



MINISTRY OF WORKS AND HIGHWAYS

OFFICE OF THE MINISTER



MEDIA STATEMENT

**Correcting Misinformation and Unfounded Allegations about K350
Million Warrant for Connect PNG Programme Financing and
Contract Payments**

**HON. SOLAN MIRISIM, MP
MINISTER FOR WORKS & HIGHWAYS**

Tuesday 16th January, 2024

Good morning ladies and gentlemen of the media. Thank you for coming to this conference.

I have called this media conference to clarify and correct a number of misrepresentations and misinformation about the Government's Connect PNG Program spread in the social media in recent days.

Proponents of these misinformation and fake messaging on social media are doing so with a political outcome in mind.

They want to discredit and undermine a key policy of the Marape/Rosso Government that will genuinely open up and connect the country, change lives, and underpin economic growth.

These kinds of misinformation and deliberate misrepresentation of facts have led to the chaos, looting, destruction and deaths in Port Moresby only days ago, on January 10th.

That is why it is important that I set the record straight so we stick to the facts about the Connect PNG Road Infrastructure Development Program.

Several people have alleged on the social media platforms that the Connect PNG Program is a 'scam'.

"On this allegation, let me firmly inform the people of Papua New Guinea that the Connect PNG Program is NOT a 'scam'.

It is a public investment program that has been approved and sanctioned by the National Executive Council in 2020 and legislated through the Connect PNG (Funding and Implementation Arrangements) Act 2021".

The Connect PNG Programme is a 20-year public investment program being funded through the Annual National Budgets and implemented in three (3) Phases.

Phase 1 is from 2020 to 2027. There fourteen (14) Priority Road Corridors spread across the country. Specific projects are funded and implemented under these Road Corridors (Refer to the Annexure).

We ensure that there are projects under each Road Corridor to achieve equity in the development of roads.

There are allegations on social media that Connect PNG funds are being used to fund the much anticipate Vote Of No Confidence that's being talked about.

The particular funding in question is a K350 million Warrant issued to the Department of Works and Highways on the 10th of January 2024 from the 2024 National Budget allocation for the Connect PNG Program.

I must categorically deny and state in no uncertain terms that the K350 million is not intended for any other purposes including the purported Vote Of No Confidence.

It is payment to legitimate contractors engaged in various projects in the Connect PNG Program.

On that day, Treasury Department was releasing a number of warrants for the Government's big ticket items, including Connect PNG, Education Tuition Fee Subsidy, and Higher Education TESAS program.

The Prime Minister handed over to the Department of Education a K213.4 million cheque for the Government Tuition Fee Subsidy Scheme and another K83 million to the Department of Higher Education, Research, Science and Technology for HECAS and TESAS.

The Department of Works and Highways received theirs for the Connect PNG Contracts on the same day.

None of these warrants/payments released are to fund the VONC.

Let me also advise that the Departments of Treasury and National Planning and Monitoring front-load funding for certain priority activities such as the K213.4 million and K83 million as well the K350 million Warrant as they are considered priorities.

Front-loading is about releasing the allocated amounts in full or a major portion of the total budget allocation as opposed to releasing funds on a monthly or quarterly basis as per Work Plan and Cashflow for the particular budget items.

The Connect PNG Program is providing every opportunity for local content and participation both by local contractors and project management professionals consistent with the Government's SME Policy and the provisions in the National Procurement (Amendment) Act 2021 that reserves and restricts local participation for all projects costing upto K50 million.

Payments to Contractors are paid on a monthly basis depending on verified and approved invoices and availability of funds. Unlike in the past, Connect PNG Program contractual payments are strictly governed legislated payment process.

There is no room for preferential or biasness in payment for contractors as has been alleged by social media pundits.

The vetting and verification of invoices for payments from contractors go through a stringent process starting from the field.

We have contracted independent project managers for major contracts. These independent project managers assess and endorse invoices for payments by contractors.

The invoices are then scrutinized by our own officers at the Headquarters to ensure that such invoices are for work outputs delivered for the invoiced period and that they are consistent with the Terms and Conditions of the Project Contracts.

The Secretary for Works and Highways is the last person who checks to ensure that all boxes are ticked off before he approvals are given for payment.

We have made a total payment of K208.815 million for all contracts across the country. We paid K54.747 million for contracts in the Highlands Region. We paid K14.45 million for the contracts in Southern Region. We paid K63.538 million for contracts in the Northern Region. We paid K76.079 million for contracts in the New Guinea Islands Region.

Therefore, the allegation of nepotism and preferential treatment of certain contractors such as Giru, Amaku, Ipwenz and Weklym is absolutely misleading and untrue.

These particular contractors were mentioned for reasons only known to the people who are spreading these malicious and defamatory narrative on contract payments in the social media.

We have set ourselves certain Program targets to be funded and achieved in Phase 1 from 2020 to 2027 under four main Program components. We have set out to (i) improve 4,200 kilometres of 16 Key National Highways to 2-lane Standard Highways, (ii) construct 633 kilometres of Missing Link Roads to Standard Class 3 Roads, (iii) build 3,000 kilometres of Provincial and District Economic Roads to Rural Road Standard, and (iv) replace 1,000 metres of overdue bridge structures on National Highways with composite double standard bridges and 2,000 metres of rural standard bridges on the provincial and district rural roads.

Our performance in the last 3 years on the Phase 1 Program components have been exceptional and very encouraging. The following provides a snap shot of this level of performance.

