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Summary of Expenditure by Program Structure (in Thousands of Kina)

	Description	Actual	Appropriation	
		2007	2008	2009
MAIN PROGRAM	MINING AND MINERAL RESOURCES REGULATION	2,062.8	48,800.0	71,084.3
	AND ADMINISTRATION			
PROGRAM	MINING AND MINERAL RESOURCES REGULATION	2,062.8	48,800.0	71,084.3
	AND ADMINISTRATION			
PROJECT	Ok Tedi Moa	224.6		1,000.0
PROJECT	Wau/Hidden Valley Liaison		900.0	600.0
PROJECT	Ramu Liaison Project		1,000.0	1,500.0
PROJECT	Kainantu Moa		500.0	500.0
PROJECT	Lihir Liaison	1,838.1	4,000.0	3,000.0
PROJECT	Mining Agreement - Porgera		4,000.0	2,500.0
PROJECT	Mt. Sinivit Moa		500.0	370.0
PROJECT	Simberi Moa		500.0	370.0
PROJECT	Sysmin Project		37,100.0	31,254.9
PROJECT	Solwara 1 Liaison		300.0	300.0
PROJECT	Mining Sector Institutional Strengthenin G Phase 2			29,689.4
GRAND TOTAL		2,062.7	48,800.0	71,084.3

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Summary of Expenditure by Items (in Thousands of Kina)

Expenditure Items	Actual	Appropriation	
	2007	2008	2009
CURRENT EXPENDITURE	303.8	13,320.0	15,494.9
Goods and Other Services	193.8	9,020.0	9,474.9
121 Travel and Subsistence Expenses	37.7	590.0	915.0
122 Utilities	5.1		20.0
123 Office Materials and Supplies	1.8	20.0	20.0
124 Operational Materials and Supplies		60.0	
125 Transport and Fuel	25.2		40.0
126 Administrative Consultancy Fees			200.0
127 Rental of Property	13.0		25.0
128 Routine Maintenance Expenses	88.0	200.0	510.0
135 Other Operational Expenses	23.0	1,150.0	1,790.0
139 Other Donor Category		7,000.0	5,954.9
Current Transfers	110.0	4,300.0	6,020.0
143 Grants and Transfers to Public Authorities	110.0	4,300.0	5,370.0
144 Grants to Individuals and Non-Profit Organisations			300.0
145 Grants and Subsidies to Public & Departmental Enterprises			350.0
CAPITAL EXPENDITURE	1,759.0	35,480.0	55,589.4
Capital Formation	1,759.0	35,480.0	55,589.4
221 Office Furniture and Equipment		150.0	10.0
222 Purchase of Vehicles			290.0
223 Feasibility Studies, Project Preparations and Design			350.0
225 Construction, Renovation and Improvement		5,230.0	250.0
227 Design (DOW)	69.0		
228 Construction, Renovation and Improvement (DOW)	1,690.0		1,000.0
239 Donor Procurement Category		30,100.0	53,689.4
TOTAL	2,062.8	48,800.0	71,084.3

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MAIN PROGRAM MINING AND MINERAL RESOURCES REGULATION AND ADMINISTRATION
PROGRAM MINING AND MINERAL RESOURCES REGULATION AND ADMINISTRATION

Program Objectives:

The overall objective of MOAs is to fulfill all National Government's infrastructure, administration and social commitments stipulated in respective MOAs.

Program Description:

MOAs were intended to satisfy the landowners' basic needs in the respective mine affected areas to improve socio-economic infrastructure for better living. It also provides the opportunity for landowners to venture into spin off business by providing business development grants on one off or annual basis. This program consists of eleven activities, the expenditure and other data of which are as follows;

