

206 Department of Finance

(in Millions of Kina)

PIP No.	Project Title	5 Year Total	2009	2010	2011	2012	2013
1756	FIN MANAGEMENT/IMPR	36.0	9.0	9.0	9.0	9.0	
2543	PNGAFTS	12.4	2.5	2.5	2.5	2.5	2.5
TOTAL CAPACITY BUILDING PROJECTS		48.4	11.5	11.5	11.5	11.5	2.5
2542	PROVINCIAL CAPACITY	18.5	3.7	3.7	3.7	3.7	3.7
TOTAL CAPITAL PROJECTS		18.5	3.7	3.7	3.7	3.7	3.7
TOTAL		66.9	15.2	15.2	15.2	15.2	6.2

206 Department of Finance

AGENCY SUMMARY OF ALL PROJECTS

EXPENDITURE PROJECTIONS AND FINANCING REQUIREMENTS (K Millions)

PROJECT COST		2007 Actual	2008	5 Year Total	2009	2010	2011	2012	2013
DIRECT PROJECT COST									
Current Expenditure									
Personal Emoluments			1.6	6.2	1.6	1.6	1.6	1.6	
Current Transfers				57.7	12.9	12.9	12.9	12.9	6.2
Goods and Other Services			24.0						
Sub-Total			25.6	63.9	14.5	14.5	14.5	14.5	6.2
Capital Expenditure									
Capital Transfers									
Acquisition of Existing Assets									
Capital Formation			4.0	3.0	.7	.7	.7	.7	
Sub-Total			4.0	3.0	.7	.7	.7	.7	
A	TOT DIRECT PROJECT COST		29.6	66.9	15.2	15.2	15.2	15.2	6.2
Technical Assistance									
Project Preparation									
Equipment									
Advisory									
Training									
B	TOT TECHNICAL ASSISTANCE								
TOTAL PROJECT COST (A+B)			29.6	66.9	15.2	15.2	15.2	15.2	6.2
FINANCING SOURCES									
IDENTIFIED FINANCING									
Direct Project Financing:									
Government Contributions:									
Loan			15.3	14.8		3.7	3.7	3.7	3.7
Grant				14.6	5.9	2.2	2.2	2.2	2.2
b) Self Generating Revenue									
a) Government Input			8.5	37.5	9.3	9.3	9.3	9.3	.3
C	TOTAL DIRECT FINANCING		23.8	66.9	15.2	15.2	15.2	15.2	6.2
Technical Assistance									
D	TOTAL FINANCING (C+D)		23.8	66.9	15.2	15.2	15.2	15.2	6.2
FINANCING SOUGHT									
Direct Project Cost (A-C)			5.8						
Technical Assistance (B-D)									
TOTAL FINANCING SOUGHT			5.8						

PIP NUMBER: 1756

PROJECT NAME: FINANCIAL MANAGEMENT IMPROVEMENT PROJECT

EXECUTING AGENCY: Department of Finance

PROJECT OBJECTIVIES:

The overall objective of the program is to establish a strong public sector financial management structure, which will provide an effective basis for broader economic, governance and public sector reform. The specific objectives are (1) To improve planning, budgeting and monitoring to enable better prioritization of government efforts and improve fiscal control; (2) To improve accounting and funds control to enhance transparency, reduce wastage and improve efficiency; and (3) To improve financial procedures to enable more timely and efficient implementation of donor programs.

PROJECT STATUS:

Major work activities achieved are: (1) Joint Project plan with Technology One is in place and being in use. It is designed to run IFMS in 2009 for the 2010 Budget. (2) The proposed chart of accounts has been completed and reviewed with key users from Finance, Treasury, Planning and Monitoring Works, Health and Milne Bay Provincial Government and Tech One Limited and (3) A sign off methodology to review and sign off on the delivery of key milestones by Technology One was completed.

