

## 559 PNG Oil Palm Industry Corporation

(in Millions of Kina)

PIP No.	Project Title	5 Year Total	2010	2011	2012	2013	2014
2789	sadp	68.7	20.7	18.0	16.0	14.0	
TOTAL CAPITAL PROJECTS		68.7	20.7	18.0	16.0	14.0	
TOTAL		68.7	20.7	18.0	16.0	14.0	

## 559 PNG Oil Palm Industry Corporation

## AGENCY SUMMARY OF ALL PROJECTS

## EXPENDITURE PROJECTIONS AND FINANCING REQUIREMENTS (K Millions)

PROJECT COST		2008 Actual	2009	5 Year Total	2010	2011	2012	2013	2014
DIRECT PROJECT COST									
<b>Current Expenditure</b>									
Personal Emoluments									
Current Transfers									
Goods and Other Services			1.0						
Sub-Total			1.0						
<b>Capital Expenditure</b>									
Capital Transfers									
Acquisition of Existing Assets									
Capital Formation			8.0	68.7	20.7	18.0	16.0	14.0	
Sub-Total			8.0	68.7	20.7	18.0	16.0	14.0	
A	TOT DIRECT PROJECT COST		9.0	68.7	20.7	18.0	16.0	14.0	
<b>Technical Assistance</b>									
Project Preparation									
Equipment									
Advisory									
Training									
B	TOT TECHNICAL ASSISTANCE								
<b>TOTAL PROJECT COST (A+B)</b>			9.0	68.7	20.7	18.0	16.0	14.0	
<b>FINANCING SOURCES</b>									
IDENTIFIED FINANCING									
<b>Direct Project Financing:</b>									
<b>Government Contributions:</b>									
Loan				64.2	18.7	16.5	15.0	14.0	
Grant									
b) Self Generating Revenue									
a) Government Input				4.5	2.0	1.5	1.0		
C	TOTAL DIRECT FINANCING			68.7	20.7	18.0	16.0	14.0	
<b>Technical Assistance</b>									
D	<b>TOTAL FINANCING (C+D)</b>			68.7	20.7	18.0	16.0	14.0	
<b>FINANCING SOUGHT</b>									
Direct Project Cost (A-C)			9.0						
Technical Assistance (B-D)									
<b>TOTAL FINANCING SOUGHT</b>			9.0						

**PIP NUMBER:** 2789

**PROJECT NAME:** SMALLHOLDER AGRICULTURE DEVELOPMENT PROJECT

**EXECUTING AGENCY:** PNG Oil Palm Industry Corporation

**PROJECT OBJECTIVIES:**

To provide extension services for the oil palm industry as well as to help in the expansion of the industry. This project is aimed at improving infrastructure in the oil palm growing provinces and that benefits smallholder oil palm sector productivity through improved infrastructure and service delivery mechanisms.

**PROJECT STATUS:**

The project started in 2008 and continued funding in 2009. Status on the progress of its implementation is unknown due to lack of reporting by OPIC.

**PROJECT COMPONENTS:**

This project components include; 1) Smallholder Productivity Enhancement - to include planting of additional oil palm blocks, upgrading and maintenance of existing provincial access roads; 2) Local Governance and Community Participation - to develop and demonstrate sustainable mechanism for local governance, supplementing current grants from national government to LLGs in the project areas and promoting participatory planning and local accountability at the community level; 3) Project Management and Institutional Support - OPIC will take overall responsibility for project management, coordination and performance of the project.

**PROJECT LOCATION:**

The project will be located in Bialla, WNBP and Oro Province

**PROJECT JUSTIFICATION:**

The program assists important infrastructure developments to support smallholders and therefore the GoPNG should consider providing counterpart funding support to IDA assistance

**PROJECT CAPACITY:**

The Oil Palm Industry Cooperation (OPIC) has the capacity to coordinate the implementation of the project. The actual implementatin will be carried out by private contractors

**PROJECT BENEFICIARIES:**

The main beneficiaries will be the small holder oil palm growers and also the general public who will use the infrastructure.

**PROJECT SUSTAINABILITY**

The sustainability of the activity will depend on the capacity of the Department of Agriculture and Livestock to continue with the extension programme and expansion of the crop throughout the country.

**2789 SMALLHOLDER AGRICULTURE DEVELOPMENT PROJECT**

ESTIMATED TOTAL PROJECT COST 101,000.0 ESTIMATED DURATION OF THE PROJECT 3.0 Years

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

PROJECT COST		2008 Actual	2009 Budget	5 Year Total	2010	2011	2012	2013	2014
<b>DIRECT PROJECT COST</b>									
<b>Current Expenditure</b>									
Personal Emoluments									
Goods and Other Services			1,000.0						
Current Transfers									
Sub-Total			1,000.0						
<b>Capital Expenditure</b>									
Acquisition of Existing Assets									
Capital Formation			7,956.9	68,695.0	20,695.0	18,000.0	16,000.0	14,000.0	
Capital Transfers									
Sub-Total			7,956.9	68,695.0	20,695.0	18,000.0	16,000.0	14,000.0	
A	TOT DIRECT PROJECT COST		8,956.9	68,695.0	20,695.0	18,000.0	16,000.0	14,000.0	
<b>Technical Assistance</b>									
Project Preparation									
Advisory									
Training									
Equipment									
B	TOT TECHNICAL ASSISTANCE								
<b>TOTAL PROJECT COST (A+B)</b>			8,956.9	68,695.0	20,695.0	18,000.0	16,000.0	14,000.0	
<b>FINANCING SOURCES</b>									
<b>IDENTIFIED FINANCING</b>									
<b>Direct Project Financing:</b>									
<b>Government Contributions:</b>									
a) Government Input				4,500.0	2,000.0	1,500.0	1,000.0		
b) Self Generating Revenue									
Loan				64,195.0	18,695.0	16,500.0	15,000.0	14,000.0	
Grant									
C	TOTAL DIRECT FINANCING			68,695.0	20,695.0	18,000.0	16,000.0	14,000.0	
<b>Technical Assistance</b>									
D	TOTAL FINANCING (C+D)			68,695.0	20,695.0	18,000.0	16,000.0	14,000.0	
<b>FINANCING SOUGHT</b>									
Direct Project Cost (A-C)			8,956.9						
Technical Assistance (B-D)									
<b>TOTAL FINANCING SOUGHT</b>			8,956.9						

**CURRENT DONOR INVOLVEMENT**

World Bank is funding the project with counter part funding from GoPNG.

**POTENTIAL DONOR INVOLVEMENT**

There is no potential for other donors but World Bank and GoPNG.

**2010 Budget Votes for this PIP are :-**

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