet the overall directions of the PNGNHP.

Currently we have a number of Programs and Projects that is funded through the Public Investment Program however, we endeavor that this Plan cover other subsequent major housing projects and schemes that is envisioned in the PNGNHP over the next ten years. The policy direction of the sector includes Housing Partnership as a procurement source to fund other housing developments in the country through Public Private Partnerships.

NHC in this medium – term will improve its corporate mandate to meet its social obligations as stipulated under the NHC Act 1990 and the PNG NHP 2023 – 2033 to provide affordable housing for all classes of Papua New Guineans.

1.3. Role

The role of NHC is in twofold. It is to, (i) meet its social housing objectives and, (ii) to venture into commercial activities through mortgages and rentals. NHC is mandated with the responsibility to eet its social obligations by building more social and public housing, flooding the housing market by providing more durable and affordable housing for its citizens nationwide. This is clearly articulated under the existing National Housing Corporation Act 1990 and the

PNG NHP 2023 – 2033 housing, primarily to:

1. *Provide Social and Affordable Housing for Papua New Guineans*
2. *Access land to promote Housing Developments*
3. *Advance to Papua New Guineans (Mortgage Schemes)*

However, that has declined over the years right after the amalgamation of the Department of Housing (that managed and colonial buildings strictly for public servants on a one in one out basis) and the National Housing Commission (building housing for all classes of citizens) to form the now National Housing Corporation by an Act of Parliament in 1990. Nothing tangible had transpired ever since. It is changing rapidly with the Digital Transformation agenda of the GoPNG.

Figure 1: Diagram of the Merger

1.4. Approach

1. *Provide affordable social housing throughout the country*
2. *Establish cost – effective housing solutions*
3. *Facilitate housing credit facility*

1.4.1 Nationwide Institutional Housing Roll- Out Program

The premise was to build en-mass institutional houses for Public Servants and every Papua New Guinean in all Provinces and Districts. NHC has identified land in the following provinces for this program to be initiated via the PPP mechanism in;

Table 1: NHC Land Holdings nationwide

NO	Housing Scheme / Project Name	Province
1	Newtown	West Sepik Province
2	Yawasoro - Wewak	East Sepik Province
3	Meiro - Madang	Madang Province
4	Umi - Markam	Morobe Province
5	Wau / Bulolo	Morobe Province
6	Kerema Town	Gulf
7	Samarai Island	Milne Bay
8	Lorengau	Manus
9	Arawa / Buin	AROB
10	Biala	WNB
11	Pomio Township	ENB
12	Kavieng	NIP
13	Tari Township	Hela
14	Minj	Jiwaka
15	Marane /Kimbre	Simbu
16	Goroka / Kainantu	Eastern Highlands Province

All these housing schemes are encapsulated in the National Housing Policy 2023 – 2033 and will be implemented in partnership with the Provincial Governments and the District Development Authorities to deliver directly to benefit public servants working in these Provinces.

1.4.2 Nationwide Property Validation, Verification and Valuation (VVV) Exercise

The Triple 'V' Exercise would enable NHC to know its Net Present Value, its Net Worth

Internally, NHC will develop the following projects.

1. *NHC Office and Staff Housing Upgrading in all provinces*
2. *Rural District Provincial Institutional Housing*
3. *Upgrading of existing NHC Property Portfolio*

1.5. Limitations and Constraints

Some of the challenges faced by NHC are as follows however NHC is progressing to rid off:

Table 2: NHC challenges and way forward

Challenges	Action Plan
1.5.1 National representation of NHC Provinces Offices is limited	► *PIP funding for all NHC Provincial Offices to have a facelift has commenced at the Lae Office and will continue.*
1.5.2 No digitized Property Management System	► *NHC has embarked on a Digitization of all internal systems to improve organizational operations, revenue generation and asset management under PIP funding*
1.5.3 Capacity building is minimal	► *The new NHC Office complex will be constructed from PIP funding*
1.5.4 Political interference is very high	► *NHC has had a steady Minister and a new NHC Board has been appointed by NEC. NEC has also appointed a permanent Managing Director to move NHC forward.*
1.5.5 Constant change in Management	► *Stability has cemented NHC now. A permanent Managing Director has been appointed*
1.5.6 Unskilled workforce	► *A new corporate structure will follow after the current structure is fully implemented.*

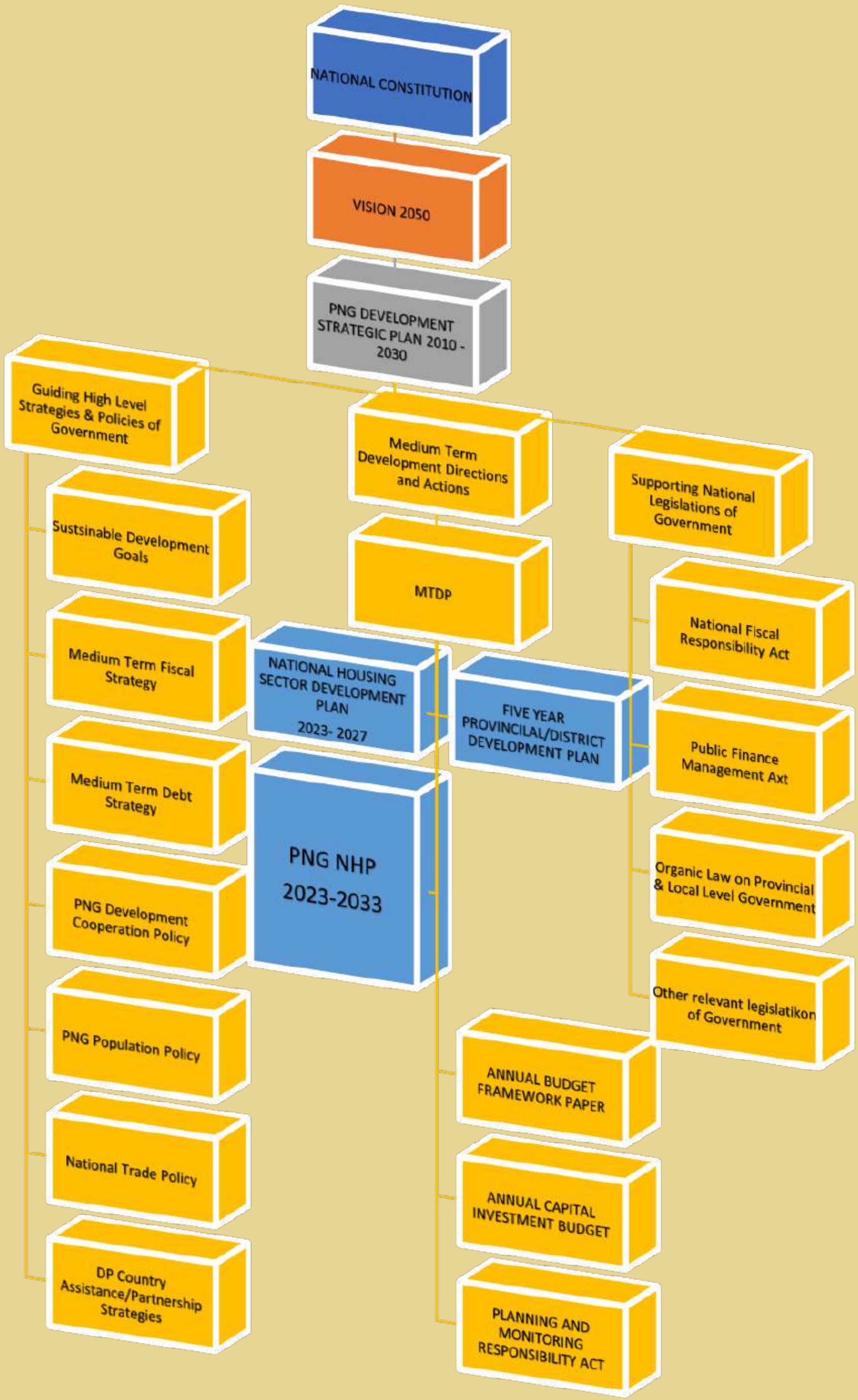
1.6 Linkages to National and Global Agendas & Strategies

The NHSDP is strategically aligned to the National Constitution's Five Goals and Directive Principles, Vision 2050 particularly Pillar One (1) on 'Human Capital Development', Development Strategic Plan 2010-2030 (PNG-DSP) and the Global Agenda on Sustainable Development Goals, all of which provide a long-term vision and goals for national development.

Furthermore, it is aligned to various Sectoral Policies and Plans and compliments the Provincial, District, LLGs and Ward Development Plans, supporting Minimum Priorities Areas.

1.6.1 National Housing Sector Development Plan Alignment Framework

Figure 3: GoPNG National Planning Framework



1.6.2 Linkages to National and Global Agendas and Strategies

A. Linkages to PNG Vision 2050 Pillars

Table 3

#	National Housing Sector Indicators	PNG-Vision 2050 Pillars
1	Proportion of customary land acquired for housing developm	Pillars 2, 3 & 7
2	Proportion of alienated land for housing development	Pillars 2, 3 & 7
3	Number of ILGs voluntarily register land portfolio for housing development	Pillars 2, 3 & 7
4	Number of FBO, NGOs, Cooperatives voluntarily register land for housing development	Pillars 2, 3 & 7
5	Number of MOU/MOA progressed with Provincial Governments	Pillars 2, 3 & 7
6	Number of MOU/MOA progressed with DDAs	Pillars 2, 3 & 7
7	Number of MOU/MOA progressed with National Departments	Pillars 2, 3 & 7
8	Number of Social Housing Programs	Pillars 2, 3 & 7
9	Number of National Mortgage Schemes to be launched	Pillars 2 & 3
10	Number of tradesman skilled labor to be trained	Pillar 1
11	Number of Urbanization plans to be developed	Pillars 2 & 3
12	Number of rental properties to be maintained	Pillars 2 & 3
13	Number of institutional houses to be constructed	Pillars 2 & 3
14	Number of Provincial offices to be renovated for capacity building	Pillars 2 & 3
15	Number of PPP Partnerships signed	Pillars 3,5 & 7
16	Number of Properties updated under the VVV Exercise	Pillars 2, 3 & 7
17	Number of MOU/MOA with Municipal Authorities	Pillars 2, 3, 5& 7
18	Number of Legislations to empower NHC	Pillars 3 & 7
19	Number of commercial JV Partnerships with NHC	Pillar 2

