

535 Mineral Resources Authority

(in Millions of Kina)

PIP No.	Project Title	5 Year Total	2011	2012	2013	2014	2015
2765	OK TEDI MOA	3.4	.9	.9	.9	.9	
2766	WHV MOA	2.0	.5	.5	.5	.5	
2767	RN MOA	30.0	10.0	10.0	10.0		
2769	LIHIR	36.0	10.0	10.0	7.0	5.0	4.0
2770	PORGERA	13.0	3.0	3.0	2.8	2.3	1.8
2771	MSM MOA	2.9	.6	.6	.6	.6	.6
2772	SIM MOA	7.4	2.0	2.0	2.0	1.5	
2774	EU SYSMIN PROJECT	13.6	11.1	1.5	1.0		
2968	MINING SECTOR INSTIT	16.0	13.0	1.0	1.0	1.0	
TOTAL CAPACITY BUILDING PROJECTS		124.3	51.1	29.5	25.8	11.8	6.4
TOTAL		124.3	51.1	29.5	25.8	11.8	6.4

535 Mineral Resources Authority

AGENCY SUMMARY OF ALL PROJECTS

EXPENDITURE PROJECTIONS AND FINANCING REQUIREMENTS (K Millions)

PROJECT COST		2009 Actual	2010	5 Year Total	2011	2012	2013	2014	2015
DIRECT PROJECT COST									
Current Expenditure									
Personal Emoluments				.1					
Current Transfers			8.9	29.6	7.9	7.6	6.9	4.5	2.8
Goods and Other Services			2.1	34.3	24.7	3.3	3.3	2.6	.4
Sub-Total			11.0	64.0	32.6	10.9	10.2	7.1	3.2
Capital Expenditure									
Capital Transfers									
Acquisition of Existing Assets									
Capital Formation			41.2	61.3	18.8	18.8	15.8	4.6	3.2
Sub-Total			41.2	61.3	18.8	18.8	15.8	4.6	3.2
A	TOT DIRECT PROJECT COST		52.2	125.3	51.4	29.7	26.0	11.7	6.4
Technical Assistance									
Project Preparation									
Equipment									
Advisory									
Training									
B	TOT TECHNICAL ASSISTANCE								
TOTAL PROJECT COST (A+B)			52.2	125.3	51.4	29.7	26.0	11.7	6.4
FINANCING SOURCES									
IDENTIFIED FINANCING									
Direct Project Financing:									
Government Contributions:									
Loan				12.0	12.0				
Grant				9.3	9.3				
b) Self Generating Revenue									
a) Government Input			34.8	104.0	30.0	29.7	26.0	11.7	6.4
C	TOTAL DIRECT FINANCING		34.8	125.3	51.3	29.7	26.0	11.7	6.4
Technical Assistance									
D	TOTAL FINANCING (C+D)		34.8	125.3	51.3	29.7	26.0	11.7	6.4
FINANCING SOUGHT									
Direct Project Cost (A-C)			17.4		.1				
Technical Assistance (B-D)									
TOTAL FINANCING SOUGHT			17.4		.1				

PIP NUMBER: 2765

PROJECT NAME: OK TEDI MOA

EXECUTING AGENCY: Mineral Resources Authority

PROJECT OBJECTIVIES:

To comply with the MOA expenditure committments of the State as agreed to in the Ok Tedi MOA between the State and the Landowners associated with Ok Tedi Mine Project.

PROJECT STATUS:

The developer has submitted a Mine Closure Plan to the National Government for its response. The developer will submit to the National Government a Mine Extension Feasiblity Study in anticipation of the extended life of the mine.

PROJECT COMPONENTS:

The project component includes; 1. Kiunga Water and Sewerage Agreement (2) Ok Tedi Mine Closure; (3) Quarterly reveiw meetings and general liaison activities.

PROJECT LOCATION:

Tabubil, Western Province.

PROJECT JUSTIFICATION:

The MOA was signed between the State, Western Provincial Government and the OK Tedi Landowners on 11 January 1991, and subsequently the " Restated Eighth Supplementary Agreement in 1996. The MOA commitments are the State's consideration to provide basic infrastructure in-leu of the landowners taking up share equity in the Copper Mine Project. The mine creates income, wealth, jobs and business development opportunities as well as providing social (health /education and transport infrastructure to once remote areas.The MOA is a legal instrument and its commitments are therefore legally binding on all parties to the agreement.

