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**Families to Benefit Under Project to Build Thousands of Affordable Green Homes in Papua New Guinea**

## Port Moresby, Papua New Guinea, May 24, 2023— Families in Papua New Guinea’s capital Port Moresby stand to benefit from a new affordable, climate resilient, green housing project which aims to build up to 2,000 homes helping to address a housing crisis in the Pacific nation.

## Under an advisory agreement signed today, the Papua New Guinean Government with support from the International Finance Corporation (IFC), has taken an important step towards tackling a critical shortage of housing that is set to become more acute amid rapid population growth in Port Moresby. A lack of supply and high prices of existing houses means families and individuals, including many public servants, struggle to enter the formal housing market. The current situation can push people into informal settlements which lack clean water, sanitation and power and which are not safe for residents. It’s estimated that 56 percent of the population of PNG’s capital city, Port Moresby will live in informal settlements by 2030 unless the issue is addressed.

## “So many people in Port Moresby have both the capacity and the desire to buy a home, but have been unable to,” said Papua New Guinea’s Prime Minister Honorable James Marape. “With this important and groundbreaking affordable housing initiative, we will provide them with the opportunity, and we will also demonstrate that government can leverage the private sector to serve this growing demand. Our important contribution to this project will help drive down the costs of these dwellings, putting them in reach of hard-working families. A secure home is also a cornerstone of a productive workforce, which can in turn drive more economic benefits for our nation.”

## As part of the agreement, IFC will act as the lead transaction advisor and assist the government of PNG in structuring and implementing a public-private partnership (PPP) that will help provide a variety of single-unit family dwellings and affordable flats.IFC will assist the government in running an open and completive bidding process to identify a highly experienced private developer to design, finance, build and maintain the housing for a defined period. IFC’s advisory role will end once the winning bidder is selected by the government and project agreements are signed between the parties.

* 1. At the same time, PNG is among the world’s most vulnerable countries in terms of the impacts of climate change. This affordable housing project will not only help address a housing shortage and problems associated with informal settlements but will also provide a stock of climate resilient homes that incorporate green design specifications.

	“This transformative initiative is about more than bricks and mortar. It’s also about building communities that are sustainable and resilient. Everyone deserves to have a safe and secure home and amid the climate crisis, which has brought more frequent destructive weather events, the need for affordable and climate resilient housing has only become more urgent,” said **Judith Green, IFC Country Manager for the Australia, New Zealand**, **Papua New Guinea and Pacific Islands**. **“**IFC has forged strategic partnerships with cities around the world to address pressing urban needs with private sector participation and we are proud to be working with the Government of Papua New Guinea to improve the lives and livelihoods of thousands of people.”

## The PPP will be structured as a mixed income housing project, which is expected to mobilize as much as US$100 million (PGK350 million) of private investment. The government will define and implement the process of allocating housing to beneficiaries, starting with public servants before expanding it to include people working in the private sector.

## “We are pleased to support the Government of Papua New Guinea’s efforts to bring in the private sector to establish this important project, which will improve the quality of life for local families,” said Thomas Lubeck, Manager for IFC's Asia Pacific PPP Transaction Advisory Team. “The project will add much needed affordable housing in Port Moresby, boost the local economy, and create jobs and opportunities for other businesses. We expect this project to serve as a model that can be replicated in other urban centers.”

The development of this affordable housing project has been supported with funding from the Australian Government. IFC works with the governments of Australia and New Zealand to stimulate private sector investment and reduce poverty in Papua New Guinea.

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