B. Linkages to the PNG-Development Strategic Plan 2010 - 2030 Objectives

Table 4

#	National Housing Sector Indicators	PNG- Development Strategic Development Plan
1	Proportion of customary land acquired for housing development	Part 2: 2.1 Part 3: 3.4 Part 4: 4.1, 4.12 & 4.13
2	Proportion of alienated land for housing development	Part 2: 2.1 Part 3: 3.4 Part 4: 4.1, 4.12 & 4.13
3	Number of ILGs voluntarily register land portfolio for housing development	Part 4: 4.1, 4.12 & 4.13
4	Number of FBO, NGOs, and Cooperatives voluntarily register land for housing development	Part 4: 4.1, 4.12 & 4.13, Part 7: 7.1-5
5	Number of MOU/MOA progressed with Provincial Governments	Part 4: 4.12 & 4.13, Part 7: 7.1-5
6	Number of MOU/MOA progressed with DDAs	Part 4: 4.1, 4.12 & 4.13, Part 7: 7.1-5
7	Number of MOU/MOA progressed with National Departments	Part 4: 4.1, 4.12 & 4.13, Part 7: 7.1-5
8	Number of Social Housing Programs	Part 6: 6.1, 6.6 & 6.7
9	Number of National Mortgage Schemes to be launched	Part 6: 6.1, 6.6 & 6.7
10	Number of tradesman skilled labor to be trained	Part 4: 4.6
11	Number of Urbanization plans to be developed	Part 4: 4.1, 4.12 & 4.13
12	Number of rental properties to be maintained	Part 4: 4.1, 4.12 & 4.13
13	Number of institutional houses to be constructed	Part 4: 4.1, 4.12 & 4.13
14	Number of Provincial offices to be renovated for capacity building	Part 4: 4.1, 4.12 & 4.13
15	Number of PPP Partnerships signed	Part 7: 7.1-5
16	Number of Properties updated under the VVV Exercise	Part 7: 7.1-5, Part 9: 9.4
17	Number of MOU/MOA with Municipal Authorities	Part 4: 4.1, 4.12 & 4.13, Part 7: 7.1-5
18	Number of Legislations to empower NHC	Part 6: 6.9, Part 3: 3.5-6
19	Number of commercial JV Partnerships with NHC	Part 7: 7.1-5

C. Linkages to the MTDP IV Strategic Priority Areas

Table 5

#	National Housing Sector Indicators	MTDP IV – Key Result Areas (KRAs
1	Proportion of customary land acquired for housing development	SPA 1.10, KRA 2
2	Proportion of alienated land for housing development	SPA 1.10, KRA 3, SPA 2.7, KRA 6
3	Number of ILGs voluntarily register land portfolio for housing development	SPA 1.10, KRA 2
4	Number of FBO, NGOs, Cooperatives voluntarily register land for housing development	SPA 1.10, KRA 2
5	Number of MOU/MOA progressed with Provincial Governments	SPA 2.7, KRA 2, 3, 5, SPA 2.8, KRA 1, 2, 3, 4, 5, 6, 7, 8

#	National Housing Sector Indicators	MTDP IV – Key Result Areas (KRAs
6	Number of MOU/MOA progressed with DDAs	SPA 2.7, KRA 2, 3, 5 SPA 2.8, KRA 1, 2, 3, 4, 5, 6, 7,8
7	Number of MOU/MOA progressed with National Departments	SPA 2.7, KRA 2, 3, 4
8	Number of Social Housing Programs	SPA 2.7, KRA 1
9	Number of National Mortgage Schemes to be launched	SPA 2.7 KRA
10	Number of tradesman skilled labor to be trained	SPA 4.4, KRA 1,2,3,4,5,6,10
11	Number of Urbanization plans to be developed	SPA 2.7, KRA 2, 3, 5, SPA 2.8, KRA 1, 2, 3, 4, 5, 6, 7,8
12	Number of rental properties to be maintained	SPA 2.7, KRA 1
13	Number of institutional houses to be constructed	SPA 2.7, KRA 2, 3, 5, SPA 2.8, KRA 1, 2, 3, 4, 5, 6, 7,8
14	Number of Provincial offices to be renovated for capacity building	SPA 2.7 KRA 1
15	Number of PPP Partnerships signed	SPA 12, KRA 1,2
16	Number of Properties updated under the VVV Exercise	SPA 2.7 KRA 1
17	Number of MOU/MOA with Municipal Authorities	SPA 12, KRA 1, 2
18	Number of Legislations to empower NHC	SPA 5, KRA 2
19	Number of commercial JV Partnerships with NHC	SPA 12, KRA 1, 2

D. Linkages to the UN Sustainable Development Goals (SDG's)

Table 6

#	National Housing Sector Indicators	UN Sustainable Development Goals
1	Proportion of customary land acquired for housing development	SDG 11 & 15
2	Proportion of alienated land for housing development	SDG 11 & 15
3	Number of ILGs voluntarily register land portfolio for housing development	SDG 11 & 15
4	Number of FBO, NGOs, Cooperatives voluntarily register land for housing development	SDG 9, 11, 13, 15 & 17
5	Number of MOU/MOA progressed with Provincial Governments	SDG 9, 11, 13, 15 & 17
6	Number of MOU/MOA progressed with DDAs	SDG 9, 11, 13, 15 & 17
7	Number of MOU/MOA progressed with National Departments	SDG 9, 11, 13, 15 & 17
8	Number of Social Housing Programs	SDG 9, 11 & 13
9	Number of National Mortgage Schemes to be launched	SDG 9, 11 & 13
10	Number of tradesman skilled labor to be trained	SDG 4
11	Number of Urbanization plans to be developed	SDG 11

#	National Housing Sector Indicators	UN Sustainable Development Goals
12	Number of rental properties to be maintained	SDG 9 & 11
13	Number of institutional houses to be constructed	SDG 9 & 11
14	Number of Provincial offices to be renovated for capacity building	SDG 9, 11, 13, 15 & 17
15	Number of PPP Partnerships signed	SDG 9, 11, 13, 15 & 17
16	Number of Properties updated under the VVV Exercise	SDG 8 & 9
17	Number of MOU/MOA with Municipal Authorities	SDG 9, 11, 13, 15 & 17
18	Number of Legislations to empower NHC	SDG 16 & 17
19	Number of commercial JV Partnerships with NHC	SDG 9, 11, 13, 15 & 17

1.7. Source of Funding

Recurrent

The 2023 Fiscal Year Report documented those budgetary constraints was a major inhibiting factor in funding and implementing all of the NHC's recurrent programs. Those programs that have been implemented to some extent have been funded through the recurrent budget and the internal revenue generated from rentals of current NHC properties to support its social mandate. The current available annual budgetary appropriation for the agency is insufficient to say the least in making any real progress.

Public Investment Programs (PIP)

The Duran Farm Project, the NHC Headquarters Building and NHC Flat Renovation Project are the first Projects funded under the Public Investment Program in 2023. The Duran Farm Housing Project remains the flagship project for NHC.

Public Private Partnership (PPP)

NHC will continue to utilize its existing Partnerships with the private sector property developers under the new Duran Farm Project. In that way, NHC's partners are not burdened but are given the opportunity to do cost – sharing especially, in providing trunk infrastructure and enabling services to drive investment.

Development Partners

NHC through the government will solicit support through external financing arrangements with Development Partners and Foreign Direct Investors loans, grants and capital investments for its housing developments throughout Papua New Guinea in this medium – term and the future.

__Figure 4: NHSDP 2025 – 2027 Financing Sources__

CHAPTER TWO

DEVELOPMENT STATUS OF THE SECTOR

2.1 Current Status of the Sector Agency

NHC relocates to 8mile from Tokarara (Horizon Building)

Housing is a basic necessity of life echoed under the UN Charter and embedded in our National Constitution and the Directive Principles. The GoPNG entity entrusted to provide housing is the National Housing Corporation. The NHC has been subject to undue oversight by successive Governments, however, has managed to survive since its establishment in 1968. Housing is an integral part of the social and demographic sector of PNG.
The premise of a public servant or a private citizen or any class of citizen coming from a good home will definitely serve with distinction in any capacity. This is because his living condition and surroundings is conducive and enabling. It is rather a negative perspective if one held down a good job but lived in a lesser conducive environment.

The NHC acknowledges the housing dilemma plaquing our people since independence. It has compounded to a state where NHC has advanced its position to address the acute shortage of housing considering the different classes of citizens.

NHC is striving to meet the housing demands of its citizens. It has initiated ten different housing schemes and more recently embarked on the massive Duran Farm housing project to deliver over 2 500 houses by 2050. However, NHC has not developed en-mass the housing continuum and its own housing portfolio has decreased and it will need to restock its depletion rate. NHC is now phasing out existing schemes.

The Minister for Housing Hon Dr Kobby Bomareo has directed NHC Management to ensure proper asset data base in NHC Property Management. NHC has a huge asset base throughout the country worth millions of Kinas however, all properties are not fully accounted for. Most properties are all rundown and unfit for human occupation. NHC currently through its Property Management Division does not have an up-to-date rental data base of properties nationwide. 2025 has seen a digital transformation shift in NHC.
NHC owns and manages approximately 5000 institutional and rental houses providing a variety of homes for our

tenants. NHC has not built new homes for many years until recently with the progression of the Duran Farm Housing Project. However, the NHC did make use of government funding in 2012 through to 2018 to build new houses for all income groups in PNG. This housing development was successful and well received and fueled NHC's ambition to add to its depleting housing stock.

With the added motivation of formulating the review of the existing housing policy enabling effective partnership with the housing sector, this ambition of housing development has grown. Of course, first and foremost the NHC needs to maintain existing stock and make sure our tenants have good quality homes to live in but we also need to be ready to take opportunities to deliver additional homes should funding be available.

The NHC aspires to add to its housing stock in a cost effective and appropriate manner. This strategy sets out the NHC's aims in this respect and gives examples of the types of homes we aim to deliver. It will be used to assist in evaluating development/delivery opportunities taking available funding in to account and will be used to determine which projects to proceed with. This plan is a situation analysis on the current state of housing schemes and its relevance. These schemes will then be amalgamated under the housing continuums stipulated under the draft housing policy.

Instead of building more houses, NHC past and present Management continues to sell properties nationwide at an uncontrollable rate causing huge property depletion throughout the country to sustain its operations and manage personnel. It has since stopped completely back in 2023 and continuing.

Currently NHC does not have enough rental accommodation to free up for leasing or renting to potential clients for cash generating and to accommodate the urban drifts and all working classes. NHC`s inability to provide durable and affordable housing to meet its social obligations indirectly contributes to decay in social disorder, community decaying, increasing mushrooming settlements, illegal encroachments on State land and into customary land due to a dramatic drop in inadequate housing.

Real Estate companies are capitalizing on NHC weaknesses by building more houses and inflating the rental rates and are becoming silent millionaires overnight under the ignorance of NHC or through government ignorance. This has created a needless income class of citizens comprising of the high – net income earner, middle – income earner and the low – income earner in PNG. It is evident in our country. Not enough support has been given to NHC through successive governments for NHC to stand up on its feet due to political interferences and undue vested interests.