PROJECT CAPACITY:

Mineral Resource Authority has the capacity to manage and disburse the funds for implementation. The coordination efforts are critical to allow for a coordinated Mine Closure Planning Process.

PROJECT BENEFICIARIES:

The direct beneficiaries are the people of the Tabubil District of Western Province. Provision of this expenditure allows the Ok Tedi Mine to operate smoothly and avoids and related disruptions that could be caused by the landowners for lack of commitment to the MOA by the National Government. The National Government and the people of PNG in turn benefit from the revenue generated by the Mine and other spin- off benefits. The OK Tedi Mining Project will continue to generate the various benefits into the future during the Mine Life.

PROJECT SUSTAINABILITY

The expenditures are investment related as it is directed towards infrastructure construction and other mining liaison activities. The project will continue to be sustained through the eventual transfer of the infrastructure and service facilities to the Fly River Provincial Administration.

2765 OK TEDI MOA

ESTIMATED TOTAL PROJECT COST 0.0 ESTIMATED DURATION OF THE PROJECT Years

EXPENDITURE PROJECTION AND FINANCING REQUIREMENTS (K'000)

PROJECT COST		2009 Actual	2010 Bugdet	5 Year Total	2011	2012	2013	2014	2015
DIRECT PROJECT COST									
Current Expenditure									
Personal Emoluments									
Goods and Other Services			630.0	2,712.0	678.0	678.0	678.0	678.0	
Current Transfers									
Sub-Total			630.0	2,712.0	678.0	678.0	678.0	678.0	
Capital Expenditure									
Acquisition of Existing Assets									
Capital Formation				720.0	180.0	180.0	180.0	180.0	
Capital Transfers									
Sub-Total				720.0	180.0	180.0	180.0	180.0	
A TOT DIRECT PROJECT COST			630.0	3,432.0	858.0	858.0	858.0	858.0	
Technical Assistance									
Project Preparation									
Advisory									
Training									
Equipment									
B TOT TECHNICAL ASSISTANCE									
TOTAL PROJECT COST (A+B)			630.0	3,432.0	858.0	858.0	858.0	858.0	
FINANCING SOURCES									
IDENTIFIED FINANCING									
Direct Project Financing:									
Government Contributions:									
a) Government Input				3,432.0	858.0	858.0	858.0	858.0	
b) Self Generating Revenue									
Loan									
Grant									
C TOTAL DIRECT FINANCING				3,432.0	858.0	858.0	858.0	858.0	
D Technical Assistance									
TOTAL FINANCING (C+D)				3,432.0	858.0	858.0	858.0	858.0	
FINANCING SOUGHT									
Direct Project Cost (A-C)			630.0						
Technical Assistance (B-D)									
TOTAL FINANCING SOUGHT			630.0						

CURRENT DONOR INVOLVEMENT

GoPNGis funding this program.

POTENTIAL DONOR INVOLVEMENT

Nil.

2011 Budget Votes for this PIP are :-

53534011201 OK TEDI MOA

PIP NUMBER: 2766

PROJECT NAME: WAU/HIDDEN VALLEY MOA

EXECUTING AGENCY: Mineral Resources Authority

PROJECT OBJECTIVIES:

The objective of this project is to fund the States committments in the Memorandum of Agreement (MOA) relating to the development of the Hidden Valley Gold Project in Wau, Morobe Province.

PROJECT STATUS:

Grants of K500,000.00 were disbursed to the Nakuwi Landowner's in 2009. Commitments to be met are improving the law and order effectiveness in the Bulolo District.

PROJECT COMPONENTS:

The major components of the project are; (1) Wau Secondary School, (2) Wau Health Centre, (3) Wau District Court, (4) Bulolo Law and Order. Other components include environmental awareness patrols and general liaison activities.

PROJECT LOCATION:

This project will be administered by the Mineral Resources Authority while the activities of this project will be carried out in the Wau area of Morobe Province.

PROJECT JUSTIFICATION:

The Memorandum of Agreement (MOA) is legally binding on all parties that are signatories to it. The State is, thus obliged to meet these commitments. The overall objective for the state's involvement in the project is to ensure smooth operations of the mine.

