

557 PNG National Forest Authority

(in Millions of Kina)

PIP No.	Project Title	5 Year Total	2006	2007	2008	2009	2010
2366	RIM	.9	.5	.4	.3	.2	
TOTAL CAPACITY BUILDING PROJECTS		.9	.5	.4	.3	.2	
2026	ep	3.5	3.5	2.2	1.3		
TOTAL CAPITAL PROJECTS		3.5	3.5	2.2	1.3		
TOTAL		4.4	4.0	2.6	1.6	.2	

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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								
Goods and Other Services		5.1	4.8	2.5	1.5	.8		
Current Transfers		1.0	1.4	.5	.4	.3	.2	
Sub-Total		6.1	6.2	3.0	1.9	1.1	.2	
Capital Expenditure								
Acquisition of Existing Assets								
Capital Formation		1.9	2.2	1.0	.7	.5		
Capital Transfers								
Sub-Total		1.9	2.2	1.0	.7	.5		
A TOT DIRECT PROJECT COST		8.0	8.4	4.0	2.6	1.6	.2	
Technical Assistance								
Project Preparation								
Advisory								
Training								
Equipment								
B TOT TECHNICAL ASSISTANCE								
TOTAL PROJECT COST (A+B)		8.0	8.4	4.0	2.6	1.6	.2	
FINANCING SOURCES								
IDENTIFIED FINANCING								
Direct Project Financing:								
Government Contributions:								
a) Government Input		1.0	.9		.4	.3	.2	
b) Self Generating Revenue								
Loan								
Grant		7.0	3.5		2.2	1.3		
C TOTAL DIRECT FINANCING		8.0	4.4		2.6	1.6	.2	
D Technical Assistance								
TOTAL FINANCING (C+D)		8.0	4.4		2.6	1.6	.2	
FINANCING SOUGHT								
Direct Project Cost (A-C)			4.0	4.0				
Technical Assistance (B-D)								
TOTAL FINANCING SOUGHT			4.0	4.0				

PIP NUMBER: 2026

PROJECT NAME: ECOFORESTRY PROGRAM

EXECUTING AGENCY: PNG National Forest Authority

PROJECT OBJECTIVIES:

To support and encourage sustainable, income earning logging practices in rural communities, with new emphasis on eco-forestry policy development and marketing of eco-timber.

PROJECT STATUS:

The project is progressing well. A new management team is in place/in country, and completed Inception Report and the Annual work program.

PROJECT COMPONENTS:

The program has three main components - (a) Forest Policy; (b) Eco-forestry field component; and (c) Marketing component.

PROJECT LOCATION:

The program is located in Port Moresby (NFA HQ) and in Kimbe in the West New Britain Province where the Field Component will be based and paying attention to the NGI region.

PROJECT JUSTIFICATION:

There is a pressing need for an ecologically and sustainable forestry sector in the country and the need to shift away from large scale forest developments to locally based eco-timbers.

PROJECT CAPACITY:

The PNGFA has the capacity to implement the project with assistance from the EU on Technical Assistance and Advisory areas. The program already had an influential and developed a strong base for capacity building also in eco-forestry sites throughout the NGI region.

PROJECT BENEFICIARIES:

The local population and resource owners living in the vicinity of eco-timber developments where they will be able to have an increased income opportunity. In addition, the national government will benefit in the long term from the development of the eco-forestry policy.

PROJECT SUSTAINABILITY

The program with future donor assistance will be able to sustain itself through the sale of eco-timber. In addition, the interest and participation of resource owners in developing their own timber and selling them to readily available markets will also enhance the sustainability of the program in the long term.