Currently NHC is implementing reforms including and has completed and launched the following:

1. *Going through administrative and financial reforms to the Organizational Structure and the appointment of NHC Board completed in 2024*
2. *Financial reforms for a manual cash management to cash – less management system*
3. *Linking up with GoPNG Integrated Financial Management System (IFMS)*
4. *Development of NHC ICT Framework for Asset Property base – Digital Transformation*

5. *Update of National Property Register to be digitized under the Validation Verification and Valuation Exercise – Will be nationally completed*
6. *Launched the PNG NHP 2023 – 2033 and NHC Corporate Plan 2025 – 2030*
7. *Expanding the trunk infrastructure on the pilot project Duran Farm*

Prime Minister Marape aspires the NHC become the richest real estate in the country. Minister Bomareo has directed NHC to ensure proper asset data base in NHC property Management. NHC has a huge asset base throughout the country worth millions of Kinas however, all properties are not fully accounted for. NHC vested with a responsibility to meet its social obligations by building more social and public housing, flooding the housing/shelter market by providing more durable and affordable housing/ shelter to its citizens nationwide has declined over the years.

2.2 Issues & Challenges

Currently NHC does not have enough rental accommodation to free up for leasing or renting to potential clients for cash generating and to accommodate the urban drifts and all working classes. Moreso, contributing to decay in social community disorder, increasing mushrooming settlements, illegal encroachments on State land and into customary land due to a dramatic dropped in inadequate housing whilst Real Estate companies capitalizing on NHC weaknesses by building more houses and inflating the rental rates and are becoming silent millionaires overnight under the ignorance of NHC or the government. Not enough support has been given to NHC through successive governments for NHC to stand up to its feet.

NHC building Complex (Tokarara)

2.2.1 Logistical Support.

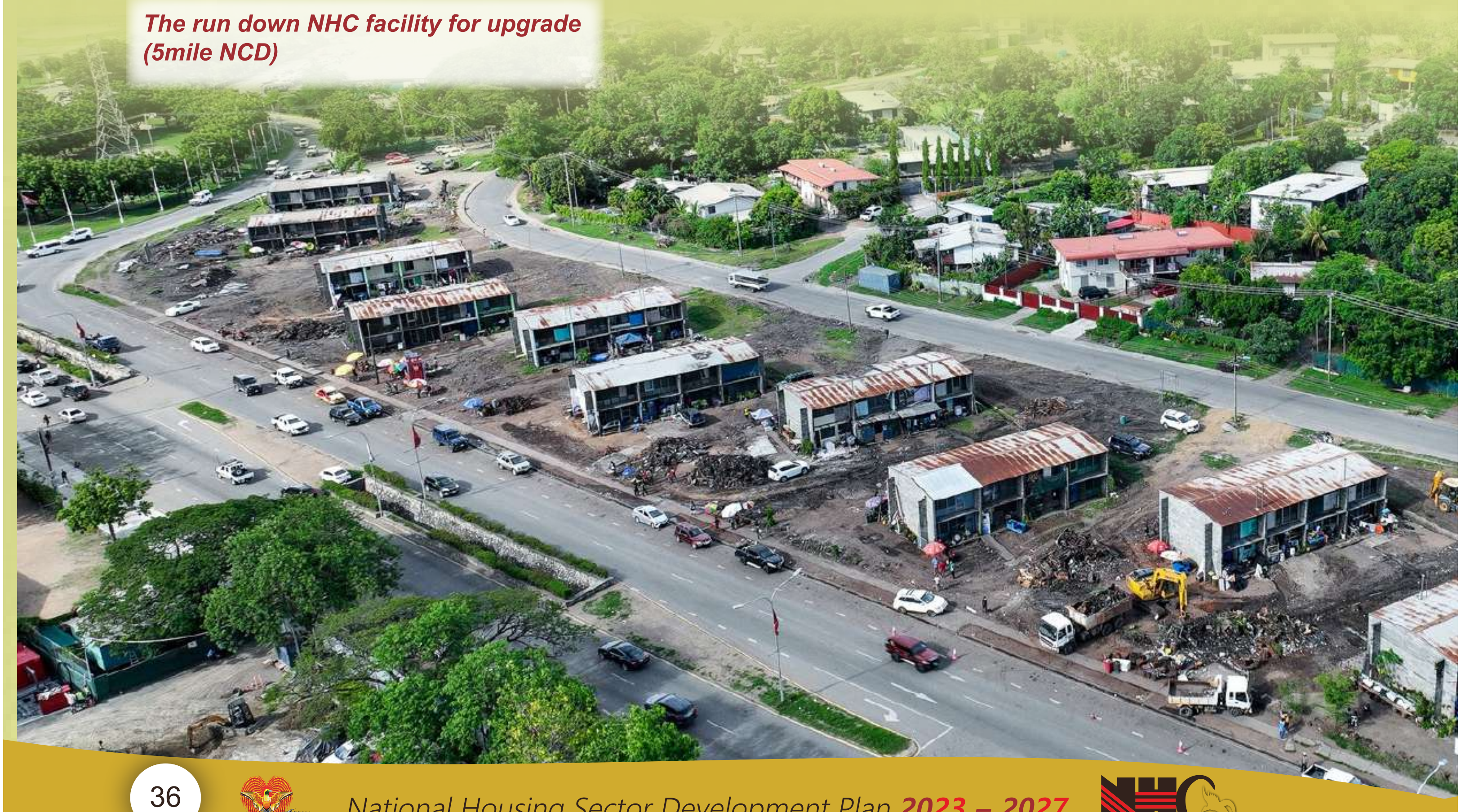
Logistical support is of paramount importance. Management Information System (MIS) can work in collaboration with the Property Management Division, Credit Control, Conveyancing and the Lands Sections respectively to formalize the Sales formalities for smooth transactions (cash for title) from NHC to purchasers. In doing so, human resources must go through in-house training for up skilling. Logistical support in terms of office stationaries, vehicles, an immediate upgrading of our Integrated Management Information System (IMIS) for accurate data updates, the LAGIS Systems to upgrade NHC land Management records systems in terms to land status and Title issuance accuracy and information. These institutional reforms must embrace GoPNG digital transformation.

National Housing Corporation Property Management currently needs reorganizing, a proper mechanism must now be put in place to upgrade its Property Management system and accurate data system in place in order to accommodate accurate housing data information should and when NHC launch into future new buildings that will be manageable with a proper up-to-dated IMIS systems for appropriate management reporting. A constructive and comprehensive Work Plan Schedule must be initiated and constructed by the Property Management Division in collaboration with the MIS, Credit Control, Lands and Conveyancing Sections to be presented to the NHC Management for approval and allocation of funding to strive for its excellence.

2.2.3 Development Objectives

NHC objective is to provide social housing for all income groups, either directly or by providing homes that will free up existing stock. We will seek to deliver homes in locations to enable existing tenants to remain in their communities and homes for those who have particular needs which are not being met by existing stock or through other new provision. We have a Technical Project Team and Technical Working Committee which will lead on our development objectives and which will seek to engage credible investment partners to participate in housing development and to provide advice and guidance throughout the development process. NHC development objectives are budget focused

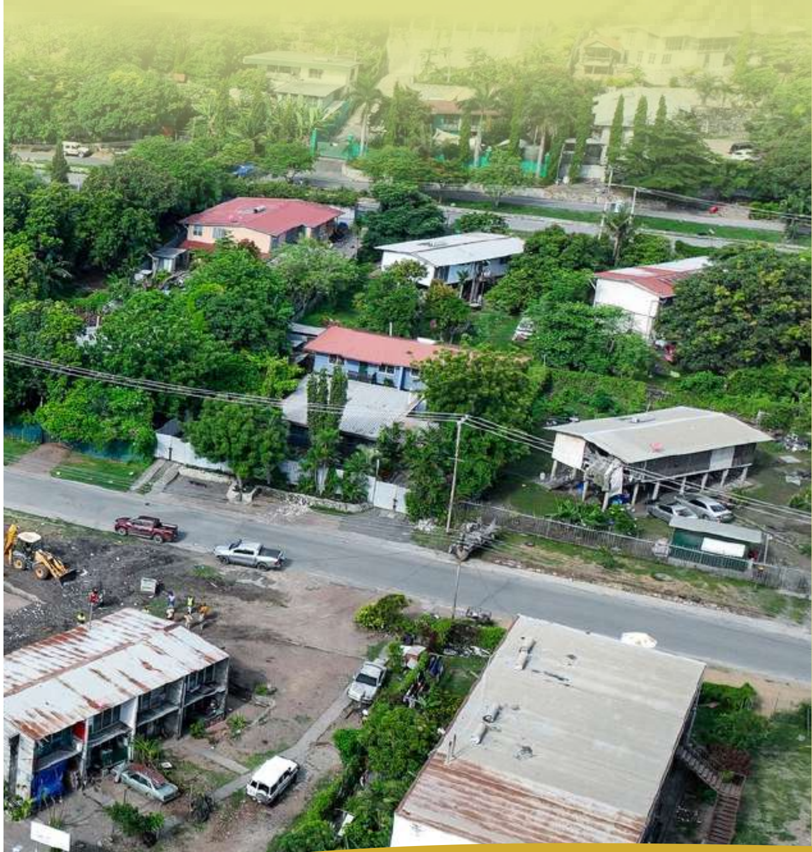
The run down NHC facility for upgrade (5mile NCD)



based on the 10 NHC Strategic Goals and NHC will deliver the 10 SGs this fiver year tenure and being implemented by the divisional work plans annually.

2.2.4 New Build Homes

When contemplating development of NHC - owned Undeveloped Lease sites, we will take housing need into account whilst considering the type of properties that would be best suited for each individual site in terms of planning constraints, accessibility, sustainable communities etc. We will not normally consider delivery of shared-ownership but where there is a need to provide a mix of tenures to ensure balanced communities, we may work with credible sector partners who have experience in the delivery of this type of tenure. On larger sites a proportion of houses for sale may also be considered if appropriate. In order to build new houses, we need planning permission and, where possible, the support of the local community or landowners. Obtaining planning permission requires site investigations, community consultation, design work and appraisal. All of the survey design and planning is instituted by the Technical Division of NHC. Building new homes is captured under the notion of Secure, Sustainable and Smart Urban Settings in communities, cities and towns



2.2.5 Existing Properties

Our housing stock could be increased by developing UDL's and inviting credible partners to implement housing development. There are other viable commercial options to also partner with the real estate companies and it can be shown that the partnership would be financially viable and add value. We may also consider disposing off existing stock currently owned by NHC as part of the Asset Recoveries Exercise on unviable housing stocks or whose titles are matured. NHC will be economically empowering the sitting tenants to venture out on their own commercial terms.

2.2.6 Acquiring Land

Development will almost certainly provide best value for money if it takes place on NHC assumed UDL's. However, the NHC's land holdings are limited and therefore we will consider acquiring land on the open market to ensure homes are provided where they are most needed. Furthermore, NHC is mandated to acquire any vacant land and convert to an UDL and subsequently survey it for allotment purposes. NHC also promotes Wealth Creation by inclusive involvement of customary land owners in economic empowerment for the use of their land. NHC will also develop its own land use policy aligned to the National Land Use Policy being formulated by the Department of Lands. NHC will also in close consultation acquire customary land and UDLs to extend housing developments across the country. Customary land owners will be beneficial owners and are involved from initial stages to completion of housing development.