PROJECT COMPONENTS:

The five components are: (1) Integrated Financial Management System - IFMS (consulting services, workshops and administrative support and software to develop and implement improved planning and budgeting systems and to replace and maintain the information technology software systems in national departments and provinces); (2) Budget Execution and Accounting Systems (consulting services, workshops and administrative support and software to develop and implement improved planning and budgeting systems and to replace and maintain the information technology software systems in national departments and provinces (3) Information Technology Systems and Government Enterprise Network (to help implement a sound information technology infrastructure by helping to ensure Y2K compliance of existing systems including (a) working on financial management systems within the Department of Treasury to lay the basis for the enhanced systems included in components (1) and (2); and (b) helping to finish urgent implementation of critical Y2K information technology remedial programs in a range of other public organisations); (4) Government-wide information network (to support the reestablishment of a government-wide information network allowing rapid, timely and accurate dissemination of information) and (5) Training and Human Resource Development.

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

Given the level of financial and technical support that the Department of finance will get from the project, the department will be able to sustain program activities.

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		2007 Actual	2008 Budget	5 Year Total	2009	2010	2011	2012	2013
DIRECT PROJECT COST									
Current Expenditure									
Personal Emoluments			1,550.0	6,200.0	1,550.0	1,550.0	1,550.0	1,550.0	
Goods and Other Services			19,810.0						
Current Transfers				26,840.0	6,710.0	6,710.0	6,710.0	6,710.0	
Sub-Total			21,360.0	33,040.0	8,260.0	8,260.0	8,260.0	8,260.0	
Capital Expenditure									
Acquisition of Existing Assets									
Capital Formation			3,956.4	2,960.0	740.0	740.0	740.0	740.0	
Capital Transfers									
Sub-Total			3,956.4	2,960.0	740.0	740.0	740.0	740.0	
A	TOT DIRECT PROJECT COST		25,316.4	36,000.0	9,000.0	9,000.0	9,000.0	9,000.0	
Technical Assistance									
Project Preparation									
Advisory									
Training									
Equipment									
B	TOT TECHNICAL ASSISTANCE								
TOTAL PROJECT COST (A+B)			25,316.4	36,000.0	9,000.0	9,000.0	9,000.0	9,000.0	
FINANCING SOURCES									
IDENTIFIED FINANCING									
Direct Project Financing:									
Government Contributions:									
a) Government Input			8,450.0	36,000.0	9,000.0	9,000.0	9,000.0	9,000.0	
b) Self Generating Revenue									
Loan			15,316.4						
Grant									
C	TOTAL DIRECT FINANCING		23,766.4	36,000.0	9,000.0	9,000.0	9,000.0	9,000.0	
Technical Assistance									
D	TOTAL FINANCING (C+D)		23,766.4	36,000.0	9,000.0	9,000.0	9,000.0	9,000.0	
FINANCING SOUGHT									
Direct Project Cost (A-C)			1,550.0						
Technical Assistance (B-D)									
TOTAL FINANCING SOUGHT			1,550.0						

CURRENT DONOR INVOLVEMENT

AusAID, ADB, GoPNG, UNDP.

POTENTIAL DONOR INVOLVEMENT
2009 Budget Votes for this PIP are :-

20612031201 FINANCIAL MANAGEMENT PROJECT

PIP NUMBER: 2542

PROJECT NAME: PROVINCIAL CAPACITY BUILDING PROJECT

EXECUTING AGENCY: Department of Finance

PROJECT OBJECTIVIES:

The objective is to enhance the financial management capacity of the sub national government in Papua New Guinea in a sustainable manner.

PROJECT COMPONENTS:

There are four main components including - Capacity building for provincial treasuries, district treasuries and LLGs; Information and communications technology support for provincial financial management (at national and sub-national levels); Internship program for University undergraduates; and National and sub-national workshops and exchange study visits.

PROJECT LOCATION:

This project will be implemented throughout the country particularly in Centra, Milne Bay, Western, East New Britain, Morobe and Eastern Highlands Provinces.