PROJECT BENEFICIARIES:

The main beneficiaries of this project will be the impacted landowners and communities around the Hidden Valley Gold Project, Bulolo, Wau and Morobe Province.

PROJECT SUSTAINABILITY

This project will continuously be sustained by the Mineral Resources Authority through annual budgetary fundings from the National Govt budget while other stakeholders will also be providing relevant assistance in supporting this project.

2766 WAU/HIDDEN VALLEY MOA

ESTIMATED TOTAL PROJECT COST 10,000.0 ESTIMATED DURATION OF THE PROJECT 5.0 Years

EXPENDITURE PROJECTION AND FINANCING REQUIREMENTS (K'000)

PROJECT COST		2009 Actual	2010 Budget	5 Year Total	2011	2012	2013	2014	2015
DIRECT PROJECT COST									
Current Expenditure									
Personal Emoluments									
Goods and Other Services				400.0	100.0	100.0	100.0	100.0	
Current Transfers			280.0	800.0	200.0	200.0	200.0	200.0	
Sub-Total			280.0	1,200.0	300.0	300.0	300.0	300.0	
Capital Expenditure									
Acquisition of Existing Assets									
Capital Formation				800.0	200.0	200.0	200.0	200.0	
Capital Transfers									
Sub-Total				800.0	200.0	200.0	200.0	200.0	
A	TOT DIRECT PROJECT COST		280.0	2,000.0	500.0	500.0	500.0	500.0	
Technical Assistance									
Project Preparation									
Advisory									
Training									
Equipment									
B	TOT TECHNICAL ASSISTANCE								
TOTAL PROJECT COST (A+B)			280.0	2,000.0	500.0	500.0	500.0	500.0	
FINANCING SOURCES									
IDENTIFIED FINANCING									
Direct Project Financing:									
Government Contributions:									
a) Government Input				2,000.0	500.0	500.0	500.0	500.0	
b) Self Generating Revenue									
Loan									
Grant									
C	TOTAL DIRECT FINANCING			2,000.0	500.0	500.0	500.0	500.0	
Technical Assistance									
D	TOTAL FINANCING (C+D)			2,000.0	500.0	500.0	500.0	500.0	
FINANCING SOUGHT									
Direct Project Cost (A-C)			280.0						
Technical Assistance (B-D)									
TOTAL FINANCING SOUGHT			280.0						

CURRENT DONOR INVOLVEMENT

There is currently no donor involvement but the National Government.

POTENTIAL DONOR INVOLVEMENT

There is no potential for donor involvement in the future.

2011 Budget Votes for this PIP are :-

53534011202 WAU/HIDDEN VALLEY LIAISON

PIP NUMBER: 2767

PROJECT NAME: RAMU NICKEL MOA

EXECUTING AGENCY: Mineral Resources Authority

PROJECT OBJECTIVIES:

To meet National Government commitments as agreed to in the Ramu MOA made between the State, Madang Provincial Government and Ramu Landowners.

PROJECT STATUS:

The Ramu Project was negotiated and signed in 1999 between the State and the Ramu Nickel Joint Venture partners to commence work on the development phase. It is in its construction phase. The Ramu MOA has been reviewed and signed. The State commitments under the MOA are still ongoing. Annual grants the four landowner associations will continue until the project commences production.

PROJECT COMPONENTS:

The major components of the project are; (1) Basamuk Government Station Establishment (2) Walium and Usino Police Station Upgrade (3) Brahman Danagari Road Maintenance (4) Ganglau Health Centre Upgrade (5) Landowner Association Grants - until commencement of production.

PROJECT LOCATION:

The Project is located in the Ramu Valley of Madang Province.

PROJECT JUSTIFICATION:

Ramu Mine is an important constituent of PNG's development policies. The development of the Ramu nickel project is important for the economy of PNG in terms of a regular flow of revenue to the Government from the mining sector.

PROJECT CAPACITY:

The Mineral Resources Authority administers the overall operation and disbursement of project funds under the MOA. Capital works relating to the project are to be executed using proper tendering process by the Works Dept. Individual mine coordinator coordinate and oversee the overall implementation of the projects as per the MOA.

PROJECT BENEFICIARIES:

The beneficiaries of the project are the landowners, the people of Madang Province and the entire country.

