

206 Department of Finance

(in Millions of Kina)

PIP No.	Project Title	5 Year Total	2006	2007	2008	2009	2010
1756	FMIP	30.6	18.1	16.6	14.0		
1905	PNG-AUST.TREASURY	1.8	1.2	1.0	.8		
2543	PNG-AUSTRALIA FINANC	2.3	1.2	1.0	.8	.5	
TOTAL CAPACITY BUILDING PROJECTS		34.7	20.5	18.6	15.6	.5	
TOTAL		34.7	20.5	18.6	15.6	.5	

206 Department of Finance

AGENCY SUMMARY OF ALL PROJECTS

EXPENDITURE PROJECTIONS AND FINANCING REQUIREMENTS (K Millions)

PROJECT COST	2004 Actual	2005	5 Year Total	2006	2007	2008	2009	2010
DIRECT PROJECT COST								
Current Expenditure								
Personal Emoluments		.3	3.1	1.1	1.0	1.0		
Goods and Other Services		21.8	41.6	22.0	10.7	8.5	.5	
Current Transfers								
Sub-Total		22.1	44.7	23.1	11.7	9.5	.5	
Capital Expenditure								
Acquisition of Existing Assets								
Capital Formation		7.7	24.4	9.4	8.0	7.0		
Capital Transfers								
Sub-Total		7.7	24.4	9.4	8.0	7.0		
A TOT DIRECT PROJECT COST		29.8	69.1	32.5	19.7	16.5	.5	
Technical Assistance								
Project Preparation								
Advisory								
Training								
Equipment								
B TOT TECHNICAL ASSISTANCE								
TOTAL PROJECT COST (A+B)		29.8	69.1	32.5	19.7	16.5	.5	
FINANCING SOURCES								
IDENTIFIED FINANCING								
Direct Project Financing:								
Government Contributions:								
a) Government Input		.8						
b) Self Generating Revenue								
Loan		6.2						
Grant		14.3	6.1		3.1	2.5	.5	
C TOTAL DIRECT FINANCING		21.3	6.1		3.1	2.5	.5	
D Technical Assistance								
TOTAL FINANCING (C+D)		21.3	6.1		3.1	2.5	.5	
FINANCING SOUGHT								
Direct Project Cost (A-C)		8.5	63.0	32.5	16.6	14.0		
Technical Assistance (B-D)								
TOTAL FINANCING SOUGHT		8.5	63.0	32.5	16.6	14.0		

PIP NUMBER: 1756

PROJECT NAME: FINANCIAL MANAGEMENT IMPROVEMENT PROJECT

EXECUTING AGENCY: Department of Finance

PROJECT OBJECTIVIES:

The general objective of the project is to assist the Government to strengthen development administration by improving and integrating financial management system to enhance fiscal control, improve targeting of programs, increase transparency, reduce wastage and improve efficiency throughout all levels of government.

PROJECT STATUS:

Overall, the Financial Management Improvement Project is progressing strongly and rapidly completing its activities and meeting objectives. Training Component funded by AusAID and supported by UNDP as delivered having almost 20,000 person days of training. Scope document for Integrated Financial Management System to replace the existing accounting and budgeting systems has already been worked on. Progress on target at both national and provincial level.

PROJECT COMPONENTS:

Development of strategic framework and organisational requirements to facilitate the implementation of various components under the program with a view to improving financial management responsibilities. Review classification structure and chart of accounts that will be applicable at all levels of government; Upgrade and integrate current legacy systems of Planning & Budgeting , Accounting and Debt Management including information technology requirements; Update Financial Management Procedures Manual to provide comprehensive financial systems and operational procedures for users guides; Human Resources Management and Skills Development; Training & Administrative Support; Audit, Financial Reporting and Management Accounting , Planning and Budgeting Human Resource and Training.

PROJECT LOCATION:

Department of Finance and Provincial and District Administrative Centres throughout the country.

PROJECT JUSTIFICATION:

In order to implement the New Organic Law on Provincial Governments, there is a need to improve and strengthen the capacities of institutions at all levels of government to enable them to exercise prudent financial management in observing the requirements of Public Finances (Management) Act and laid down financial management procedures and instructions.

PROJECT CAPACITY:

The Department of Finance with the assistance of AusAID/ADB/UNDP has the capacity to implement the project.

PROJECT BENEFICIARIES:

Staff of Department of Finance and all Provincial and District Treasuries and the public at large.