PROJECT JUSTIFICATION:

This project is very vital to improve the financial management capacity and to ensure that the financial management operations are sustained at the sub-national levels.

PROJECT CAPACITY:

The Daprtment of Finance with assistance from the donor agency (AusAID) has the capacity to implement the project.

PROJECT BENEFICIARIES:

The benficiaries will be the Department of Finance, the provincial governments of six provinces where the project will be implemented and the people of Papua New Guinea.

PROJECT SUSTAINABILITY

The Government of Papua New Guinea through the participating provincial governments and national agencies and of course with support from the Australian Government will ensure the sustainability of the project.

2542 PROVINCIAL CAPACITY BUILDING PROJECT

ESTIMATED TOTAL PROJECT COST 0.0 ESTIMATED DURATION OF THE PROJECT Years

EXPENDITURE PROJECTION AND FINANCING REQUIREMENTS (K'000)

PROJECT COST		2007 Actual	2008 Bugdet	5 Year Total	2009	2010	2011	2012	2013
DIRECT PROJECT COST									
Current Expenditure									
Personal Emoluments									
Goods and Other Services			4,185.1						
Current Transfers				18,500.0	3,700.0	3,700.0	3,700.0	3,700.0	3,700.0
Sub-Total			4,185.1	18,500.0	3,700.0	3,700.0	3,700.0	3,700.0	3,700.0
Capital Expenditure									
Acquisition of Existing Assets									
Capital Formation									
Capital Transfers									
Sub-Total									
A	TOT DIRECT PROJECT COST		4,185.1	18,500.0	3,700.0	3,700.0	3,700.0	3,700.0	3,700.0
Technical Assistance									
Project Preparation									
Advisory									
Training									
Equipment									
B	TOT TECHNICAL ASSISTANCE								
TOTAL PROJECT COST (A+B)			4,185.1	18,500.0	3,700.0	3,700.0	3,700.0	3,700.0	3,700.0
FINANCING SOURCES									
IDENTIFIED FINANCING									
Direct Project Financing:									
Government Contributions:									
a) Government Input									
b) Self Generating Revenue									
Loan				14,800.0		3,700.0	3,700.0	3,700.0	3,700.0
Grant				3,700.0	3,700.0				
C	TOTAL DIRECT FINANCING			18,500.0	3,700.0	3,700.0	3,700.0	3,700.0	3,700.0
Technical Assistance									
D	TOTAL FINANCING (C+D)			18,500.0	3,700.0	3,700.0	3,700.0	3,700.0	3,700.0
FINANCING SOUGHT									
Direct Project Cost (A-C)			4,185.1						
Technical Assistance (B-D)									
TOTAL FINANCING SOUGHT			4,185.1						

CURRENT DONOR INVOLVEMENT

AusAID.

POTENTIAL DONOR INVOLVEMENT

2009 Budget Votes for this PIP are :-

20612031203 CAPACITY BUILDING

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 STATUS:

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

PROJECT COMPONENTS:

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

PROJECT LOCATION:

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

PROJECT JUSTIFICATION:

It is an opportunity for officers for both 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 Finance together with its Australian counterpart have the capacity to coordinate and implement the project.

PROJECT BENEFICIARIES:

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

PROJECT SUSTAINABILITY

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

2543 PNG-AUSTRALIA FINANCE TWINNING SCHEME

ESTIMATED TOTAL PROJECT COST 2,176.5 ESTIMATED DURATION OF THE PROJECT Years

EXPENDITURE PROJECTION AND FINANCING REQUIREMENTS (K'000)