We have upgraded and improved 3,000 kilometres of our 16 key national highways.

These improvements means reduced travel time on those highways with a related reduction in economic and business costs emanating from poor road conditions. for instance, the recently upgraded section of the Highlands Highway from Lae to Mt. Hagen is already generating the expected benefits to the economy as a whole.

The Highway is operating at much reliable condition and the ongoing works continue to create and sustain well paid 3,000 jobs for locals per month. there is a reduction in annual road user costs in fuel, vehicle repair, insurance, and time savings as well as cost to the owner which is the state in road maintenance and environmental costs.

We have constructed more than 400 kilometres of Missing Link Roads and opened to traffic. Two particular Missing Link Roads worth highlighting here are the Trans-National Highway between Aseki (Morobe) and Epo (Gulf) and the Missing Link Section of the Magi Highway between Central Province and Milne Bay Province.

They form a major part of the expected uninterrupted highway to connect the 3 regions of Momase, Highlands and Southern commencing in Wutung and ends on East Cape.

The Trans-National Highway starts at 9-Mile in Lae and ends at Epo in Gulf Province along the Hiritano Highway has a total length of 356 kilometres. The Missing Link Section between Aseki in Morobe Province and Epo consists of 159.8 kilometres.

At the end of 2023, 90 kilometres already constructed and opened to traffic (60%) whilst 69.8 kilometres remain to be constructed to fully complete the project.

The Government aims to have it completed and fully opened for traffic before December 2024 well within time to celebrate this achievement with the 50th Golden Jubilee Independence Anniversary.

In line with the prime minister's recent announcement and approval for rice special economic zone to start substantial commercial rice industry in the Central and Milne Bay Corridor, a major alignment work on the 115 kilometres Magi Highway Missing Link Section to link Central Province to Milne Bay Province, is taking shape. upgrading works, such as culverts, bridges and gravelling, will soon commence to bring it up to a Class 3 Road Standard.

We are also connecting Telefomin District with Tabubil which is providing road connectivity and accessibility after 48 years of independence. Our people were full of jubilation and celebrated with tears of joy when the construction team entered the first village of the Telefomin District.

In fact, there has never been funding for new rural road constructions in a major way to connect the country in the past. all concentrations were on the urban roads particularly Port Moresby City at the disadvantage of the rural majority.

The Connect PNG Program is turning this history in a big way by investing equally in constructing new rural roads as much as putting money into urban roads so an equal we have built and improved close to 1,600 kilometres of provincial and district rural roads.

We have delivered more than 600 metres of bridges on national highways and 165 bridges to provincial and district rural roads.

We are not just developing roads and bridges for the sake of building them. We are building them to facilitate and enable economic development.

People can sit in their comfort zones and say so much negative things about the Connect PNG Program. however, we just need to place ourselves in the shoes of those communities that have no road access for 48 years and completely missing out on all the opportunities such as health and education services for generations.

We have a responsibility to ensure these communities are connected by roads and that they have equal opportunities to develop as whole human beings just like those of you expressing negativity.

The Medium-Term Development Plan IV 2023-2027 has set out very clear development objectives and marked out expected development targets and outcomes to all the State entities. The Department of Works and Highways has been tasked to deliver on the priorities as per Table 1 which is very consistent with the Connect PNG Programme Phase 1 Revised Work Plan for 2024-2027 as outlined in Table 2.

Table 1: MTDP IV Priorities for the Department of Works and Highways

Investment Program	Annual Budget (K'm)	Key Performance Indicator
1. National Highways Rehabilitation & Maintenance	100	840 km rehabilitated and maintained.
2. Provincial Roads & District Commodity Roads Rehabilitation	200	4,450 km of Provincial Roads, District Commodity Roads, 4 Regional City Roads, and Provincial Town Roads rehabilitated.
3. Missing Link Roads	1,000	400 km constructed.
4. National Bridges Upgrading & Reconstruction	100	93 bridges either upgraded or reconstructed on National Roads.
5. Construction of Bridges on Sub-National Roads		70 bridges constructed on Sub-National Roads
TOTAL	1,400	

Table 2: Balance of Phase 1 Program Activities and Financing Estimates

Program Components for Phase 1	2024-2027 Cashflow Projections (K'm)				
	2024	2025	2026	2027	Total
1. Reconstruct, rehabilitate, upgrade, and modernize 1,500km of main highways for K2.8b	700	700	700	700	2,800
2. Construct 630 km of Missing Link Roads for K800m.	200	200	200	200	800
3. Rehabilitate 3,000km of sub-national roads K1.2b.	300	300	300	300	1,200
4. Replace 2,000 meters of overdue bridge structures with composite double lane standard bridges for K800m.	200	200	200	200	800
TOTAL	1,400	1,400	1,400	1,400	5,600

In conclusion, it is very important to separate politics from development that matters most for our people, particularly the 85% of the rural majority, many of whom are still isolated from the mainstream economy and service delivery hubs. It is the paramount priority of any government to put the interests and development of the people of PNG ahead of any political agenda.

It is absolutely unbecoming of some senior politicians to be peddling false information and accusations about funds that are legitimately and legally allocated and released for major development projects for the country for nothing more than political gain.

It is our utmost and humble aim that this explanation will put to rest completely any misconception and misconstrued ideas about the Connect PNG Program being 'scam' and that funds released to the Program are being used to promote and enhance any political agenda.


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