A. Expenditure in 2009 (in Thousands of Kina)

Code	Description	Actual	Appropriation	
		2007	2008	2009
3401-1-201-121	Ok Tedi Moa	4.8		100.0
3401-1-201-122	Ok Tedi Moa	1.9		
3401-1-201-123	Ok Tedi Moa	0.3		
3401-1-201-125	Ok Tedi Moa	15.2		
3401-1-201-128	Ok Tedi Moa	80.0		500.0
3401-1-201-135	Ok Tedi Moa	12.5		50.0
3401-1-201-143	Ok Tedi Moa	110.0		230.0
3401-1-201-222	Ok Tedi Moa			120.0
3401-1-202-121	Wau/Hidden Valley Liaison			100.0
3401-1-202-135	Wau/Hidden Valley Liaison		200.0	80.0
3401-1-202-143	Wau/Hidden Valley Liaison		200.0	
3401-1-202-144	Wau/Hidden Valley Liaison			100.0
3401-1-202-145	Wau/Hidden Valley Liaison			150.0
3401-1-202-222	Wau/Hidden Valley Liaison			170.0
3401-1-202-225	Wau/Hidden Valley Liaison		500.0	
3401-1-203-121	Ramu Liaison Project		100.0	200.0
3401-1-203-126	Ramu Liaison Project			200.0
3401-1-203-135	Ramu Liaison Project		100.0	200.0
3401-1-203-143	Ramu Liaison Project		800.0	200.0
3401-1-203-144	Ramu Liaison Project			200.0
3401-1-203-145	Ramu Liaison Project			200.0
3401-1-203-223	Ramu Liaison Project			300.0
3401-1-204-121	Kainantu Moa		100.0	60.0
3401-1-204-127	Kainantu Moa			15.0
3401-1-204-135	Kainantu Moa		250.0	75.0
3401-1-204-143	Kainantu Moa			350.0
3401-1-204-221	Kainantu Moa		150.0	
3401-1-205-121	Lihir Liaison	32.9		100.0
3401-1-205-122	Lihir Liaison	3.2		10.0
3401-1-205-123	Lihir Liaison	1.5		10.0
3401-1-205-125	Lihir Liaison	10.0		30.0
3401-1-205-127	Lihir Liaison	13.0		10.0
3401-1-205-128	Lihir Liaison	8.0	200.0	
3401-1-205-135	Lihir Liaison	10.5	200.0	50.0
3401-1-205-143	Lihir Liaison		600.0	1,540.0
3401-1-205-225	Lihir Liaison		3,000.0	250.0

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Code	Description	Actual	Appropriation	
		2007	2008	2009
3401-1-205-225	Lihir Liaison			
3401-1-205-227	Lihir Liaison	69.0		
3401-1-205-228	Lihir Liaison	1,690.0		1,000.0
3401-1-206-121	Mining Agreement - Porgera		200.0	100.0
3401-1-206-122	Mining Agreement - Porgera			10.0
3401-1-206-123	Mining Agreement - Porgera			10.0
3401-1-206-125	Mining Agreement - Porgera			10.0
3401-1-206-128	Mining Agreement - Porgera			10.0
3401-1-206-135	Mining Agreement - Porgera		200.0	50.0
3401-1-206-143	Mining Agreement - Porgera		2,000.0	2,250.0
3401-1-206-221	Mining Agreement - Porgera			10.0
3401-1-206-223	Mining Agreement - Porgera			50.0
3401-1-206-225	Mining Agreement - Porgera		1,600.0	
3401-1-207-121	Mt. Sinivit Moa		20.0	70.0
3401-1-207-135	Mt. Sinivit Moa		50.0	50.0
3401-1-207-143	Mt. Sinivit Moa		300.0	250.0
3401-1-207-225	Mt. Sinivit Moa		130.0	
3401-1-208-121	Simberi Moa		30.0	70.0
3401-1-208-123	Simberi Moa		20.0	
3401-1-208-135	Simberi Moa		50.0	50.0
3401-1-208-143	Simberi Moa		400.0	250.0
3401-1-210-139	Sysmin Project		7,000.0	5,954.9
3401-1-210-143	Sysmin Project			300.0
3401-1-210-239	Sysmin Project		30,100.0	25,000.0
3401-1-211-121	Solwara 1 Liaison		140.0	115.0
3401-1-211-124	Solwara 1 Liaison		60.0	
3401-1-211-135	Solwara 1 Liaison		100.0	185.0
3401-1-213-135	Mining Sector Institutional Strengthenin G Phase 2			1,000.0
3401-1-213-239	Mining Sector Institutional Strengthenin G Phase 2			28,689.4
	TOTAL	2,062.8	48,800.0	71,084.3

B. Other Data in 2009

1) Performance Indicators/Targets for Ok Tedi MOA: From the allocation of K1 million, Item 128 of K500,000.0 will be committed to pay outstanding reimbursements to OTML for the operation and maintenance of the Kiunga Water Supply and Sewerage. Under Item 143, K230,000.0 will be outstanding grants going to the Star Mountains LLG. Item 222 of K130,000.0 will be for the replacement of the vehicle for the Ok Tedi Liaison Officer and K150,000.0 under Items 135 and 121 will be generally for liaison activities by the State Team. No funds are to be used outside of the given budget.