PROJECT SUSTAINABILITY

Achieving sustainability requires; (i) ownership and commitment, (ii) system outputs which are perceived as being worthwhile, (iii) an appropriate organisational structure; (iv) technical sustainability; (v) human resources with appropriate training and (vi) adequate financial resources.

1756 FINANCIAL MANAGEMENT IMPROVEMENT PROJECT

ESTIMATED TOTAL PROJECT COST 91,000.0 ESTIMATED DURATION OF THE PROJECT 5.0 Years

EXPENDITURE PROJECTION AND FINANCING REQUIREMENTS (K'000)

PROJECT COST	2004 Actual	2005 Budget	5 Year Total	2006	2007	2008	2009	2010
DIRECT PROJECT COST								
Current Expenditure								
Personal Emoluments		293.2	3,101.4	1,101.4	1,000.0	1,000.0		
Goods and Other Services		21,758.5	21,208.6	7,608.6	7,600.0	6,000.0		
Current Transfers								
Sub-Total		22,051.7	24,310.0	8,710.0	8,600.0	7,000.0		
Capital Expenditure								
Acquisition of Existing Assets								
Capital Formation		7,700.0	24,403.2	9,403.2	8,000.0	7,000.0		
Capital Transfers								
Sub-Total		7,700.0	24,403.2	9,403.2	8,000.0	7,000.0		
A TOT DIRECT PROJECT COST		29,751.7	48,713.2	18,113.2	16,600.0	14,000.0		
Technical Assistance								
Project Preparation								
Advisory								
Training								
Equipment								
B TOT TECHNICAL ASSISTANCE								
TOTAL PROJECT COST (A+B)		29,751.7	48,713.2	18,113.2	16,600.0	14,000.0		
FINANCING SOURCES								
IDENTIFIED FINANCING								
Direct Project Financing:								
Government Contributions:								
a) Government Input		806.8						
b) Self Generating Revenue								
Loan		6,200.0						
Grant		14,285.7						
C TOTAL DIRECT FINANCING		21,292.5						
D Technical Assistance								
TOTAL FINANCING (C+D)		21,292.5						
FINANCING SOUGHT								
Direct Project Cost (A-C)		8,459.2	48,713.2	18,113.2	16,600.0	14,000.0		
Technical Assistance (B-D)								
TOTAL FINANCING SOUGHT		8,459.2	48,713.2	18,113.2	16,600.0	14,000.0		

CURRENT DONOR INVOLVEMENT

AusAID, ADB, GoPNG, UNDP.

POTENTIAL DONOR INVOLVEMENT

Nil.

2006 Budget Votes for this PIP are :-

20612031201 FINANCIAL MANAGEMENT PROJECT

PIP NUMBER: 1905

PROJECT NAME: PNG-AUSTRALIA TREASURY TWINNING PROJECT

EXECUTING AGENCY: Department of Finance

PROJECT OBJECTIVIES:

This project aims to enhance economic governance in PNG by providing PNG officials with training in economic and financial policies and procedures, and to establish co-operative relationships between key Australian and PNG agencies.

PROJECT STATUS:

The project commenced in 1999 and is progressing without any major problem. The project also promotes a long - term relationship between PNG and Australia. It is expected that the project will continue into 2006 (and medium term). Current focus is also on extending and involving officers from the Department of Finance. Certain PNG Officers have already commenced placements in Australian Treasury and vice versa.

PROJECT COMPONENTS:

Exchange program between staff of the Department of Treasury in PNG and Australian Agencies. Financial Skills transfer Program between staff of Treasury-PNG and Treasury-Australia.

PROJECT LOCATION:

Exchange program between the PNG Treasury Department and counterpart Australian agencies.

PROJECT JUSTIFICATION:

It is an opportunity for officers for both the PNG Treasury Department and the Australian Agencies to acquire new knowledge and skills to enhance their performance in their respective areas.

PROJECT CAPACITY:

The Department of Treasury has the capacity to implement the project with the assistance of Australian counterparts.

PROJECT BENEFICIARIES:

Staff of the department of Finance & Treasury will benefit from the project.

PROJECT SUSTAINABILITY

Both Governments have the capacity to implement the project and thus, sustain the project.