2.2.7 Viability and Affordability

NHC intends to concentrate on supplying homes for rental and home ownership to help meet the increasing need for affordable homes for local people. To ensure that the NHC's housing policy and Corporate Plan is bankable and can fund the development of NHC housing it is vital that every potential scheme is properly assessed for viability, in accordance with the Program Viability and Risk section detailed below and there must be a reasonable correlation between the cost of delivery and the rental income available. It is also necessary to ensure the impact of each scheme is calculated and understood in the context of the wider NHC Corporate Plan and the National Housing Policy.

The proposed National Housing Policy for new affordable housing is that the capital costs of delivery should largely be met by the National Government through the PIP and PPP platform for provision of trunk infrastructure. Therefore, Government needs to significantly maintain the capital grants available to support new-build affordable housing and furthermore, through effective partnership with the stakeholders can collectively finance housing development and provide the Continuum for Housing to capture all income groups.

The proposed National Housing Policy intends to provide Rental Properties to deliver affordable housing. The NHC will provide this housing continuum and the current government policy also allows NHC to charge an Affordable Rent or ECONOMIC RENT for the new homes delivered. Whilst it is accepted that lower rents improve affordability and accessibility, it may be the case that the NHC will consider charging a higher rent to ensure delivery of a scheme. In any event the NHC will aim to ensure that rents fall within the ICCC Sanctioned Housing Allowance levels and that specific house types remain affordable.

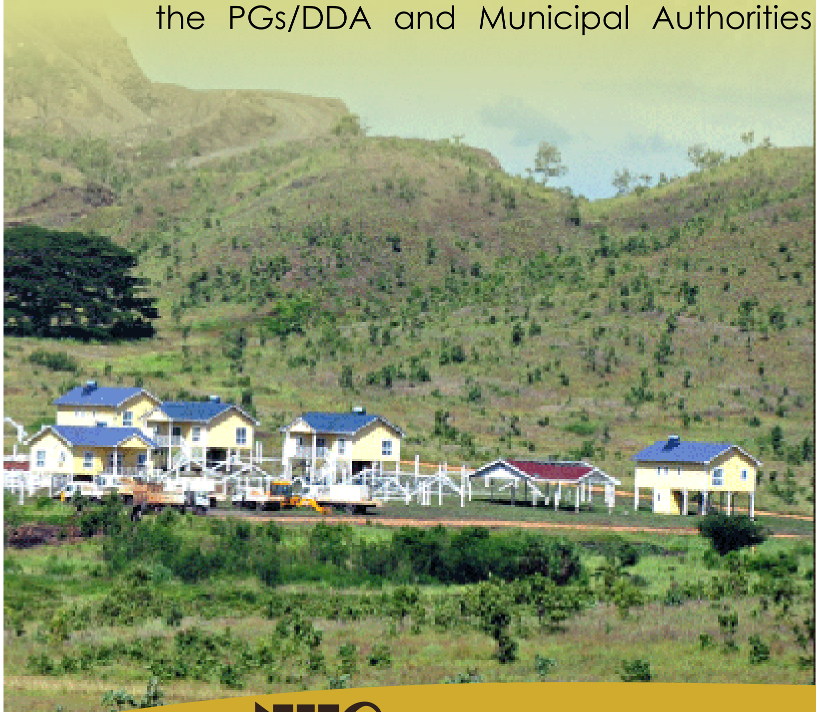
2.2.8 Determining Housing Program Viability and Risk

Opportunities for the NHC to add to its housing stock will be assessed for viability by the NHC Management of existing housing schemes. It will be

amalgamated under 4 main housing products that is inclusive e of all citizens of the country. Each assessment will be based on estimated costs for development and maintenance, rental streams and cash flow. At this point initial assessments for new-build schemes would have to be based on estimates of development costs plus any known on-costs and a contingency to cover potential unknown costs. Proposed schemes or purchases that have been risk assessed and are considered financially viable will be recommended for approval via an appropriate mechanism.

2.2.9 Partnerships under PPP and MOU/ MOA Platforms

National Housing Corporation has strong established links with the GoPNG and from its internal partners. It is important that these links continue and it is not the Corporation's intention to compete with our partners, rather we intend to PARTNER them to deliver additional affordable homes. Our housing partners will continue to provide a vital role in delivering affordable homes via planning obligations and through other opportunities that are identified by them. In addition, they will continue to provide intermediate housing such as shared-ownership. This may include working with the PGs/DDA and Municipal Authorities



on its own land where it is considered appropriate and effective to provide a mix of tenures.

Where a developer has an obligation to provide affordable homes under NHC Contract, the NHC will encourage them to work with a partner housing association. However, in certain circumstances the NHC may consider acquiring units from a developer, for example where no housing association has expressed an interest in acquiring them.

In the first instance we will focus on delivering housing on NHC-owned land. However, any opportunities that arise will be properly assessed to test whether they should be pursued. NHC seeks to be a formidable effective partner with the stakeholders between Sector Agencies, Social Sector Secretariat, Donor Partners, Private Sector, Churches and NGOs, Public Sector, Customary Land owners.

2.2.10 Community Engagement

It is important that consultation with customary landowners is undertaken in an open and transparent way and the NHC will therefore consult with customary landowners at an early stage in any proposal where they may be affected. In the event of area regeneration and where NHC tenants are directly affected we will discuss proposals early in the process, outlining their housing options and helping them to make a choice. If required we will also seek independent advice. Our aim will be to enable households to remain within their community if they wish and households will be given priority to move, either permanently or temporarily to alternative suitable housing. In many cases they will be offered the opportunity of returning to one of the new properties. In some cases tenants who have to move may be entitled to compensation.

2.2.11 Design Status

New development will need to meet high standards of design. We expect to deliver homes and environments that people want to live in, homes that are durable, accessible, easy to maintain and adapt and which make a positive mark on the borough now and into the future. All new-build homes will meet the NHCs Technical Services Division Approved Urbanized Guidelines complimenting the Standard Urban setting where applicable. In terms of sustainability, the NHC will seek to achieve GoPNG Sustainable Goals of Sustainable Homes/Communities in terms of materials/methods used defined in the Country's MTDP 3 Core Strategy. If the NHC is able to attract funding from the Key Stakeholders, new homes delivered with this funding will need to meet the standards current at that time.

This discussion centres on the **SMART, SUSTAINABLE AND SECURE URBAN SETTING OF CITIES/TOWNS AND COMMUNIITIES**.

2.2.12 Procurement and Implementation

NHC will ensure that procurement is in accordance with its Technical Services Minimum Standards Contracts and Procurement Rules contained in its NHC Act 1990 and with Mandatory lands and physical planning legal requirements. The NHC is a member of the NCD Building Board and Lands Board and may use its framework of consultants and contractors to implement the delivery of new-build homes and refurbishment of existing properties. NHC has strong links with its Housing partners which may be interested in providing Development Agency services for new-build projects on a site - by - site basis. NHC will also conform to the DNPMs PIP in fulfilling all mandatory acquittals of Government funds disbursed for completion or continued funding of housing programs/ projects.

2.3 Priority Areas

2.3.1. Approaches for Providing Affordable Housing

There are two major approaches for providing housing such as the government provider approach in which the government is directly involved in constructing houses, developing trunk infrastructure and

housing policy. The other is the enabling approach in which the government facilitates the private sector by providing enabling conditions required for constructing houses. These include trunk infrastructure, develop and implement

housing policy, whereas the private sector construct houses. However, the approach being used in PNG is not clear, which often results in a mismatch of roles between the public and private sectors. To move the housing sector forward, it is necessary to choose and implement an approach for providing housing, as well as streamline the role of the public and private sectors including the NGO's.

2.3.2. Land Accessibility

Shortage of land with secure title for development. Almost 97% land in PNG is customarily-owned and 3% state.

However, state-owned land often preferred by most property developers is almost exhausted. Access to customarily-owned land is difficult because of lack of proper land title.

Comprehensive land information systems for providing data on available land for housing development does not exist. The shortages of land result in hoarding, speculation and escalation of land prices beyond the reach of most people.

Inefficient, slow and cumbersome frameworks for accessing land under customary tenure, as well as limited stocks of State land for urban development, remain major obstacles (Apelis and Kwapena, 2010). PNG leads the way in major reforms to land laws so as to allow customary land to be alienated for urban development, whilst allowing landowners to retain title. There is a range of pilot projects ongoing in Port Moresby, and their impact in the urban and peri-urban setting remains to be seen (Yala, 2010)

2.3.3 Inadequate Mortgage Finance

Commercial banks in Papua New Guinea seldom understand the importance of project finance and do not often provide loan facilities to property developers. This restricts property developers from increasing the number of houses being constructed. Government support and Superannuation access to housing advance is stringent for members to access for bank equity considerations. Mortgage Finance does not target specific income groups and lacks diversity to meet all income groups namely low, middle and high net worth.

2.3.4. HOUSING INFRASTRUCTURE DEVELOPMENT

2.3.4.1 Truck Infrastructure

Trunk Infrastructure which includes good road networks, clean piped borne-water and sewerage and electric power are either inadequate or lacking. This contributes to an increase in house construction costs which is passed to house buyers and tenants through house sales and rent prices.

2.3.4.2 Shortage of Skilled Labour

There is shortage of skilled labour in the house construction industry, so skilled personnel must be hired from abroad, which contributes to the high cost of constructing houses.

2.3.4.3 Incapacity of Construction Industry

The house construction industry lacks the capacity to support large scale housing projects.

2.3.5 URBANISATION OF INFORMAL HOUSING SECTOR

2.3.5.1 Rapid urbanization

Rapid urbanization due to economic development has resulted in the continuous migration of rural dwellers to cities such as Port Moresby and Lae in search of jobs and the basic services to better their lives. It is the pull factors in the major towns and the push factors in rural areas that is causing the rural to urban migration (urban drift). This results in an increase in population of these cities which pushed up demand for houses. However, the supply of houses in the cities has not been able to match demand.

2.3.5.2 Proliferation of Squatter Settlements

The shortages in the supply of houses relative to demand in the formal built areas which results in the pushing up of house sales and rent prices resulted in the proliferation of squatter settlements i.e., informal built areas. The informal built areas have the potential of generating social, environmental and economic problems associated with poor public health, quality of life and leakages in the housing market.

2.3.5.3 Rural and Village Housing

Rural and village housing play an important role in providing housing for rural dwellers however it is often neglected. Public servants housing in the rural districts is minimal in the 89 districts. The existing public houses are run down and not livable for public servants; one of the main push factors. There are no developed towns and cities.

2.3.5.4 Redevelopment of Unplanned Settlement to Planned Settlement to Suburbs

There is presence of community of people residing on undeveloped land, hence unplanned settlement. Urbanization is minimal. Allocation of somewhat planned and subdivided land in the outskirts of the cities and towns are needed to help minimize the erection of informal settlements with the central business districts. Necessary amenities must be properly planned out and made available in these proposed formal settlements.