PROJECT COST		2007 Actual	2008 Budget	5 Year Total	2009	2010	2011	2012	2013
DIRECT PROJECT COST									
Current Expenditure									
Personal Emoluments									
Goods and Other Services									
Current Transfers				12,382.5	2,476.5	2,476.5	2,476.5	2,476.5	2,476.5
Sub-Total				12,382.5	2,476.5	2,476.5	2,476.5	2,476.5	2,476.5
Capital Expenditure									
Acquisition of Existing Assets									
Capital Formation									
Capital Transfers									
Sub-Total									
A	TOT DIRECT PROJECT COST			12,382.5	2,476.5	2,476.5	2,476.5	2,476.5	2,476.5
Technical Assistance									
Project Preparation									
Advisory									
Training									
Equipment									
B	TOT TECHNICAL ASSISTANCE								
TOTAL PROJECT COST (A+B)				12,382.5	2,476.5	2,476.5	2,476.5	2,476.5	2,476.5
FINANCING SOURCES									
IDENTIFIED FINANCING									
Direct Project Financing:									
Government Contributions:									
a) Government Input				1,500.0	300.0	300.0	300.0	300.0	300.0
b) Self Generating Revenue									
Loan									
Grant				10,882.5	2,176.5	2,176.5	2,176.5	2,176.5	2,176.5
C	TOTAL DIRECT FINANCING			12,382.5	2,476.5	2,476.5	2,476.5	2,476.5	2,476.5
Technical Assistance									
D	TOTAL FINANCING (C+D)			12,382.5	2,476.5	2,476.5	2,476.5	2,476.5	2,476.5
FINANCING SOUGHT									
Direct Project Cost (A-C)									
Technical Assistance (B-D)									
TOTAL FINANCING SOUGHT									

CURRENT DONOR INVOLVEMENT

AusAID.

POTENTIAL DONOR INVOLVEMENT

The potential donor is AusAID.

2009 Budget Votes for this PIP are :-

20612011204 PNG-AUSTRALIA FINANCE TWINNING SCHEME

208 Department of Treasury

(in Millions of Kina)

PIP No.	Project Title	5 Year Total	2009	2010	2011	2012	2013
2735	PNGDMD	.1	.4	.1			
2801	PNG - AUSTRALIA TREA	1.2	.3	.3	.3	.3	.3
TOTAL CAPACITY BUILDING PROJECTS		1.3	.7	.4	.3	.3	.3
TOTAL		1.3	.7	.4	.3	.3	.3

208 Department of Treasury

AGENCY SUMMARY OF ALL PROJECTS

EXPENDITURE PROJECTIONS AND FINANCING REQUIREMENTS (K Millions)

PROJECT COST		2007 Actual	2008	5 Year Total	2009	2010	2011	2012	2013
DIRECT PROJECT COST									
Current Expenditure									
Personal Emoluments									
Current Transfers			.4	1.5	.3	.3	.3	.3	.3
Goods and Other Services			2.5	.5	.4	.1			
Sub-Total			2.9	2.0	.7	.4	.3	.3	.3
Capital Expenditure									
Capital Transfers									
Acquisition of Existing Assets									
Capital Formation									
Sub-Total									
A	TOT DIRECT PROJECT COST		2.9	2.0	.7	.4	.3	.3	.3
Technical Assistance									
Project Preparation									
Equipment									
Advisory									
Training									
B	TOT TECHNICAL ASSISTANCE								
TOTAL PROJECT COST (A+B)			2.9	2.0	.7	.4	.3	.3	.3
FINANCING SOURCES									
IDENTIFIED FINANCING									
Direct Project Financing:									
Government Contributions:									
Loan									
Grant				1.2		.3	.3	.3	.3
b) Self Generating Revenue									
a) Government Input			.4	.1		.1			
C	TOTAL DIRECT FINANCING		.4	1.3		.4	.3	.3	.3
Technical Assistance									
D	TOTAL FINANCING (C+D)		.4	1.3		.4	.3	.3	.3
FINANCING SOUGHT									
Direct Project Cost (A-C)			2.5	.7	.7				
Technical Assistance (B-D)									
TOTAL FINANCING SOUGHT			2.5	.7	.7				