PROJECT SUSTAINABILITY

The project will be sustained by Mineral Resources Authority through annual budgetary allocations from the National Government under the Mining Agreement Funds as per the MOA.

2767 RAMU NICKEL MOA

ESTIMATED TOTAL PROJECT COST 20,000.0 ESTIMATED DURATION OF THE PROJECT 5.0 Years

EXPENDITURE PROJECTION AND FINANCING REQUIREMENTS (K'000)

PROJECT COST		2009 Actual	2010 Budget	5 Year Total	2011	2012	2013	2014	2015
DIRECT PROJECT COST									
Current Expenditure									
Personal Emoluments									
Goods and Other Services			450.0	1,125.0	375.0	375.0	375.0		
Current Transfers			1,000.0	1,200.0	400.0	400.0	400.0		
Sub-Total			1,450.0	2,325.0	775.0	775.0	775.0		
Capital Expenditure									
Acquisition of Existing Assets									
Capital Formation			2,720.0	27,675.0	9,225.0	9,225.0	9,225.0		
Capital Transfers									
Sub-Total			2,720.0	27,675.0	9,225.0	9,225.0	9,225.0		
A TOT DIRECT PROJECT COST			4,170.0	30,000.0	10,000.0	10,000.0	10,000.0		
Technical Assistance									
Project Preparation									
Advisory									
Training									
Equipment									
B TOT TECHNICAL ASSISTANCE									
TOTAL PROJECT COST (A+B)			4,170.0	30,000.0	10,000.0	10,000.0	10,000.0		
FINANCING SOURCES									
IDENTIFIED FINANCING									
Direct Project Financing:									
Government Contributions:									
a) Government Input				30,000.0	10,000.0	10,000.0	10,000.0		
b) Self Generating Revenue									
Loan									
Grant									
C TOTAL DIRECT FINANCING				30,000.0	10,000.0	10,000.0	10,000.0		
D Technical Assistance									
TOTAL FINANCING (C+D)				30,000.0	10,000.0	10,000.0	10,000.0		
FINANCING SOUGHT									
Direct Project Cost (A-C)			4,170.0						
Technical Assistance (B-D)									
TOTAL FINANCING SOUGHT			4,170.0						

CURRENT DONOR INVOLVEMENT

GoPNG is funding this project.

POTENTIAL DONOR INVOLVEMENT

There is no donor involvement.

2011 Budget Votes for this PIP are :-

53534011203 RAMU LIAISON PROJECT

PIP NUMBER: 2769

PROJECT NAME: LIHIR MOA

EXECUTING AGENCY: Mineral Resources Authority

PROJECT OBJECTIVIES:

To implement the National Government's commitments in infrastructure funding in the MOA and to assist in the mitigation and arbitration of problems and issues that transpire.

PROJECT STATUS:

The revised Lihir MOA review has been successfully completed after 7 years of negotiations. Major commitments in the Lihir MOA have been met annually. Lihir High School is in the final stages of completion of completion and funds from 2009 would be used for this purpose together with other infrastructure commitments in the MOA. The Lihir Ring Road upgrading is progressing with feasibility studies being undertaken with full scoping to be carried out before work began

PROJECT COMPONENTS:

The main components of the project are; (1) Lihir Ring Road (2) Upgrading and maintenance of Buluminsky Highway (3) Kavieng Wharf construction (4) Namatanai Hospital Upgrade and Maintenance (5) Kavieng Airport

PROJECT LOCATION:

Lihir Islands of New Ireland Province.

PROJECT JUSTIFICATION:

The MOA commitments are the State's considerations to provide basic infrastructure in lieu of the landowners taking up share equity in the mining project. Besides, the MOA is legally on all parties, with the state being a party. Thus, the state is obliged to honour its commitments. The overall objective of the state's involvement in the development of the project is to ensure its smooth operations.

PROJECT CAPACITY:

The Mineral Resource Authority administers the disbursement of project funds. The capital works of the project are being executed through proper tendering processes by Department of Works. The agency also has the capacity to coordinate and implement this project as shown in that some of the projects are nearing completion and work has begun on others.

PROJECT BENEFICIARIES:

The direct beneficiaries are the people of Lihir Group of Islands and the New Ireland Provincial Government. Provision of this project expenditure allows the Lihir mine to operate smoothly and provide benefits to landowners, and also contributes directly and indirectly to the general welfare and the economy of PNG.