2.3.6 FORMALIZATION OF FORMAL HOUSING TENEMENTS

2.3.6.1 Redevelopment of Rundown Suburbs

Formerly suburbs but due to neglect of maintenance over the years is now condemned. These are developed and urbanised allotments. NHC can also consider for affordable housing into the disposition process for surplus land and buildings. Under this approach, NHC consider each site on a case-by-case basis when determining whether to prioritize it for affordable housing or for another purpose.

Beyond identifying and prioritizing surplus properties for the creation of affordable housing, NHC should consider other opportunities for new residential development on publicly-owned land. Others co-locate affordable housing and healthcare facilities; a strategy that may be particularly helpful for units targeting high-needs populations.

The policy will give affordable housing developers priority access at a fair market price, without any additional incentives or discounts. This approach can help non-profit and mission-driven developers avoid competition with for-profit developers who are able to bid up the price, but in many high - cost towns that may not be enough to make affordable housing economically viable, particularly if the housing is targeted for very low-income families. To overcome this challenge, many cities offer surplus or underutilized property at a discounted price or with access to low-cost financing when used for affordable housing, allowing the swift development of high-quality affordable housing units with less initial financial burden.

2.3.7 HOUSING MARKET

2.3.7.1 Real Estate

Activities of real estate agencies influences the sales and rent prices of houses. However, the housing market is not well organized which contributes to controversial high housing sales and rent prices. The real estate market is not regulated.

2.3.7.2 Inadequate Provision of Affordable Housing

The economic development in PNG has resulted in the emergence of several large-scale private property developers which contribute toward supplying houses sufficient for high-income households. However, houses for low-income and middle-income households are inadequate. Affordable home ownership programs for public servants and private sector employees where the objectives are underachieved and underdeveloped. (Supported by statistics, case studies)

2.3.7.3 Monitoring and Evaluation

Weaknesses in monitoring and evaluation of housing projects have resulted in poor compliance among property developers. This contributes to various anomalies in the housing development such as houses being constructed without provision of trunk infrastructure and the construction of houses that deviates from the approved building plan.

2.3.7.4 Physical Planning and Environment and Climate Change

Physical Planning laws do not sanction planning for towns and cities especially for the rural districts. Modular Housing Concepts is non-existent legally. All related legislation needs to be reviewed to enable planning of towns and cities and satellite towns in the urban centres and rural areas respectively. Papua New Guinea is prone to the adverse impacts of climate change which must be considered in the construction of houses. Sustainability of the environment is of global concern and must be addressed in housing development plans and projects. The PNG Environmental Laws need to be adhered to and abided in housing development however, it is often neglected. Building codes are outdated and does not conform to minimum standards. Building materials are not climate change resilient. There is no clear demarcation of zoning.

2.3.7.5 Legal and Institutional Framework

The policy and legal framework for the housing sector is inadequate and dispersed under different instruments and applied under different government institutions. Further, there is an overlap of roles among the Central Coordinating Agencies, which makes it hard for the housing sector to effectively implement housing development. Other issues of legal concern are the institutional roles of the public and private sector and the correlation between NHC and the service providers and NHC and the private sector. The mandated role of NHC needs to be fully understood and its role implemented strategically. NHC will review identified legislation to synchronize and harmonize with stakeholders and to propose new institutional reform legislation of how NHC governance structure will be featured to effectively implement the extent of the policy.

CHAPTER THREE

STRATEGIC ALIGNMENT TO MTDP IV

3.1 Introduction

The Government focuses on provide affordable housing in the cities, provinces and districts aimed at easing the high cost of living and improve the living standards of people. The Districts Housing Programs under the decentralization system where public servant's employment in districts centers need proper accommodation to live and work.

The MTDP IV has clearly map out different eco – systems of the housing sector and then allow, public and the private sector participation to facilitate affordable housing solutions in order to stimulate and grow the economy. The Government through NHC and its partners through this plan will build over 2,000 houses over the medium term.

NHC projects an investment of K800 million over the medium – term to deliver on these priorities by 2027 under the following capital investment programs under this DIP 2.7 and 2.8, they are;

1) *Institutional Housing Development Program (institutional and staff houses development for National Government Agencies)*
2) *District Public Service Housing Program;*
3) *Provincial Public Service Housing Program*
4) *National Affordable Housing Program'*
5) *Provincial Towns Development Program; and,*
6) *District Growth Centers*

3.2 Summary of Goals and Objectives

Goal : To provide an enabling framework that promotes access to adequate, quality affordable, environmentally friendly, sustainable, social and urbanized rural based housing for all Papua New Guineans

Table 7: Investments

DIP Link		Investments	2023 (K'mil)	2024 (K'mil)	2025 (K'mil)	2026 (K'mil)	2027 (K'mil)	Total Est Cost (K'mil)	Funding Source(s)
DIP 2.7	**1**	Institutional Housing Development Program	20.0	20.0	20.0	20.0	20.0	100.0	GoPNG/ PPP
	2	District Public Service Housing Program	0.0	50.0	50.0	50.0	50.0	200.00	GoPNG/ DDA
	3	Provincial Public Service Housing Program	0.0	30.0	30.0	30.0	30.0	120.0	GoPNG/PG
	4	National Affordable Housing Program	20.0	50.0	50.0	50.00	50.00	220.0	GoPNG/ PPP

	Table 7: Investments							
DIP Link		Investments	2023 (K'mil)	2024 (K'mil)	2025 (K'mil)	2026 (K'mil)	2027 (K'mil)	Total Est Cost (K'mil)	Funding Source(s)
DIP 2.8	**1**	Provincial Towns Development Program	20.0	50.0	50.0	50.00	50.00	220.0	GoPNG/ PPP
	2	District Growth Centers Program	0.0	100.0	100.0	100.0	100.0	400.0	GoPNG/ DPs

	Table 8: Key Result Areas						
	Key Performance Indicator (KPI)	2023	2024	2025	2026	2027	Responsible Agency (ies)
1	Number of applicants successfully obtaining housing loan	100	300	600	1,000	2,000	NHC, Commercial Banks and Super Funds
2	Number of houses developed through Public Service Housing Program	60	120	180	240	300	NHC, DNPM and DPM
3	Number of public servants who benefited from Home Ownership home schemes	20	30	40	50	60	NHC, GoPNG Agencies
4	Number of institutional houses in the province	0	100	200	300	400	NHC, PGs
5	Number of institutional houses in the District Headquarters	0	150	300	450	600	NHC, DDAs
6	Land made available for housing available (hectares	25	30	30	25	33	NHC and DLPP
7	Number of district growth centers developed	30	40	60	70	90	NHC, DPLGA, DDA and DNPM
8	Number of Connect PNG corridor growth centers developed	0	10	20	40	60	NHC, DPLGA, PGs and DDAs

Table 9: Strategies		
No	**Sector Strategy**	**Sector Plan or Policy Reference**
1	Increase Public Private Partnerships	PNG National Housing Policy 2023 – 2033
2	Improve Strata Titling and Modular Designs	PNG National Housing Policy 2023 – 2033
3	Increase Land Accessibility	PNG National Housing Policy 2023 – 2033
4	Increase Financial Resourcing	PNG National Housing Policy 2023 – 2033
5	Improve Housing Infrastructure Development	PNG National Housing Policy 2023 – 2033
6	Enhance People Centered Development and Capacity Building	PNG National Housing Policy 2023 – 2033
7	Improve Urbanization of Squatter and Informal Housing Sector	PNG National Housing Policy 2023 – 2033
8	Increase Rural Housing	PNG National Housing Policy 2023 – 2033
9	Improve Unplanned Settlement to Planned Settlements	PNG National Housing Policy 2023 – 2033
10	Increase Public Institutional Housing	PNG National Housing Policy 2023 – 2033
11	Improve Regulatory and Institutional Framework	PNG National Housing Policy 2023 – 2033
12	Improve NHC Information, Communication and Technology Capacity	PNG National Housing Policy 2023 – 2033
13	Improve NHC's Monitoring, Evaluation and Review systems	PNG National Housing Policy 2023 – 2033
14	Provinces and Districts to facilitate freeing up land for the development towns and district and growth centers	National Service Delivery Framework
15	Funding for growth centers shall be from the PSIP and DSIP. Some from National Government and Donor will be for Kina – 4 – Kina arrangement	National Service Delivery Framework

Table 10: Indicators

Project Link	No	Indicator	Source	Baseline	Annual Targets 2023	2024	2025	2026	2027
2.7: 1, 2, 3, 4	**1**	Proportion of customary land acquired for housing development	DLPP Database	5%	6%	7%	8%	9%	10%
2.7: 1, 2, 3, 4	**2**	Proportion of alienated land for housing development	DLPP Database	3%	5%	10%	15%	20%	30%
2.7:1	**3**	Number of ILGs voluntarily register land portfolio for housing development	DLPP Database	2,650	3,000	,500	4,000	4,500	5,000
2.7:1	**4**	Number of FBO, NGOs, register land for housing development Cooperatives voluntarily	NHC DoLands NSO	-	5	10	15	20	25
2.7: 3	**5**	Number of MOU/MOA progressed with Provincial Governments	NHC Database	2	5	10	15	20	22
2.7:2	**6**	NHC Database	Number of MOU/MOA progressed with DDAs	-	15	30	35	50	70
2.7: 1	**7**	Number of MOU/MOA progressed with National Departments	NHC Database	3	5	6	8	10	16
2.7: 4	**8**	Number of Social Housing Programs	NHC	-	1	2	3	4	5
2.7: 4	**9**	Number of National Mortgage Schemes to be launched	NHC	-	1	2	3	4	5
2.87: 1, 2	**10**	Number of tradesman skilled labor to be trained	Trades Council of PNG Database	-	5	10	20	30	40
2.7. 1, 2, 3, 4 2.8:1,2	**11**	Number of Urbanization plans to be developed	PGs and DDAs, DPLGA		4	24	24	24	25
2.7: 4	**12**	Proportion of rental properties to be maintained	VVV Exercise	-	5%	10%	20%	30%	50%
2.7: 1	**13**	Number of institutional houses to be constructed	VVV Exercise NHC Duran Farm	-	500	1000	2000	3000	4000
2.7: 3 2.8: 1,2	**14**	Number of Provincial offices to be renovated for capacity building	NHC	-	2	7	5	5	8

Table 10: Indicators									
Project Link	No	Indicator	Source	Baseline	Annual Targets				
					2023	2024	2025	2026	2027
2.7: 4	**15**	Number of PPP Partnerships signed	NHC	-	1	10	20	30	40
2.7: 4	**16**	Number of Properties updated under the VVV Exercise	NHC	-	500	1000	1000	2000	2000
2.8: 1, 2	**17**	Number of MOU/MOA with Municipal Authorities	NHC and DPLGA	-	1	3	6	9	10
2.7: 1,2,3,4	**18**	Number of Legislations to empower NHC	NHC Act 1990	-	1	2	2	2	2
2.7: 4	**19**	Number of commercial JV Partnerships with NHC	NHC	-	6	10	12	14	20
	Lead Government Department/ Agencies		National Housing Corporation, DNPM, DPM, DLPP, PGs and DDAs						
	Executing departments/Agencies		National Housing Corporation						

