

## 577 Southern Highlands Provincial Government

(in Millions of Kina)

PIP No.	Project Title	5 Year Total	2005	2006	2007	2008	2009
1970	SPECIAL SUPPORT GRAN	11.4	1.7	3.8	3.8	3.8	
2099	MNDF	9.0	2.3	2.3	2.3	2.3	2.3
2433	SOUTHERN HIGHLANDS R	4.0	2.0	2.0	2.0		
2458	TARI POLICE MOBILE B	2.0	5.0	2.0			
2459	GOBE-SEMBARIGI ROAD	16.0	19.2	1.0	5.0	5.0	5.0
TOTAL CAPITAL PROJECTS		42.4	30.2	11.1	13.1	11.1	7.3
TOTAL		42.4	30.2	11.1	13.1	11.1	7.3

## 577 Southern Highlands Provincial Government

## AGENCY SUMMARY OF ALL PROJECTS

## EXPENDITURE PROJECTIONS AND FINANCING REQUIREMENTS (K Millions)

PROJECT COST		2003 Actual	2004	5 Year Total	2005	2006	2007	2008	2009
A	DIRECT PROJECT COST								
	Current Expenditure								
	Personal Emoluments								
	Goods and Other Services								
	Current Transfers			30.4	6.0	8.1	8.1	6.1	2.3
	Sub-Total			30.4	6.0	8.1	8.1	6.1	2.3
	Capital Expenditure								
	Acquisition of Existing Assets								
	Capital Formation			42.2	24.2	3.0	5.0	5.0	5.0
	Capital Transfers								
	Sub-Total			42.2	24.2	3.0	5.0	5.0	5.0
TOT DIRECT PROJECT COST				72.6	30.2	11.1	13.1	11.1	7.3
B	Technical Assistance								
	Project Preparation								
	Advisory								
	Training								
	Equipment								
TOT TECHNICAL ASSISTANCE									
TOTAL PROJECT COST (A+B)				72.6	30.2	11.1	13.1	11.1	7.3
FINANCING SOURCES									
C	IDENTIFIED FINANCING								
	Direct Project Financing:								
	Government Contributions:								
	a) Government Input			42.4		11.1	13.1	11.1	7.3
	b) Self Generating Revenue								
D	Loan								
	Grant								
TOTAL DIRECT FINANCING				42.4		11.1	13.1	11.1	7.3
D	Technical Assistance								
	TOTAL FINANCING (C+D)			42.4		11.1	13.1	11.1	7.3
FINANCING SOUGHT									
	Direct Project Cost (A-C)			30.2	30.2				
	Technical Assistance (B-D)								
TOTAL FINANCING SOUGHT				30.2	30.2				

**PIP NUMBER:** 1970

**PROJECT NAME:** SPECIAL SUPPORT GRANT

**EXECUTING AGENCY:** Southern Highlands Provincial Government

**PROJECT OBJECTIVIES:**

(a) To support the approved Provincial and District Plans (b) To provide assistance to rapidly develop infrastructure so that benefits of mining & petroleum projects spread outward from immediate project area. (c) To provide both small and large scale infrastructure projects that benefit a whole community in the host Province or adjoining Province impacted by either the mining or petroleum project. (d) To support and achieve significant equitable development progress as directed by NEC Decision No. 46/95 in Human Resource Development on maintenance of existing and new physical state infrastructure.

**PROJECT STATUS:**

Most projects funded under SSG in the provinces are infrastructure related and are ongoing, others have been fully implemented.

**PROJECT COMPONENTS:**

A broad range of government infrastructure and development projects shall be funded under SSG. These range from infrastructure such as road construction, upgrading & maintenance to support for human resource development in the fields of education, social development & women. Also administrative services in local level government, district administration, police, courts and so forth can be funded under this grant.

**PROJECT LOCATION:**

The following Provinces currently with significant mining and petroleum activities are recipients of this grant- Western, Gulf, Southern Highlands (Petroleum), Enga and New Ireland. The SSG will be divided between the impact area and the host province area as agreed in the existing MOA.

**PROJECT JUSTIFICATION:**

Special Support Grants are earmarked for provinces with mining operations as part of the National Government's contribution towards development in these respective provinces. The SSG was introduced in 1989 as part of a Basic Mining Package and later in 1990 extended to the Petroleum sector. The SSG is provided for in project agreements and is intended to bring development to the impact area and the Province.

**PROJECT CAPACITY:**

Respective Provincial Governments and Special Purposes Authorities have the capacity to implement projects funded under SSG.