1) Performance Indicators/Targets for Wau/Hidden Valley MOA: Of the K600,000.0 allocated for this MOA, K100,000.0 under Item 144 will be annual grants to the Nakuwi Landowners, K150,000 under Item 145 will be for the Bulolo Police Station (K120,000) and the Environmental Impact Study (K30,000.0). K170,000.0 under Item

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222 is for the replacement of the Mine Liaison Officer's vehicle. While the remaining K180,000.0 is for general liaison activities under Items 121 and 135. No funds are to be used outside of the budgeted items.

- 1) Performance Indicators for Ramu MOA: From the total allocation for Ramu, general liaison activities will be captured under Items 121 and 135 totaling K400,000.0. The independent chairperson for MOA reviews will be catered for under Item 126 for K200,000.0. The four landowner associations, gender coordination and the special LTC hearings will get K200,000.0 each under Items 143, 144, and 145 respectively. While the Item 223 of K300,000.0 will be committed to fund the other infrastructure projects identified under the MOA during the construction phase (II) of the mine.
- 1) Performance Indicators for Kainantu MOA: Of the K500,000.0 allocated for Kainantu MOA, K135,000.0 totaling Items 121 and 135 will be for general liaison activities by the State Team. Item 127 will cater for the rental for the Kainantu Liaison Office (K15,000.0). While K350,000.0 under Item 143 will be channelled to the Community Projects Office to fund national government's infrastructure commitments under the MOA.
- 1) Performance Indicators/Targets for Lihir MOA: From the total allocation for Lihir MOA, Items 121, 122, 123, 125, 127 and 135 totaling K210,000.0 will be committed to general liaison work. In 2009, K1,540,000.0 under Item 143 will be channelled to NDA to complete the Lihir High School, support the Lihir Medical Center, and the routine maintenance of the Lihir Ring Road. Items 225 and 228 totaling K1,250,000.0 will capture Lihir High School to completion and the commencement of the Lihir Ring Road sealing.
- 1) Performance Indicators/Targets for Porgera MOA: From the allocation for the Porgera MOA for 2009, Items 121, 122, 123, 125, 135, 221, will be for general liaison activities. Item 128 of K10,000.0 will be used for the mine liaison office maintenance and the maintenance of the liaison officer's resident. Item 143 of K 2.25 million will be transferred to PDA for the construction of the Porgera to Tari Road. While the K50,000.0 under Item 223 will be for the poultry, piggery & farming under clause 10 of the MOA.
- 1) Performance Indicators/Targets for Mt. Sinivit MOA: Of the K370,000.0 allocated for this MOA, K130,000.0 under Items 121 and 135 will be for general liaison activities while K250,000.0 under Item 143 will be transferred to assist the landowner association. No funds are to be used outside of the budgeted items.
- 1) Performance Indicators/Targets for Simberi MOA: Of the 2009 appropriation of K370,000.0 or Simberi MOA, K130,000.0 will be used for general liaison activities while K250,000.0 under Item 143 will be transferred to assist the landowner association.
- 2) Revenue for all MOAs: All of the above MOAs are National Government commitments to the mine landowners and thus are all fully funded by GoPNG.
- 3) Status of all MOAs: All commitments under the respective MOAs are ongoing and are funded every financial year by the National Government.
- 1) Performance Indicators/Targets for EU Sysmin: (1) to sustain the country's economic performance in mineral production and exports, (2) to alleviate poverty, and (3) to mitigate the mines adverse environmental impacts.
- 2) Revenue for EU Sysmin: The project is funded by EU under Items 139 and 239 while the National Programme Manager's office is catered for under Item 143 (K300,000.0).

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- 3) Status for EU Sysmin: The project is ongoing.
- 1) Performance Indicators/Targets for Solwara 1: The funding for Solwara 1 Liaison will enable the government to liaise on the development of this newly explored mineral deposit.
- 2) Revenue for Solwara 1: The project is fully GoPNG funded.
- 3) Status for Solwara 1: The project is ongoing since 2008.
- 1) Performance Indicators/Targets for WB Mining Support: To enhance the capacity of the government through MRA to plan, manage, regulate and monitor the exploration and the development of the nation's mineral resources. The government through this project can acquire necessary skills to develop the expertise in mining resources, evaluation and utilisation.
- 2) Revenue for WB Mining Support: The project is World Bank funded under Item 239 with counterpart funding of K1.0 million from GoPNG.
- 3) Status of WB Mining Sector Support: The project is beginning its second phase of implementation in 2009 with the first phase beginning in 2000.