PROJECT SUSTAINABILITY

Given the legality of the project, the National Government will fund and sustain the project through the duration of the Agreement. The cessation of this Agreement would see New Ireland Provincial Government and Lihir Local Level Government taking over the role of maintaining the infrastructure facilities thereon.

2769 LIHIR MOA

ESTIMATED TOTAL PROJECT COST 10,000.0 ESTIMATED DURATION OF THE PROJECT 5.0 Years

EXPENDITURE PROJECTION AND FINANCING REQUIREMENTS (K'000)

PROJECT COST		2009 Actual	2010 Budget	5 Year Total	2011	2012	2013	2014	2015
DIRECT PROJECT COST									
Current Expenditure									
Personal Emoluments				40.0	8.0	8.0	8.0	8.0	8.0
Goods and Other Services			213.0	1,445.0	289.0	289.0	289.0	289.0	289.0
Current Transfers			400.0	3,515.0	703.0	703.0	703.0	703.0	703.0
Sub-Total			613.0	5,000.0	1,000.0	1,000.0	1,000.0	1,000.0	1,000.0
Capital Expenditure									
Acquisition of Existing Assets									
Capital Formation			9,382.0	31,000.0	9,000.0	9,000.0	6,000.0	4,000.0	3,000.0
Capital Transfers									
Sub-Total			9,382.0	31,000.0	9,000.0	9,000.0	6,000.0	4,000.0	3,000.0
TOT DIRECT PROJECT COST			9,995.0	36,000.0	10,000.0	10,000.0	7,000.0	5,000.0	4,000.0
Technical Assistance									
Project Preparation									
Advisory									
Training									
Equipment									
TOT TECHNICAL ASSISTANCE									
TOTAL PROJECT COST (A+B)			9,995.0	36,000.0	10,000.0	10,000.0	7,000.0	5,000.0	4,000.0
FINANCING SOURCES									
IDENTIFIED FINANCING									
Direct Project Financing:									
Government Contributions:									
a) Government Input			9,995.0	36,000.0	10,000.0	10,000.0	7,000.0	5,000.0	4,000.0
b) Self Generating Revenue									
Loan									
Grant									
TOTAL DIRECT FINANCING			9,995.0	36,000.0	10,000.0	10,000.0	7,000.0	5,000.0	4,000.0
Technical Assistance									
TOTAL FINANCING (C+D)			9,995.0	36,000.0	10,000.0	10,000.0	7,000.0	5,000.0	4,000.0
FINANCING SOUGHT									
Direct Project Cost (A-C)									
Technical Assistance (B-D)									
TOTAL FINANCING SOUGHT									

CURRENT DONOR INVOLVEMENT

This MOA is a National Government commitment to the people of Nimarmar Rural LLG therefore it is fully funded by G

POTENTIAL DONOR INVOLVEMENT

There is currently no potential for donor involvement in the future.

2011 Budget Votes for this PIP are :-

53534011205 LIHIR LIAISON

PIP NUMBER: 2770

PROJECT NAME: PORGERA MOA

EXECUTING AGENCY: Mineral Resources Authority

PROJECT OBJECTIVIES:

To honour and implement State commitments under the MOA and the Fly In Fly Out Agreement, also to resolve issues and problems regarding the project and reviewing the MOA.

PROJECT STATUS:

There are still outstanding State commitments under the MOA that the will have to be met. Quarterly review meetings have started again in 2010 to resolve issues and one of them being the review of the MOA.

PROJECT COMPONENTS:

The project components are: 1) Grants to Porgera Health Centre (2) Grants to Paiam Management Company via PDA (3) Porgera -Tari Road (4) Paiam High School (5) Paiam Recreational Centre (6) Paiam Hydro Power Project (7) Paiam Road Stage 2 (8) Paiam Township maintenance, 9) Paiam Development Company Management & Administration.

PROJECT LOCATION:

Pogera District in the Enga Province.

PROJECT JUSTIFICATION:

The State has commitments that it has to honour under the MOA and the MOA is binding on all parties.

PROJECT CAPACITY:

The Mineral Resources Authority has the capacity to implement the project.