**PROJECT BENEFICIARIES:**

Beneficiaries of this grants will be the people of the respective Provinces mentioned above.

**PROJECT SUSTAINABILITY**

The respective provincial governments will maintain the infrastructure facilities and roads once completed as part of their recurrent costs.

**1970 SPECIAL SUPPORT GRANT**

ESTIMATED TOTAL PROJECT COST 0.0 ESTIMATED DURATION OF THE PROJECT Years

## EXPENDITURE PROJECTION AND FINANCING REQUIREMENTS (K'000)

PROJECT COST		2003 Actual	2004 Bugdet	5 Year Total	2005	2006	2007	2008	2009
<b>DIRECT PROJECT COST</b>									
<b>Current Expenditure</b>									
Personal Emoluments									
Goods and Other Services									
Current Transfers				13,100.0	1,700.0	3,800.0	3,800.0	3,800.0	
Sub-Total				13,100.0	1,700.0	3,800.0	3,800.0	3,800.0	
<b>Capital Expenditure</b>									
Acquisition of Existing Assets									
Capital Formation									
Capital Transfers									
Sub-Total									
A	TOT DIRECT PROJECT COST			13,100.0	1,700.0	3,800.0	3,800.0	3,800.0	
<b>Technical Assistance</b>									
Project Preparation									
Advisory									
Training									
Equipment									
B	TOT TECHNICAL ASSISTANCE								
<b>TOTAL PROJECT COST (A+B)</b>				13,100.0	1,700.0	3,800.0	3,800.0	3,800.0	
<b>FINANCING SOURCES</b>									
<b>IDENTIFIED FINANCING</b>									
<b>Direct Project Financing:</b>									
<b>Government Contributions:</b>									
a) Government Input				11,400.0		3,800.0	3,800.0	3,800.0	
b) Self Generating Revenue									
Loan									
Grant									
C	TOTAL DIRECT FINANCING			11,400.0		3,800.0	3,800.0	3,800.0	
<b>Technical Assistance</b>									
D	<b>TOTAL FINANCING (C+D)</b>			11,400.0		3,800.0	3,800.0	3,800.0	
<b>FINANCING SOUGHT</b>									
Direct Project Cost (A-C)				1,700.0	1,700.0				
Technical Assistance (B-D)									
<b>TOTAL FINANCING SOUGHT</b>				1,700.0	1,700.0				

**CURRENT DONOR INVOLVEMENT**

None

**POTENTIAL DONOR INVOLVEMENT**

Wholly GoPNG funded, donors can become involve through projects identified for funding under SSG.

**2005 Budget Votes for this PIP are :-**

57702404 SPECIAL SUPPORT GRANT

57702405 SPECIAL SUPPORT GRANT-KUTUBU SPA

57702406 HIDES SPECIAL PURPOSE AUTHORITY

**PIP NUMBER:** 2099

**PROJECT NAME:** MEMBERS NON DISCRETIONARY FUND

**EXECUTING AGENCY:** Southern Highlands Provincial Government

**PROJECT OBJECTIVIES:**

To bring development and provide service to the people at the district level.

**PROJECT STATUS:**

Various projects approved by the three JDPBPC as well as the JPPBPC are being implemented.

**PROJECT COMPONENTS:**

Projects to be implemented will be determined and approved by the respective JDBP&BPC including the JPBPC.

**PROJECT LOCATION:**

Projects identified for funding under this funds will be implemented at the district level through the respective Joint District Planning and Budgets Priority Committee.

**PROJECT JUSTIFICATION:**

The Rural Action Program Fund (RAPF) is an annual appropriation in the national budget as required the organic law on Provincial and Local Level Governments (Amendment No7), Section 95A relating to District Support Grant and Section 95B relating to the Provincial Support Grant.

**PROJECT BENEFICIARIES:**

The beneficiaries of this funding will be the District Administration who will oversee implementation of approved JDBPC projects. The general population of the district will also benefit from this funding through improved service delivery and infrastructure.

**PROJECT SUSTAINABILITY**

The respective Provincial and District Administration will be responsible for the project's recurrent costs.

