**ADB WELCOMES NEW LEGISLATION TO IMPROVE SOES IN PNG**

**MANILA, PHILIPPINES (1 December 2021) —** The Asian Development Bank (ADB) has welcomed the publication of the Kumul Consolidated Holdings Authorisation (Amendment) Act 2021 in Papua New Guinea’s (PNG) National Gazette, a key step in efforts to reform governance, increase transparency, and improve the performance of the country’s state-owned enterprises (SOEs).

The act delivers several key reforms to aid the work of Kumul Consolidated Holdings (KCH), the holding company for PNG’s SOEs. These include providing a clear definition of ministerial, SOE board, and SOE management roles; revising KCH’s role to focus on SOE performance monitoring; improving SOE transparency requirements; and establishing a transparent, skills-based process for SOE director selection.

“SOEs provide critical public services and utilities to the people of Papua New Guinea,” said ADB Pacific Liaison and Coordination Office Regional Director Lotte Schou-Zibell. “That’s why ADB is working with the Government of PNG on these reforms, which will strengthen SOE performance and governance—making them more profitable and transparent, more likely to enable private investment, and better suited to the needs of the community.”

“These reforms will enable KCH to ensure PNG’s SOEs are sustainable, well-governed organizations that deliver reliable, affordable, and efficient services,” said KCH Chairman, Moses Maladina. “This legislation will support KCH’s efforts to improve access to power and communication utilities, water, sanitation, banking and financial services, travel, and maritime services for PNG residents.”

The Government of PNG’s broader SOE reform program is supported in part by an ADB policy-based loan. The act was developed with support from the Pacific Private Sector Development Initiative (PSDI)—an ADB technical assistance program in partnership with the governments of Australia and New Zealand.

“The passage of this act demonstrates the Government of PNG’s commitment to transparency and improved governance and performance in its SOEs,” said Australian High Commissioner to PNG Jon Philp. "I congratulate the government for achieving this important step in its ambitious SOE reform agenda and, through our support for PSDI, Australia is proud to support improvements to the delivery of essential services. Much work is required to implement the act, and Australia looks forward to working with PSDI and the Government of PNG on this in the coming months and years.”

Established in 2006, PSDI works with ADB's 14 Pacific developing member countries to improve the enabling environment for business and support inclusive, private sector-led economic growth.

ADB is committed to achieving a prosperous, inclusive, resilient, and sustainable Asia and the Pacific, while sustaining its efforts to eradicate extreme poverty. Established in 1966, it is owned by 68 members—49 from the region.