2026 ECOFORESTRY PROGRAM

ESTIMATED TOTAL PROJECT COST 0.0 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								
Goods and Other Services		5,100.0	4,767.0	2,517.0	1,500.0	750.0		
Current Transfers								
Sub-Total		5,100.0	4,767.0	2,517.0	1,500.0	750.0		
Capital Expenditure								
Acquisition of Existing Assets								
Capital Formation		1,900.0	2,200.0	1,000.0	700.0	500.0		
Capital Transfers								
Sub-Total		1,900.0	2,200.0	1,000.0	700.0	500.0		
A TOT DIRECT PROJECT COST		7,000.0	6,967.0	3,517.0	2,200.0	1,250.0		
Technical Assistance								
Project Preparation								
Advisory								
Training								
Equipment								
B TOT TECHNICAL ASSISTANCE								
TOTAL PROJECT COST (A+B)		7,000.0	6,967.0	3,517.0	2,200.0	1,250.0		
FINANCING SOURCES								
IDENTIFIED FINANCING								
Direct Project Financing:								
Government Contributions:								
a) Government Input								
b) Self Generating Revenue								
Loan								
Grant		7,000.0	3,450.0		2,200.0	1,250.0		
C TOTAL DIRECT FINANCING		7,000.0	3,450.0		2,200.0	1,250.0		
D Technical Assistance								
TOTAL FINANCING (C+D)		7,000.0	3,450.0		2,200.0	1,250.0		
FINANCING SOUGHT								
Direct Project Cost (A-C)			3,517.0	3,517.0				
Technical Assistance (B-D)								
TOTAL FINANCING SOUGHT			3,517.0	3,517.0				

CURRENT DONOR INVOLVEMENT

The project is fully funded by the EU.

POTENTIAL DONOR INVOLVEMENT

Potential for further donor assistance.

2006 Budget Votes for this PIP are :-

55731022208 ECOFORESTRY PROGRAM

PIP NUMBER: 2366

PROJECT NAME: RESOURCE INVENTORY AND MONITORING

EXECUTING AGENCY: PNG National Forest Authority

PROJECT OBJECTIVIES:

The objective of this project is to sustain the forest resource and at the same time provide some predictable estimate to the forest resources. This will then be intergrated into the Forest Management Plan, including the conservation and habitat value of the forest.

PROJECT STATUS:

Project commenced implementation in 2005.

PROJECT COMPONENTS:

The components to the project are:(1) Resource Inventory; (2) Resource Allocation and Development; (3)Natural Forest Regeneration; (4)Forest Plantation Development; and (5) Resource Acquisition.

PROJECT LOCATION:

The project will cover the entire country.

PROJECT JUSTIFICATION:

Papua New Guinea has about 28 million hectares of tropical forest, the third largest tropical forest in the world. Forthy percent of PNG's forests are considered exploitable for timber production with current technology. Forest as an economic resource has earned the country millions of Kina. The National Forest Inventory is a requirement under the Forestry Act, Section 47(2)(b).

PROJECT BENEFICIARIES:

The resource owners and the country as a whole in terms of exports revenue.

PROJECT SUSTAINABILITY

PNGFA will be better of with the transfer of skills and technology.

2366 RESOURCE INVENTORY AND MONITORING

ESTIMATED TOTAL PROJECT COST 6,000.0 ESTIMATED DURATION OF THE PROJECT 3.0 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								
Current Transfers		1,000.0	1,400.0	500.0	400.0	300.0	200.0	
Sub-Total		1,000.0	1,400.0	500.0	400.0	300.0	200.0	
Capital Expenditure								
Acquisition of Existing Assets								
Capital Formation								
Capital Transfers								
Sub-Total								
A TOT DIRECT PROJECT COST		1,000.0	1,400.0	500.0	400.0	300.0	200.0	
Technical Assistance								
Project Preparation								
Advisory								
Training								
Equipment								
B TOT TECHNICAL ASSISTANCE								
TOTAL PROJECT COST (A+B)		1,000.0	1,400.0	500.0	400.0	300.0	200.0	
FINANCING SOURCES								
IDENTIFIED FINANCING								
Direct Project Financing:								
Government Contributions:								
a) Government Input		1,000.0	900.0		400.0	300.0	200.0	
b) Self Generating Revenue								
Loan								
Grant								
C TOTAL DIRECT FINANCING		1,000.0	900.0		400.0	300.0	200.0	
D Technical Assistance								
TOTAL FINANCING (C+D)		1,000.0	900.0		400.0	300.0	200.0	
FINANCING SOUGHT								
Direct Project Cost (A-C)			500.0	500.0				
Technical Assistance (B-D)								
TOTAL FINANCING SOUGHT			500.0	500.0				

CURRENT DONOR INVOLVEMENT

The German Government to co-fund the inventory systems and update the resource base of the country.

POTENTIAL DONOR INVOLVEMENT

Nil.

2006 Budget Votes for this PIP are :-

55731022212 RESOURCE INVENTORY AND MONITORING