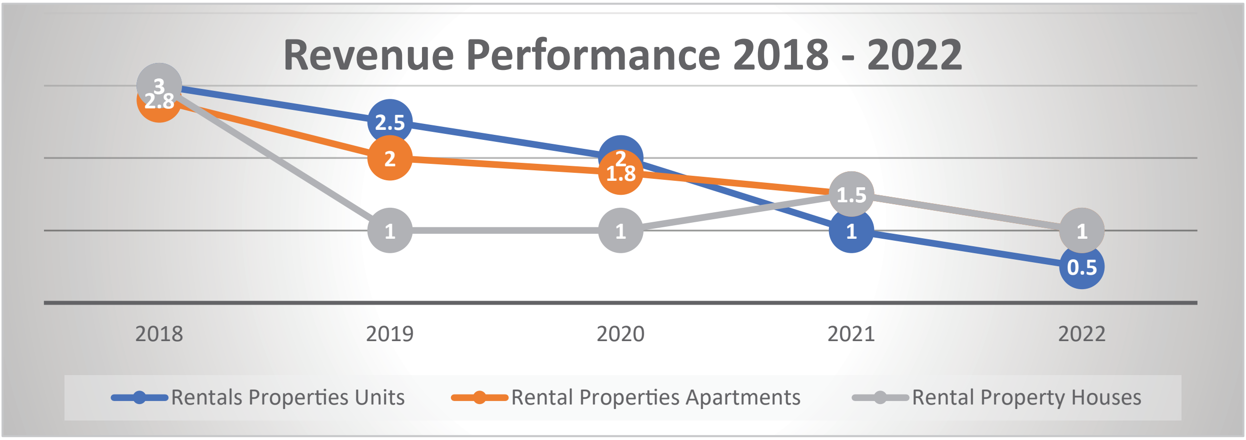
CHAPTER FOUR

FINANCING AND IMPLEMENTATION OF THE PLAN

4.1 Fiscal Performance

The monthly projection for the NHC property rentals is about K 3 million per month which in total is K36 million per annum. NHC over the last five years has seen a constant decline in its revenue earnings from K 3 million to less than K 500,000 per month. Hence, these collections are used to cover operational expenses compounded by legacy issues. As such, there was not much capital works done on existing properties and investment on new properties around the country like the Duran Farm which is purely funded under the Public Investment Program and not by NHC.

Figure 5: NHC 5 years Fiscal Performance



Source: NHC Financial Performance Report

4.2 Financial Implications

NHC due to financial constraints is not able to provide adequate project financing for new projects, maintain property maintenance and settle aging liabilities. NHC is forging financial reforms and strategizing revenue inflows to improve rental collections and settle matured mortgages. The central strategy is to fund the Validation Verification Valuation Exercise and through digital transformation integrate a asset management system and launch an internal mortgage facility in progressing financial and economic reforms.

4.3 Funding Requirement

This Exercise will determine the Net Present Value of NHC, determine actual number of properties, determine the actual property portfolios, improve rental default collections and to digitize a property management system. The Triple VVV Exercise is paramount. This Exercise will enable NHC to seek project financing from investors and banks with a rate of return on investment and mortgage financing. It will also ensure a Balance Sheet for Duran Farm as new investments.

The PIP funding must continue for the three major projects and the new program called National Replenishment Program which compliments the GoPNG 10, 000 Hectares land mobilization program to build institutional housing for public servants.

4.4 Summary of Funding

NHC envisages to expand a total of K200 million in 2024 with the support from the Public Investment Program and other financing sources under the following major programs;

1) *VVV Exercise Project*
2) *Duran Farm Housing Project*
3) *NHC Headquarter Refurbishment Project*
4) *Property Maintenance Project*
5) *National Replenishment Program*

Key Revenue Figures against Budget

	2022			2023		
Income	**Actual**	**Budget**	**Variance**	**Actual**	**Budget**	**Variance**
Goods & Services Net Staff Emoluments Other Income	000'	000'	%	000'	000'	%
	236.5	236.5		000'	508.6	
	9,112.6	9,112.6		000	8,236.0	
	000'	000'		000'	400.00	

Key Expenditure Figures against Budget

	2022			2023		
	Actual	**Budget**	**Variance**	**Actual**	**Budget**	**Variance**
Gross Staff Emoluments 2023 PIP Program Name 1. Duran Farm Project 2. NHC Headquarters Project 3. NHC Flats Renovation Project	'000	'000	%	'000	'000	%
	9,349.1	11,016.0		10,773.0	11.405.5	
	2,920.0	5,000.0		20,000	20,000.00	
	50.0	853.0		367.0	367.0	
Administrations	50.0	853.0		367.0	367.0	

NHC Implementation Approach

This chapter begins with the approach the NCH takes and the role it plays in the implementation of its Sector Plan and SPA two (2) under Connect PNG – National Housing Infrastructure. Particular references are made to the priorities which set out the targeted MTDP IV Deliberate Intervention Program (DIP) outcomes and targets including strategies, deliverables and the annual investments. The following section outlines the roles and responsibilities of the National and the Sub-National Governments as well as the development partners and various stakeholders.

Outlined Roles National and Sub-National Development Partners

Go-PNG Sector Agency	Role and Responsibility
National Parliament of Papua New Guinea	**1)** Periodic enactment of legislation and regulation pertaining to the housing sector being implemented by NHC. **2)** Direct intervention into the housing sector as a Government Development Priority with a view to entice foreign and local investment by way of: **a)** *Provision of Trunk Infrastructure in housing development projects which include road network, access to clean water, sanitation and electricity.* **b)** *Ensure the capacity in the sector at all levels of the infrastructure delivery process.* **c)** *Promote the use of certified building construction technologies and building materials and energy and resources efficiency in construction.* **d)** *Empower the National Standards Board to censure building industry practise.* **e)** *As per the Vision 2050 must promote, enhance and coordinate the PPP Partnership with various stakeholders.* **f)** *Promote economic investment to finance the housing sector.* **g)** *Ensure the periodic insertion of the K200 Million Mortgage Facility to the other commercial banks namely Westpac, ANZ, and Kina and the National Development Bank in line with mortgage term facilities which a long term.* **h)** *To promote sustainability of housing investment and indirectly influence the affordability of housing it must waiver the PNG Customs management of Import Duty Tax thus allowing Building Investors to bring in the materials as Free on Board at our Ports.* **i)** *Promote activities in the secondary Capital markets that enhance availability of appropriate finance to support housing developmen*t.
Ministry of Housing	The primary role of the Ministry is to ensure implementation of the PNGNHP 2023 – 2033 and Urbanisation Policy and to review it as the need arises.

Go-PNG Sector Agency	Role and Responsibility
National Housing Corporation	1) Amendment of the NHC Act 1990 to legalise the multi-sectoral housing policy. 2) Implement an internal institutional restructure of NHC in capacity build-up to be advanced to an Authority Status. 3) Establish the pathway by way of MOU and MOA to promote the Government's PPP Partnership in the housing sector. 4) To be the lead facilitating agency to link the Government sector alluding to the Provincial Government, District Development Authorities and Local Level Government. 5) To be the lead facilitating agency to link the public service machinery and the private sector companies in assisting via legal arrangements to procure free land for housing development. 6) To implement the NHP and monitor and evaluate the Policy framework periodically. 7) Be a formidable player in the Real Estate Industry through its commercial subsidiary the National Mortgage Property Investment Limited and pursue its business strategies for revenue generation and sustenance of its operations whilst still maintain its social housing objective. 8) Be an investment partner providing Mortgage Finance in the National Mortgage Fund Limited. 9) Modernise current Mortgage Facility. It can be used to assist applicants to pay-off mortgages at a decreasing value. 10) Be an investment partner in provision of Superannuation Finance through the National Mortgage Superannuation Fund Limited. 11) Under Sector Partnership, promote variated National Housing Policies and Programs targeting income groups and every class of citizen to be implemented under schemes and projects. 12) Promote provision of houses for sale and rent affordable to low income and middle-income groups through partnership with private property developer. 13) Carry out research related to planning, design, construction and performance of buildings in collaboration with universities and research institutes. 14) Conduct research in the use and development of indigenous 15) Document and disseminate research findings in a standardized format. 16) Provide research-based advisory services to the public. 17) To expand revenue and tax base from implemented housing programs 18) To receive a percentage of user-paid infrastructure services provided by service providers 19) To promote modernizing of housing designs to include Modular Housing Concepts and the promotion of strata titling in housing designs. 20) To be mandated legally to plan towns and cities, suburbs and v virtually realize its urbanization mandate accords PNG.

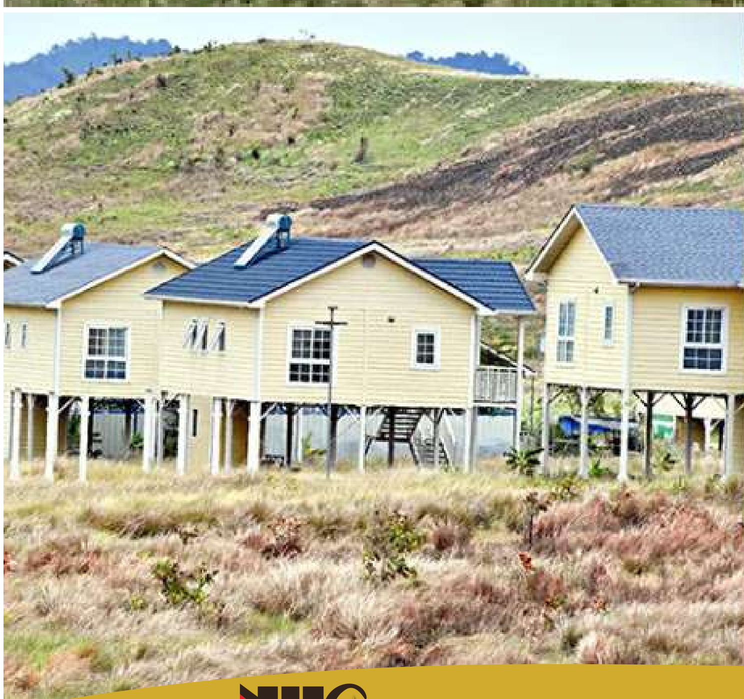
Go-PNG Sector Agency	Role and Responsibility
Provincial Governments	1) Promote the Governments PPP in the housing sector. 2) Ensure co-operation with the implementing agency, the NHC to embark on housing projects. 3) Ensure the Provincial Services Improvement Program (PSIP) budgetary allocations purposely for Housing Development in the respective provinces. 4) Provide institutional housing for public servants serving the Province 5) Promote Rural Housing Agenda. 6) MOU/MOA with PGs

Go-PNG Sector Agency	Role and Responsibility
Local Level Governments (LLGs)	1) Extend the Rural Housing Program to the Wards that comprise LLGs 2) Extend the Institutional Housing mechanism in partnership with the NHC and respective DDA in assisting Go-PNG Sector Development projects especially in facilitating law and order and other line agencies as the mandated 3rd Government Tier in providing public housing 3) Promote Go-PNG; s partnership with the Churches in accessing undeveloped land for housing sector development and other sectors. 4) Provide institutional housing for public servants serving the Province in education, health, law and order among others. 5) MOU/MOA Partnerships with LLGs
Municipal Authorities	1) Undertake land-use planning and management as in Urbanisation which is a pillar of development within the city authorities. 2) Secure free land in partnership with NHC purposely for housing development. This Model Partnership should be encouraged as per each mandated roles stipulated under each Act. 3) Develop sites and service programs and appropriate mechanisms for accessing them. This will be a partnership with the NHC, the DLPP and NCDC if in the case of Port Moresby. 4) Put in place mechanisms for community participation (partnerships) in the repair and maintenance of infrastructure services. 5) Enforce settlements development standards and regulations and implement its urban settlements strategy to address further settlements from sprouting. 6) Implement programs to improve urban and informal settlement conditions. 7) Conduct home improvement campaigns. 8) Conduct awareness campaigns on use of local material and resource efficiency.