**2099 MEMBERS NON DISCRETIONARY FUND**

ESTIMATED TOTAL PROJECT COST 0.0 ESTIMATED DURATION OF THE PROJECT Years

## EXPENDITURE PROJECTION AND FINANCING REQUIREMENTS (K'000)

PROJECT COST		2003 Actual	2004 Bugdet	5 Year Total	2005	2006	2007	2008	2009
<b>DIRECT PROJECT COST</b>									
<b>Current Expenditure</b>									
Personal Emoluments									
Goods and Other Services									
Current Transfers				11,250.0	2,250.0	2,250.0	2,250.0	2,250.0	2,250.0
Sub-Total				11,250.0	2,250.0	2,250.0	2,250.0	2,250.0	2,250.0
<b>Capital Expenditure</b>									
Acquisition of Existing Assets									
Capital Formation									
Capital Transfers									
Sub-Total									
A	TOT DIRECT PROJECT COST			11,250.0	2,250.0	2,250.0	2,250.0	2,250.0	2,250.0
<b>Technical Assistance</b>									
Project Preparation									
Advisory									
Training									
Equipment									
B	TOT TECHNICAL ASSISTANCE								
<b>TOTAL PROJECT COST (A+B)</b>				11,250.0	2,250.0	2,250.0	2,250.0	2,250.0	2,250.0
<b>FINANCING SOURCES</b>									
<b>IDENTIFIED FINANCING</b>									
<b>Direct Project Financing:</b>									
<b>Government Contributions:</b>									
a) Government Input				9,000.0		2,250.0	2,250.0	2,250.0	2,250.0
b) Self Generating Revenue									
Loan									
Grant									
C	TOTAL DIRECT FINANCING			9,000.0		2,250.0	2,250.0	2,250.0	2,250.0
<b>Technical Assistance</b>									
D	<b>TOTAL FINANCING (C+D)</b>			9,000.0		2,250.0	2,250.0	2,250.0	2,250.0
<b>FINANCING SOUGHT</b>									
Direct Project Cost (A-C)				2,250.0	2,250.0				
Technical Assistance (B-D)									
<b>TOTAL FINANCING SOUGHT</b>				2,250.0	2,250.0				

**CURRENT DONOR INVOLVEMENT**

None, wholly funded by GoPNG.

**POTENTIAL DONOR INVOLVEMENT**

Donor funding may be required for projects being funded this funds.

**2005 Budget Votes for this PIP are :-**

57702401 MEMBERS NON-DISCRETIONARY FUND

**PIP NUMBER:** 2433

**PROJECT NAME:** SOUTHERN HIGHLANDS RESTORATION AUTHORITY

**EXECUTING AGENCY:** Southern Highlands Provincial Government

**PROJECT OBJECTIVIES:**

To rehabilitate and reconstruct the social, economic and administrative infrastructure and processes that have broken down as a result of ongoing law and order problem within the province.

**PROJECT STATUS:**

New Authority established to enhance the various restoration efforts undertaken by the National Government in 2004. The Authority is expected to play a more prominent role in 2005 in the restoration process.

**PROJECT COMPONENTS:**

The restoration program will consists of a number of major programs designed to bring back peace and services to the SHP. These programs will also cover major infrastructure works, governance etc.

**PROJECT LOCATION:**

The project is located throughout the Southern Highlands.

**PROJECT JUSTIFICATION:**

The establishment of the Authority is crucial to coordinating the various restoration activities that the National Government together with the Provincial Government is attempting to install in the province. The Authority will also utilise the TCS to assist implement major infrastructure restoration in the Province.

**PROJECT CAPACITY:**

Appropriate instututions and agencies with impeccable record and capacity will be sourced by the Authority to implement the various programs to bring services back to the Province.

**PROJECT BENEFICIARIES:**

The beneficiaries of various projects and activities undertaken the Authority will be the preople of the Southern Highlands Province.

**PROJECT SUSTAINABILITY**

The programs to be implemented by the Authority are expected to be self sustainable as they are design to assist people be self sustainable.