1905 PNG-AUSTRALIA TREASURY TWINNING PROJECT

ESTIMATED TOTAL PROJECT COST 1,500.0 ESTIMATED DURATION OF THE PROJECT 4.0 Years

EXPENDITURE PROJECTION AND FINANCING REQUIREMENTS (K'000)

PROJECT COST	2004 Actual	2005 Budget	5 Year Total	2006	2007	2008	2009	2010
DIRECT PROJECT COST								
Current Expenditure								
Personal Emoluments								
Goods and Other Services			2,985.0	1,185.0	1,000.0	800.0		
Current Transfers								
Sub-Total			2,985.0	1,185.0	1,000.0	800.0		
Capital Expenditure								
Acquisition of Existing Assets								
Capital Formation								
Capital Transfers								
Sub-Total								
A TOT DIRECT PROJECT COST			2,985.0	1,185.0	1,000.0	800.0		
Technical Assistance								
Project Preparation								
Advisory								
Training								
Equipment								
B TOT TECHNICAL ASSISTANCE								
TOTAL PROJECT COST (A+B)			2,985.0	1,185.0	1,000.0	800.0		
FINANCING SOURCES								
IDENTIFIED FINANCING								
Direct Project Financing:								
Government Contributions:								
a) Government Input								
b) Self Generating Revenue								
Loan								
Grant			1,800.0		1,000.0	800.0		
C TOTAL DIRECT FINANCING			1,800.0		1,000.0	800.0		
D Technical Assistance								
TOTAL FINANCING (C+D)			1,800.0		1,000.0	800.0		
FINANCING SOUGHT								
Direct Project Cost (A-C)			1,185.0	1,185.0				
Technical Assistance (B-D)								
TOTAL FINANCING SOUGHT			1,185.0	1,185.0				

CURRENT DONOR INVOLVEMENT

AusAID.

POTENTIAL DONOR INVOLVEMENT

AusAID.

2006 Budget Votes for this PIP are :-

20612011202 PNG-AUSTRALIA TREASURY TWINNING SCHEME

PIP NUMBER: 2543

PROJECT NAME: PNG-AUSTRALIA FINANCE TWINNING SCHEME

EXECUTING AGENCY: Department of Finance

PROJECT OBJECTIVIES:

The main aim of this project is to enhance economic governance in PNG by providing PNG officials with training in economic and financial policies and procedures to establish cooperative relations between key Australian and PNG government agencies.

PROJECT COMPONENTS:

The project comprises of two major components; the is the exchange program itself, and the second will involve the transfer of skill from from officers from both participating countries.

PROJECT LOCATION:

This is an exchange Program between PNG Finance Department and counterpart Australian Agencies.

PROJECT CAPACITY:

The Department of Finance together with their Australian counterpart have the capacity to implement the project.

PROJECT BENEFICIARIES:

The officers from the Department of Finance will benefit from this program.

2543 PNG-AUSTRALIA FINANCE TWINNING SCHEME

ESTIMATED TOTAL PROJECT COST 0.0 ESTIMATED DURATION OF THE PROJECT Years

EXPENDITURE PROJECTION AND FINANCING REQUIREMENTS (K'000)

PROJECT COST	2004 Actual	2005 Budget	5 Year Total	2006	2007	2008	2009	2010
DIRECT PROJECT COST								
Current Expenditure								
Personal Emoluments								
Goods and Other Services			3,485.0	1,185.0	1,000.0	800.0	500.0	
Current Transfers								
Sub-Total			3,485.0	1,185.0	1,000.0	800.0	500.0	
Capital Expenditure								
Acquisition of Existing Assets								
Capital Formation								
Capital Transfers								
Sub-Total								
A TOT DIRECT PROJECT COST			3,485.0	1,185.0	1,000.0	800.0	500.0	
Technical Assistance								
Project Preparation								
Advisory								
Training								
Equipment								
B TOT TECHNICAL ASSISTANCE								
TOTAL PROJECT COST (A+B)			3,485.0	1,185.0	1,000.0	800.0	500.0	
FINANCING SOURCES								
IDENTIFIED FINANCING								
Direct Project Financing:								
Government Contributions:								
a) Government Input								
b) Self Generating Revenue								
Loan								
Grant			2,300.0		1,000.0	800.0	500.0	
C TOTAL DIRECT FINANCING			2,300.0		1,000.0	800.0	500.0	
D Technical Assistance								
TOTAL FINANCING (C+D)			2,300.0		1,000.0	800.0	500.0	
FINANCING SOUGHT								
Direct Project Cost (A-C)			1,185.0	1,185.0				
Technical Assistance (B-D)								
TOTAL FINANCING SOUGHT			1,185.0	1,185.0				

CURRENT DONOR INVOLVEMENT

AusAID.

POTENTIAL DONOR INVOLVEMENT

The potential donor is AusAID.

2006 Budget Votes for this PIP are :-

20612011204 PNG-AUSTRALIA FINANCE TWINNING SCHEME