Go-PNG Sector Agency	Role and Responsibility
Department of Lands and Physical Planning	1) Liaise with NHC in procuring land and title for housing development 2) Liaise with NHC in procuring titles in the urban areas, survey plans to urbanise informal sector housing and accessing customary land for housing development. 3) Amend legislation to mandate NHC deliver urbanized planning for towns, cities, satellites town, unplanned settlements and run-down suburbs
IRC and PNG Customs	1) Ensure tax compliance prior to investor's business establishment. 2) PNG Customs to waiver import levy tax in incoming building materials and technological infrastructure for purposes of housing development for investors. 3) Promote tax incentives for private developers that invests in affordable housing program for low income and middle-income groups. 4) Improve collection of revenue pertaining to housing purposely to be reinvested back into the economy for housing initiatives.
Bank of PNG	1) Clearance of foreign investors involved in Housing of any international financial laws pertaining to Anti-money laundering, links to terrorism, trans-national crime. 2) Assist in foreign exchange dealings on behalf of Investors.
Central Agencies Coordinating Committee (CACC)	1) CACCs to provide technical support to the NHC in achieving maximum output derivatives in measuring housing development in PNG 2) CACCs to ensure NHC complies with PIP requirements for housing projects 3) CACCs to ensure NHC complies with GoPNG's PPP Policy requirements for engaging the Private Sector in housing development projects. 4) CACCs to provide support in any capacity to NHC and line agencies in provision of housing for all income groups and social housing for the under – privileged people. 5) CACCs to ensure that NHC is aligned to the Vision 2050 and the MTDP4 and future economic development programs to qualify for the housing sector funding stipulated under the MTDP4. 6) CACCs to finance NHC in any outstanding accrued housing revenue purposely to offset the backlog of titles under existing housing schemes
Departments, SOEs, State Institutions,	1) Promote partnership with NHC to develop national affordable housing program for all public servants. 2) Promote housing programs with NHC for public, intuitional, social and rural – based housing and rental for all public servants 3) Promote DPM's 70 20 10 ratio of public servants' placement across PNG.
Special Purpose Authorities	Partnership with NHC/DPLG to deliver housing programs

4.7. Development Plan Review

The National Housing Sector Development Plan will be reviewed according to the National Monitoring and Evaluation Framework (NMEF)



CHAPTER FIVE (5)

MONITORING, EVALUATION AND REPORTING

5.1 Introduction

NHC will monitor and evaluate the implementation of its Housing Sector Development Plan in an honest and transparent manner through the establishment of the National Housing Task Force and its Secretariat. It will communicate results to DNPM, its partners and stakeholders providing them with accessible evidence-based information and data for the purposes of ensuring the achievement of sustainable outcomes.

5.2 Rationale for Monitoring and Evaluation

The NHC monitoring and reporting systems and processes are intended to enable the continuous generation of evidence and data and performance tracking. It will enable annual progress reviews and 5 year sector evaluations. This evidence is to inform policy and planning, program and project improvement, adaptation and management at the national and sub-national organizational levels. The monitoring and evaluation of the plan will form the basis of confirming the relevance, efficiency and effectiveness of policies and investments with regards to the NHC's contribution to sustainable economic and social development outcomes.

The National Housing Corporation will measure performance to;

Provide clarity, accountability and transparency to stakeholders for the outcomes achieved through the resources provided.

- Assess the effectiveness and the results of the NHSDP, strategies, programs and
- projects.
- Enable greater collaboration within the Sector and Ministry and between departments and agencies to stimulate cross-learning and integration during implementation.
- Build a system to collate and analyze data to inform future evidence- based planning and decision making
- Enable the PIP and pipeline investment sto be better linked to future budgets.
- Therefore, the NHSDP monitoring and evaluation processes will happen at two levels;

5.3 Development Plan Monitoring and Evaluation

5.3.1 Development Plan Monitoring Process (PMP)

In terms of monitoring this NHSDP, there will be a Project Steering Committee set up. This committee will be responsible for overseeing the whole project and also take the lead in monitoring the implementation process.

The Development Plan monitoring will include the following;

- The Sub-Sector Quarterly Report (SSQR - Annex 4: MTDP IV Sector Quarter Progress Report)
- The heads of agencies through the project manager must submit progress report against targets (planned outputs and outcomes). The report should reflect cumulative progress of projects outputs and outcomes, analysis of the achievements, challenges, gaps, and

lessons learnt.

- Project Steering Committee Meetings
- Quarterly reviews meetings

The PSC reviews are based on project progress against planned targets, actual expenditure and issues identified during the project implementation and lessons learnt

5.4 Program / Project Monitoring and Evaluation

NHC will use the following approaches to undertake monitoring of the implementation of the NHDP.

Quarterly Project Progress Reports *(Annex 2: Capital Investment Project Quarterly Report Template I & II and Annex 3: Capital Investment Outcome Summary)*

The National Housing Corporation is required to submit quarterly reports to DNPM, which will be used to provide regular MTDP III progress reports to the Central Agencies Coordinating Committee (CACC) and the National Executive Council (NEC) (See Annexes 2 Capital Investment Project Report, 3 Sector Capital Investment Summary Report & 4 MTDP IIV aligned Sub-Sector Quarterly Report)

5.4.1 Site visits

Site visits will be scheduled for every quarter,

- Financial reports
- Administrative Records (Human Resource)
- Other related records

This covers any other information that may be relevant and or required in the course of the implementing stage

5.4.2 Physical Monitoring Aspect

Whether program/project activities have taken place as planned or are in line with planned activities and outputs

5.4.3 Financial Monitoring

Whether budgets have been released and spent in line with allocations and the immediate results contributing to the desired SSDP results were achieved.

6. Reporting of the National Housing Sector Development Plan

The National Housing Corporation is required to submit quarterly report to the National Housing Sector Coordination Committee using the MTDP IV Sector Working Committee to report to DNPM and other development partners. DNPM through the Housing Sector Committee will provide regular MTDP IV progress reports to the Central Agencies Coordinating Committee (CACC) and the National Executive Council (NEC). Hence, NHC is obligated to source the relevant templates of reports outlined hereunder from the DNPM, DoFinance and DoTreasury respectively. They include:

- Capital Investment Project Report (CIPR)
- Sector Capital Investment Summary Report (SCISR)
- MTDP IV Sector Quarter Progress Report (SQPR)

Refer to the Diagrams below reflecting:

a) **Strategic Framework**
b) **MTDP IV Logical Framework**

7. Dual focus on Strategic Framework and MTDP IV Logical Framework

Refer to the Diagrams below reflecting:

a) Strategic Framework
b) MTDP IV Logical Framework

- *Outlines high level impact and outcome indicators, including baselines and targets; and lower level outputs or deliverables; and the annual budgets required to operationalize the plan.*
- *These will be revisited and re-vised during annual reviews and the Mid-Term Evaluation PEP) to record achievements and make adjustments to the Plan.*

A. M&E Strategic Framework

Figure 6: M&E Strategic Framework

Input

- Input 1: Develop a National Housing Policy 2023 - 2033
- Input 2: Develop a National Housing Sector Development Plan 2025 - 2027
- Input 3: Develop a NHC Corporate Plan 2025 - 2030
- Input 4: Review and Amend the National Housing Corporation Act 1990

Output

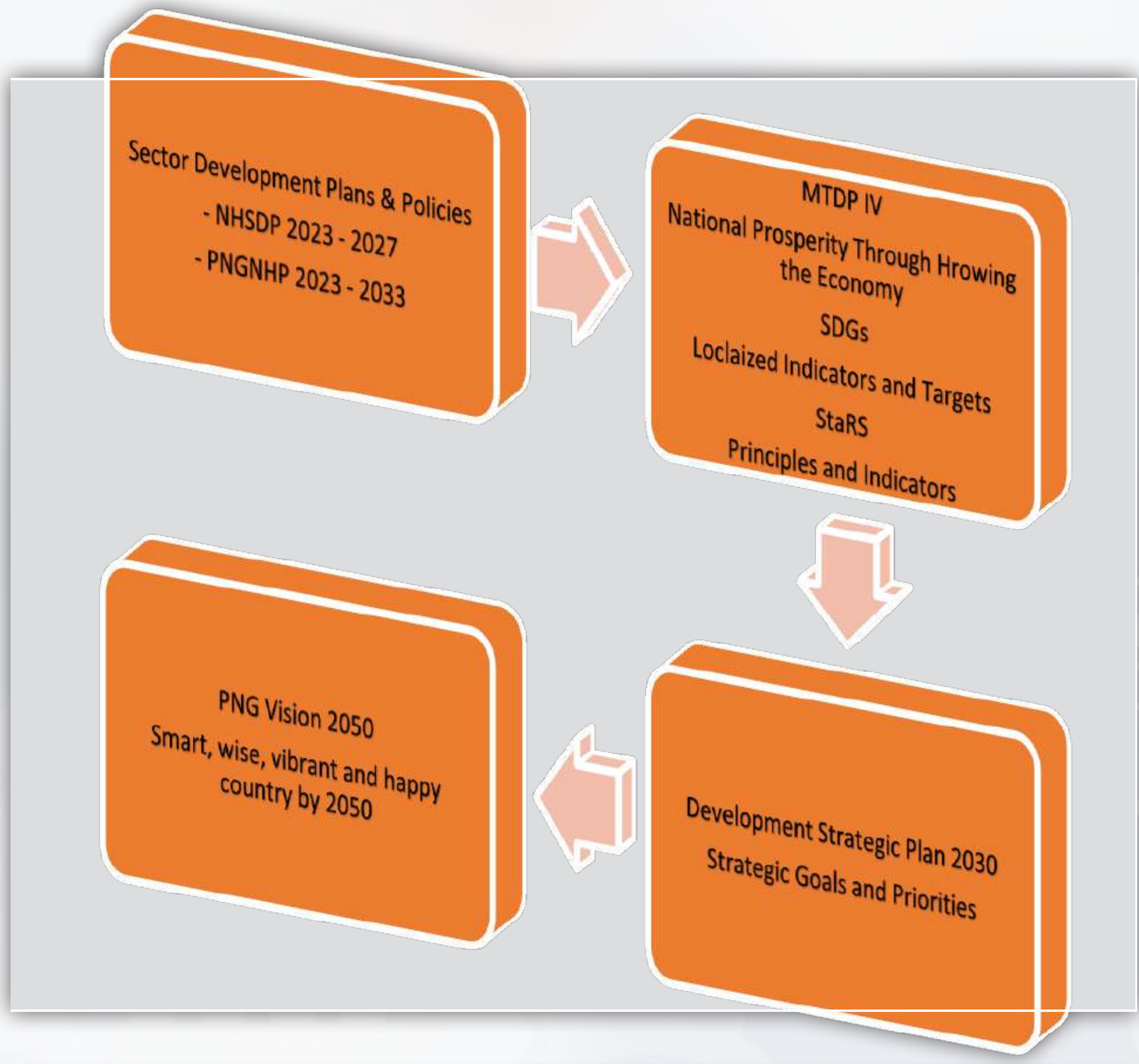
- Output 1: Enabling Framework for Affrotable Land and Housing established
- Output 2: Mortgage Financing Facility established
- Output 3: Enabling Housing Infrastructures Developed
- Output 4: Housing Market Regulated
- Output 5: Establish Partnerships with Private Sector, CSO and Development Partners
- Output 6: National and Sub - national Housing Programs rolled out