PROJECT BENEFICIARIES:

The direct beneficiaries are the people of the Pogera and Mt.Kare District, and Enga Province. Development of Paiam township is now addressing the difficulty on the issue of "Fly-in/Fly-out" operation affecting Pogera Mining operation. PJV workers will benefit immensely. The country also benefits from the mine in terms of the cashflow to the economy.

PROJECT SUSTAINABILITY

The infrastructure facilities constructed under the Pogera/Paiam MOA will be sustained by Pogera Development Authority (PDA) and the Enga Provincial Government through their recurrent budget in the post mine era. Currently, the Pogera/Paiam MOA will continue to be funded through annual budgetary appropriations.

2770 PORGERA MOA

ESTIMATED TOTAL PROJECT COST 10,000.0 ESTIMATED DURATION OF THE PROJECT 5.0 Years

EXPENDITURE PROJECTION AND FINANCING REQUIREMENTS (K'000)

PROJECT COST		2009 Actual	2010 Bugdet	5 Year Total	2011	2012	2013	2014	2015
DIRECT PROJECT COST									
Current Expenditure									
Personal Emoluments				35.0	7.0	7.0	7.0	7.0	7.0
Goods and Other Services			130.0	570.0	114.0	114.0	114.0	114.0	114.0
Current Transfers			2,780.0	11,308.0	2,654.0	2,654.0	2,500.0	2,000.0	1,500.0
Sub-Total			2,910.0	11,913.0	2,775.0	2,775.0	2,621.0	2,121.0	1,621.0
Capital Expenditure									
Acquisition of Existing Assets									
Capital Formation			260.0	1,125.0	225.0	225.0	225.0	225.0	225.0
Capital Transfers									
Sub-Total			260.0	1,125.0	225.0	225.0	225.0	225.0	225.0
TOT DIRECT PROJECT COST			3,170.0	13,038.0	3,000.0	3,000.0	2,846.0	2,346.0	1,846.0
Technical Assistance									
Project Preparation									
Advisory									
Training									
Equipment									
TOT TECHNICAL ASSISTANCE									
TOTAL PROJECT COST (A+B)			3,170.0	13,038.0	3,000.0	3,000.0	2,846.0	2,346.0	1,846.0
FINANCING SOURCES									
IDENTIFIED FINANCING									
Direct Project Financing:									
Government Contributions:									
a) Government Input			3,170.0	13,038.0	3,000.0	3,000.0	2,846.0	2,346.0	1,846.0
b) Self Generating Revenue									
Loan									
Grant									
TOTAL DIRECT FINANCING			3,170.0	13,038.0	3,000.0	3,000.0	2,846.0	2,346.0	1,846.0
Technical Assistance									
TOTAL FINANCING (C+D)			3,170.0	13,038.0	3,000.0	3,000.0	2,846.0	2,346.0	1,846.0
FINANCING SOUGHT									
Direct Project Cost (A-C)									
Technical Assistance (B-D)									
TOTAL FINANCING SOUGHT									

CURRENT DONOR INVOLVEMENT

GoPNG is funding this project.

POTENTIAL DONOR INVOLVEMENT

There is no potential donor involvement.

2011 Budget Votes for this PIP are :-

53534011206 MINING AGREEMENT - PORGERA

PIP NUMBER: 2771

PROJECT NAME: MT SINIVIT MOA

EXECUTING AGENCY: Mineral Resources Authority

PROJECT OBJECTIVIES:

To fulfil the State's commitments in the Mt. Sinivit revised MOA and to assist in the review of the MOA and resolving issues in regard to the distribution of benefits, environmental monitoring and others that transpire.

PROJECT STATUS:

This is an ongoing project which began in 2006. Various grants to the landowner association (WDMALA) and the Landowner Association's Business Company, Uramot Company, have been met by the State this year. Commitments under the MOA to be met are infrastructure such as aid post, schools and the road to the surrounding communities

PROJECT COMPONENTS:

The main components of the project are: (1) Roads (2) Aidposts (3) School (4) Ongoing liaison activities.

PROJECT LOCATION:

The project is located in the Baining area of East New Britain Province.

PROJECT JUSTIFICATION:

Firstly, the MOA is legally binding on the respective parties, while at the same time these investments will serve as community relation initiatives that will enable the mine to operate smoothly. Further, the state's involvement in the project recognises the the fact that the mining project creates jobs, income and business developmennt opportunities, both for the local people, the province and the country as a whole.