**2433 SOUTHERN HIGHLANDS RESTORATION AUTHORITY**

ESTIMATED TOTAL PROJECT COST 0.0 ESTIMATED DURATION OF THE PROJECT Years

## EXPENDITURE PROJECTION AND FINANCING REQUIREMENTS (K'000)

PROJECT COST		2003 Actual	2004 Bugdet	5 Year Total	2005	2006	2007	2008	2009
<b>DIRECT PROJECT COST</b>									
<b>Current Expenditure</b>									
Personal Emoluments									
Goods and Other Services									
Current Transfers				6,000.0	2,000.0	2,000.0	2,000.0		
Sub-Total				6,000.0	2,000.0	2,000.0	2,000.0		
<b>Capital Expenditure</b>									
Acquisition of Existing Assets									
Capital Formation									
Capital Transfers									
Sub-Total									
<b>A TOT DIRECT PROJECT COST</b>				6,000.0	2,000.0	2,000.0	2,000.0		
<b>Technical Assistance</b>									
Project Preparation									
Advisory									
Training									
Equipment									
<b>B TOT TECHNICAL ASSISTANCE</b>									
<b>TOTAL PROJECT COST (A+B)</b>				6,000.0	2,000.0	2,000.0	2,000.0		
<b>FINANCING SOURCES</b>									
<b>IDENTIFIED FINANCING</b>									
<b>Direct Project Financing:</b>									
<b>Government Contributions:</b>									
a) Government Input				4,000.0		2,000.0	2,000.0		
b) Self Generating Revenue									
Loan									
Grant									
<b>C TOTAL DIRECT FINANCING</b>				4,000.0		2,000.0	2,000.0		
<b>D Technical Assistance</b>									
<b>TOTAL FINANCING (C+D)</b>				4,000.0		2,000.0	2,000.0		
<b>FINANCING SOUGHT</b>									
Direct Project Cost (A-C)				2,000.0	2,000.0				
Technical Assistance (B-D)									
<b>TOTAL FINANCING SOUGHT</b>				2,000.0	2,000.0				

**CURRENT DONOR INVOLVEMENT**

None, Authority is fully funded by GoPNG and the Tax Credit Scheme.

**POTENTIAL DONOR INVOLVEMENT**

There is scope for other donors to become involved in funding some of the projects under this program.

**2005 Budget Votes for this PIP are :-**

57702407 SOUTHERN HIGHLANDS RESTORATION AUTHORITY



**PIP NUMBER:** 2458

**PROJECT NAME:** TARI POLICE MOBILE BARRACKS

**EXECUTING AGENCY:** Southern Highlands Provincial Government

**PROJECT OBJECTIVIES:**

To renovate and upgrade the current deteriorating state of Police housing in Tari District.

**PROJECT STATUS:**

The project is a new initiative of the national government to upgrade and maintain the Police Barracks. It will commence in 2005 and will be funded under the Tax Credit Scheme.

**PROJECT COMPONENTS:**

Project components include, design, supervision and Maintenance of the police barracks.

**PROJECT LOCATION:**

The Project will be located in Tari District of the Southern Highlands Provinces.

**PROJECT JUSTIFICATION:**

The project is timely as current run down barracks need to be upgraded and maintained. State assets in general have deteriorated to an unrepairable condition, this project will assist to restore these assets.

**PROJECT CAPACITY:**

The project will be implemented through the Tax Credit Scheme by the respective companies and the Police Department will oversee the implementation of the project.

**PROJECT BENEFICIARIES:**

The beneficiaries of the project will be the Police department as well as the various Hydrocarbon resource project located in the Province. Construction of the Police Barracks will mean additional police officers to deal with any law and order problems.

**PROJECT SUSTAINABILITY**

The barracks is to be maintain under recurrent budget after completion of the project.

**2458 TARI POLICE MOBILE BARRACKS**

ESTIMATED TOTAL PROJECT COST 5,000.0 ESTIMATED DURATION OF THE PROJECT 3.0 Years

## EXPENDITURE PROJECTION AND FINANCING REQUIREMENTS (K'000)

PROJECT COST		2003 Actual	2004 Budget	5 Year Total	2005	2006	2007	2008	2009
A	DIRECT PROJECT COST								
	<b>Current Expenditure</b>								
	Personal Emoluments								
	Goods and Other Services								
	Current Transfers								
	Sub-Total								
	<b>Capital Expenditure</b>								
	Acquisition of Existing Assets								
	Capital Formation			7,000.0	5,000.0	2,000.0			
	Capital Transfers								
	Sub-Total			7,000.0	5,000.0	2,000.0			
TOT DIRECT PROJECT COST				7,000.0	5,000.0	2,000.0			
B	<b>Technical Assistance</b>								
	Project Preparation								
	Advisory								
	Training								
	Equipment								
TOT TECHNICAL ASSISTANCE									
<b>TOTAL PROJECT COST (A+B)</b>				7,000.0	5,000.0	2,000.0			
<b>FINANCING SOURCES</b>									
C	IDENTIFIED FINANCING								
	<b>Direct Project Financing:</b>								
	<b>Government Contributions:</b>								
	a) Government Input			2,000.0		2,000.0			
	b) Self Generating Revenue								
	Loan								
D	Grant								
	TOTAL DIRECT FINANCING			2,000.0		2,000.0			
	<b>Technical Assistance</b>								
<b>TOTAL FINANCING (C+D)</b>				2,000.0		2,000.0			
<b>FINANCING SOUGHT</b>									
	Direct Project Cost (A-C)			5,000.0	5,000.0				
	Technical Assistance (B-D)								
	<b>TOTAL FINANCING SOUGHT</b>			5,000.0	5,000.0				