Strategic Outcomes

- Strategic Outcome 1: Increase Public Private Partnerships
- Strategic Outcome 2: Improve Strata Titling and Modular Designs
- Strategic Outcome 3: IncreIncrease Financial Resourcing ase Land Accessibility
- Strategic Outcome 4: Increase Financial Resourcing
- Strategic Outcome 5: Improve Housing Infrastructure Development
- Strategic Outcome 6: Enhance People Centered Development and Capacity Building
- Strategic Outcome 7:Improve Urbanization of Squatter and Informal Housing Sector
- Strategic Outcome 8:Increase Rural Urban Housing
- Strategic Outcome 9: Improve Unplanned Settlement to Planned Settlements
- Strategic Outcome 10: Increase Provincial Housing
- Strategic Outcome 11: Improve District Housing
- Strategic Outcome 12: Increase Public Institutional Housing
- Strategic Outcome 13: Increase Social and Public Housing
- Strategic Outcome 14: Review Regulatory and Institutional Framework
- Strategic Outcome 15: Improve NHC Information, Communication and Technology Capacity
- Strategic Outcome 16:Improve NHC's Monitoring, Evaluation and Review systems

B. MTDP IV Logical Framework

Figure 7: MTDP IV Logical Framework



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MEDIUM TERM DEVELOPMENT PLAN IV

| 2023 - 2027 |

NATIONAL PROSPERITY THROUGH GROWING THE ECONOMY

DEPARTMENT OF NATIONAL PLANNING AND MONITORING

CHAPTER SIX (6)

RISK MANAGEMENT

6.1. Risk Management

6.1.1 Key Constrains of Implementing NHSDP

6.1.2 Political Influence

- Introduces political uncertainty: Unnecessary and baseless VONCS against the Prime Minister has become constant and threatens stability in continuing the Government development agendas. Stability and consistency is challenged. Moreso, political changes, from local, national elections to international conflicts, create unpredictable shifts in regulation, market access and economic stability.
- Increases complexity: Housing projects may consider wider range of risks like geopolitical tensions, cybersecurity, and climate change including traditional political and economic factors.
- Impacts business strategy: Political influence directly affects core housing project business functions like supply chains, market entry and investment which needs immediate proactive strategic planning.
- Affects financial performance: Can lead to higher cost of capital costs
- Geopolitical and domestic political risks: May coexist and can amplify each other which requires a holistic approach to risk management

6.1.3 Lack of Effective Governance and Corruption Control

- It will significantly increase NHC project overall risk exposure by undermining the very foundations of sound risk management. It will create unnecessary issues from financial distress to total collapse.
- It may entail risk identification and assessment failures, weak internal controls, ineffective oversight, poor information communication

6.1.4 Cashflow Constraints

- Inconsistent and undervalued project funding from GoPNG will impact on more losses and unable to meet financial obligations and project deadlines. Will leave project to market, credit and operational risks.

6.1.5 Financing of unsolicited projects

- This is under a PPP scenario. Project proposals from private entities. This requires in-dept and rigorous risk management as these are synonymous to transparency, competition and value for money.

6.1.6 Escalating Law & Order

- Refers to the process of transitioning an escalating security or public safety issue from an operational, law enforcement-focused concern to a strategic cross-functional risk management framework and this approach integrates law and order challenges into GoPNG and NHC existing risk management process to ensure they are addre4ssed at appropriate level of authority with adequate resources.

6.1.7 Natural Disaster and Pandemics

- Housing Projects may be prone to natural phenomena. Hence risk management for natural disasters and pandemics involves an integrated, multi-hazard approach that incorporates the disaster management cycle and emphasizes systemic resilience and address the cascading socio-economic and health impacts.
- Risk management must include integrated planning, systemic resilience, data-driven decisions and communication and community involvement and governance.

6.1.8 Non – Alignment of Program and Projects Development

- This results in significant negative consequences including project overruns, compromised quality questioning compliance and failure to meet strategic objectives due to failure to integrate proactive risk identification and mitigation strategies throughout the project life cycle.

6.1.9 Foreign Exchange Fluctuation

- Poses a significant financial challenge to donor partners and project international partners under the PPP framework. Risk management must ensure to identify, assess and mitigate potential losses from fluctuations to ensure financial stability and predictability.

6.2. Risk Management Table

Table 11: Risk Management Table

Key Risks	Consequences 4. Extreme 3. High 2. Medium 1. Low	Probability 4. Almost 3. Likely 2. Possible 1. Unlikely	Rating	Strategy Going Forward
1. Political Influence	4	4	16	➢ Ensure Alignment of Provincial and District Development Plans ➢ Promote advocacy and awareness of the NSDP ➢ Political mapping ➢ Risk evaluation ➢ Strategic planning ➢ Mitigation and adaption ➢ Monitoring and Analysis
2. Lack of Effective Governanc e and Corruption Control	4	4	16	➢ Strengthen the implementation of PPP Partnership ➢ Ensure integration of NHSDP in all Alignment exercises ➢ Promote sound financial and operational management ➢ Compliance to legal and regulatory requirements ➢ Maintain corporate image of NHC and partners ➢ Maintain stakeholder trust in system and leadership and organizational viability
3. Cashflow Constraint s	3	2	6	➢ Solicit support from Development Partners ➢ Roll – out of IFMS ➢ Implement strong project credit management ➢ Create cashflow forecasts ➢ Maintain project revenue reserves ➢ Seek project financing arrangements
4. Financing of	2	1	2	➢ Strict PIP guidelines and processes and ensure programs are funded according to NHSDP

unsolicited projects				➢ GoPNG support and Guarantees ➢ Alignment of projects to MTDP IV and other Development agendas
5. Escalating Law & Order Issues	2	3	6	➢ Increase community policing ➢ Build more institutional houses for police in Provinces and Districts ➢ Promote a structured risk management framework ➢ Identify and assess the risk ➢ Determine escalation triggers and formal escalation ➢ Accountability and communication
6. Natural Disaster and Pandemics	1	1	1	➢ Develop a Disaster Reduction and Management Plan for all housing project ➢ Develop a Disaster Management Cycle in a multi-hazard context to mitigate/prevent against Natural Disasters, Pandemics and Dual Hazards ➢ Cross-sectoral planning ➢ Resource Management ➢ Early warning systems ➢ Promote a coordinated action from GoPNG Agencies ➢ Prioritize vulnerable groups ➢ As recovery should be building back better and economic and social support to aid long-term recovery and build economic resilience
7. Non – Alignment of Programs and Project Development	2	3	6	➢ NHC to work with DNPM and Sector Agencies and sub-national government to align respective development plans with NHSDP ➢ Integrate risk management in all project phases ➢ Develop an Adaptive Approach to ensure programs and projects can realign objectives ➢ Use a Centralized Risk register ➢ Ensure Stakeholder Participation ➢ Prioritize Risks strategically into programs and projects
8. Foreign Exchange Fluctuations	3	3	9	➢ Develop a Sustainable Housing Trust Fund ➢ Promote risk mgnt strategies to address FX fluctuations involving transaction risk, translation risk and economic risk ➢ Promote financial hedge funds to forward contracts, currency options and currency swaps and currency futures. ➢ Promote operational and internal strategies through natural hedging, invoicing in domestic currency, diversification to supply chains and currency clauses for price adjustment. ➢ Establish FX mgnt policy ➢ Identify and quantify FX exposure ➢ Monitor FX rates continuously and integrate and review on the Broader risk mgnt framework

CHAPTER SEVEN (7)

MARKETING AND COMMUNICATION STRATEGY

MARKETING AND COMMUNICATION STRATEGY

An Effective Marketing and Communication Strategy is important to achieve greater buy in and ownership of the National Housing Sector Development Plan 2023 – 2027. It will create wider awareness, understanding and solicit support on resource mobilization, implementation, monitoring and reporting.

7.1 Objectives

The objective of the Marketing and Communication Strategy are as follows;

- **i)** To facilitate wider ownership and better informed and understanding of the Sector Plan objective and Key Result Areas
- **ii)** To ensure effective implementation with better understanding of role and responsibilities of the respective stakeholders
- **iii)** To promote efficient and effective mobilization use of scares resource
- **iv)** To forge partnership at political and administrative levels
- **v)** To enable clear understanding of the implications and benefits of the Housing Sector in Papua New Ginea.

7.2 Target Groups

The Target Groups for Marketing and Communication Strategy include the following;

- **a)** The Prime Minister of Papua New Guinea
- **b)** Minister for National Housing
- **c)** Members of ParliamentMultilateral and Bilateral Partners
- **d)** Provincial Administrations and District Development Authorities
- **e)** Private Sector and Business Houses
- **f)** Church, NGO, Youth Groups, Women Groups and others
- **g)** Heads of Departments, Chief Executive Officers, Provincial Administrators, District Development Authorities

7.3 Methods of Communication

The methods of Communication include the following;

- i) Public Launching of the National Housing Sector Development Plan and Major Impact Projects;
- ii) Daily Newspapers
- iii) Radio
- iv) Social Media
- v) Workshops
- vi) Conference
- vii) Meetings
- viii) Facebook page
- ix) Website

The National Housing Corporate will be creating a website. The ICT Division will take charge of developing a Website by the December, 2025 with the support of the National Department for Communication Information and Technology.

7.4 National Housing Corporation Website

The National Housing Corporate will be creating a website. The ICT Division will take charge of developing a Website by the December, 2025 with the support of the National Department for Communication Information and Technology.

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