PROJECT CAPACITY:

The Mineral Resources Authority will administer the disbursement of project funds as they have the capacity to do so with the assistance of other public agencies.

PROJECT BENEFICIARIES:

The direct beneficiaries are the impacted landowners of Mt Sinivit, the people of East New Britain Province and the entire country because of the cashflow into the economy.

PROJECT SUSTAINABILITY

Given the legality of the project, the National Government will fund and sustain the project through the duration of the Agreement. The ceasation of this Agreement would see the East New Britain Provincial Government and the relevant Local Level Governments taking over the role of maintaining the infrastructure facilities and other business establishments thereon to ensure it continues to sustain livelihood of of the people.

2771 MT SINIVIT MOA

ESTIMATED TOTAL PROJECT COST 5,000.0 ESTIMATED DURATION OF THE PROJECT 5.0 Years

EXPENDITURE PROJECTION AND FINANCING REQUIREMENTS (K'000)

PROJECT COST		2009 Actual	2010 Bugdet	5 Year Total	2011	2012	2013	2014	2015
DIRECT PROJECT COST									
Current Expenditure									
Personal Emoluments									
Goods and Other Services			100.0						
Current Transfers			600.0	2,900.0	580.0	580.0	580.0	580.0	580.0
Sub-Total			700.0	2,900.0	580.0	580.0	580.0	580.0	580.0
Capital Expenditure									
Acquisition of Existing Assets									
Capital Formation			200.0						
Capital Transfers									
Sub-Total			200.0						
A TOT DIRECT PROJECT COST			900.0	2,900.0	580.0	580.0	580.0	580.0	580.0
Technical Assistance									
Project Preparation									
Advisory									
Training									
Equipment									
B TOT TECHNICAL ASSISTANCE									
TOTAL PROJECT COST (A+B)			900.0	2,900.0	580.0	580.0	580.0	580.0	580.0
FINANCING SOURCES									
IDENTIFIED FINANCING									
Direct Project Financing:									
Government Contributions:									
a) Government Input				2,900.0	580.0	580.0	580.0	580.0	580.0
b) Self Generating Revenue									
Loan									
Grant									
C TOTAL DIRECT FINANCING				2,900.0	580.0	580.0	580.0	580.0	580.0
D Technical Assistance									
TOTAL FINANCING (C+D)				2,900.0	580.0	580.0	580.0	580.0	580.0
FINANCING SOUGHT									
Direct Project Cost (A-C)			900.0						
Technical Assistance (B-D)									
TOTAL FINANCING SOUGHT			900.0						

CURRENT DONOR INVOLVEMENT

There is currently no donor involvement in the execution of the MOA but the National Government.

POTENTIAL DONOR INVOLVEMENT

There is no potential donor involvement.

2011 Budget Votes for this PIP are :-

53534011207 MT. SINIVIT MOA

PIP NUMBER: 2772

PROJECT NAME: SIMBERI MOA

EXECUTING AGENCY: Mineral Resources Authority

PROJECT OBJECTIVIES:

To meet state committments under the MOA as part of the Governments liaison and community affairs programs to ensure smooth operations of the Simberi Gold Mine Project with minimal distrupctions.

PROJECT STATUS:

The funding for 2009 met some of the major components it set out to meet like the Business Establishment Grants for the Landowners Association and the financial assistant to pit landowners. There are still outstanding commitments that need to be met by the State.

PROJECT COMPONENTS:

The main components of the project are:(1) Outstanding Special Support Grants for 2008 and 2009;(2) Simberi ring road maintenance;(3) SNLLG for maintenance of Public Servants Housing;(4) Konos Station new generator set & power supply extension;(5) SNLLG Office and Chamber complex;(6) Simberi Police infrastructure

PROJECT LOCATION:

Simberi Islands and New Ireland Provincial Government.

PROJECT JUSTIFICATION:

The MOA is legally binding on the respective parties, where the state is a party. Thus, the state needs to honour these commitments. Besides, the MOA recognises the importance of the mining project to the economy of PNG - creates income, wealth, jobs and business development opportunities. The government sees the need for creating community relations to allow for smooth operations of the mine.