CURRENT DONOR INVOLVEMENT

POTENTIAL DONOR INVOLVEMENT

2005 Budget Votes for this PIP are :-

57702409 TARI POLICE MOBILE BARRACKS - (TAX CREDIT)

**PIP NUMBER:** 2459

**PROJECT NAME:** GOBE-SEMBARIGI ROAD

**EXECUTING AGENCY:** Southern Highlands Provincial Government

**PROJECT OBJECTIVIES:**

The project is major state commitment under the Hides MOA and will also assist in Gas - Queensland project.

**PROJECT STATUS:**

The project is ongoing and in 2005 will be funded under the Tax Credit Scheme.

**PROJECT COMPONENTS:**

Project components will mainly be civil works including feasibility studies, design and construction.

**PROJECT LOCATION:**

The project is located in the Southern Highlands Province.

**PROJECT JUSTIFICATION:**

The project is a major state committment under the Hides MOA and is also crucial to the Gas- Queensland project. The road when fully constructed will provide a cheaper route for companies who will be participating in the Gas project.

**PROJECT CAPACITY:**

The project will be funded under the Tax Credit Scheme, Oil Search has the capacity to implement the project.

**PROJECT BENEFICIARIES:**

Beneficiaries of the project will be various stakeholders in the Gas- Queensland Project, this includes the National and Provincial Government, the stakeholders in the Gas project and local population in the SHP.

**PROJECT SUSTAINABILITY**

The road when completed is expected to be maintained by the National and Provincial Government respectively.

**2459 GOBE-SEMBARIGI ROAD**

ESTIMATED TOTAL PROJECT COST 0.0 ESTIMATED DURATION OF THE PROJECT 5.0 Years

## EXPENDITURE PROJECTION AND FINANCING REQUIREMENTS (K'000)

PROJECT COST		2003 Actual	2004 Bugdet	5 Year Total	2005	2006	2007	2008	2009
<b>DIRECT PROJECT COST</b>									
<b>Current Expenditure</b>									
Personal Emoluments									
Goods and Other Services									
Current Transfers									
Sub-Total									
<b>Capital Expenditure</b>									
Acquisition of Existing Assets									
Capital Formation				35,230.0	19,230.0	1,000.0	5,000.0	5,000.0	5,000.0
Capital Transfers									
Sub-Total				35,230.0	19,230.0	1,000.0	5,000.0	5,000.0	5,000.0
A	TOT DIRECT PROJECT COST			35,230.0	19,230.0	1,000.0	5,000.0	5,000.0	5,000.0
<b>Technical Assistance</b>									
Project Preparation									
Advisory									
Training									
Equipment									
B	TOT TECHNICAL ASSISTANCE								
<b>TOTAL PROJECT COST (A+B)</b>				35,230.0	19,230.0	1,000.0	5,000.0	5,000.0	5,000.0
<b>FINANCING SOURCES</b>									
<b>IDENTIFIED FINANCING</b>									
<b>Direct Project Financing:</b>									
<b>Government Contributions:</b>									
a) Government Input				16,000.0		1,000.0	5,000.0	5,000.0	5,000.0
b) Self Generating Revenue									
Loan									
Grant									
C	TOTAL DIRECT FINANCING			16,000.0		1,000.0	5,000.0	5,000.0	5,000.0
<b>Technical Assistance</b>									
D	<b>TOTAL FINANCING (C+D)</b>			16,000.0		1,000.0	5,000.0	5,000.0	5,000.0
<b>FINANCING SOUGHT</b>									
Direct Project Cost (A-C)				19,230.0	19,230.0				
Technical Assistance (B-D)									
<b>TOTAL FINANCING SOUGHT</b>				19,230.0	19,230.0				

**CURRENT DONOR INVOLVEMENT**

None.

**POTENTIAL DONOR INVOLVEMENT**

None at this stage.

**2005 Budget Votes for this PIP are :-**

57702408 GOBE-SAMBEGIRI ROAD (TAX CREDIT SCHEME)