PROJECT CAPACITY:

The Mineral Resources Authority administers the disbursment of project funds. The capital works of the project will be executed through a proper tendering processes by Department of Works. Project Coordinator are appointed within MRA to oversee the project implementation as per the MOA including funding to ensure funds are spent as within the scope works.

PROJECT BENEFICIARIES:

The direct beneficieries will be the people of the Simberi Group of Islands and New Ireland Provincial Government and the whole country.

PROJECT SUSTAINABILITY

Given the legality of the project, the National Government will fund and sustain the project through the duration of the Agreement. The New Ireland Provincial Government and Simberi LLG will cater for the upkeep of the facilities after mine closure to sustain the livelihoods of the local people.

2772 SIMBERI MOA

ESTIMATED TOTAL PROJECT COST 5,000.0 ESTIMATED DURATION OF THE PROJECT 5.0 Years

EXPENDITURE PROJECTION AND FINANCING REQUIREMENTS (K'000)

PROJECT COST		2009 Actual	2010 Bugdet	5 Year Total	2011	2012	2013	2014	2015
DIRECT PROJECT COST									
Current Expenditure									
Personal Emoluments									
Goods and Other Services			180.0	1,816.0	454.0	454.0	454.0	454.0	
Current Transfers			1,500.0	5,592.0	1,546.0	1,546.0	1,500.0	1,000.0	
Sub-Total			1,680.0	7,408.0	2,000.0	2,000.0	1,954.0	1,454.0	
Capital Expenditure									
Acquisition of Existing Assets									
Capital Formation									
Capital Transfers									
Sub-Total									
A TOT DIRECT PROJECT COST			1,680.0	7,408.0	2,000.0	2,000.0	1,954.0	1,454.0	
Technical Assistance									
Project Preparation									
Advisory									
Training									
Equipment									
B TOT TECHNICAL ASSISTANCE									
TOTAL PROJECT COST (A+B)			1,680.0	7,408.0	2,000.0	2,000.0	1,954.0	1,454.0	
FINANCING SOURCES									
IDENTIFIED FINANCING									
Direct Project Financing:									
Government Contributions:									
a) Government Input			1,680.0	7,408.0	2,000.0	2,000.0	1,954.0	1,454.0	
b) Self Generating Revenue									
Loan									
Grant									
C TOTAL DIRECT FINANCING			1,680.0	7,408.0	2,000.0	2,000.0	1,954.0	1,454.0	
D Technical Assistance									
TOTAL FINANCING (C+D)			1,680.0	7,408.0	2,000.0	2,000.0	1,954.0	1,454.0	
FINANCING SOUGHT									
Direct Project Cost (A-C)									
Technical Assistance (B-D)									
TOTAL FINANCING SOUGHT									

CURRENT DONOR INVOLVEMENT

There is currently no donor involvement in the execution of the MOA but the National Government.

POTENTIAL DONOR INVOLVEMENT

Nil.

2011 Budget Votes for this PIP are :-

53534011208 SIMBERI MOA

PIP NUMBER: 2774

PROJECT NAME: EU SYSMIN PROJECT

EXECUTING AGENCY: Mineral Resources Authority

PROJECT OBJECTIVIES:

The objectives of the project are to sustain the country' economic performance in mineral production and exports, and to mitigate the mines adverse environmental impacts.

PROJECT STATUS:

Most of the components of the project have been completed; (1) Mine Waste Mgt Policy has been tendered. (2) DSTP Study drafted and presented to State. (3) Complete construction of Mining Haus. (4) SSM Training Centre completed. (5) AGS - Project complete and data handed to MRA. (6) Mapping and Mineral Assessment ongoing. (7) GMRIS software complete. (8) TA to PMU ongoing till 2012. (9) Hardware procurement - Complete

PROJECT COMPONENTS:

The components of the project include; 1. Formulation of a mining waste management policy; 2. Independent evaluation of deep-sea tailings placement (DSTP) in PNG; 3. Construction of a new Mining Haus for the Department of Mining; 4. Small-Scale Mining Vocational Centres and Women Development Centre; 5. Airborne geophysical survey of the Highlands and Owen Stanley Range; 7. Geological and Mineral Potential assessment of the Highlands and Owen Stanley Range; 7. Geological and Mineral Resources Information System (GMRIS); 9. Hardware procurement; 10. Promotion of PNG's Mineral Sector; and 11. Technical Assessment of the Programme Management Unit (PMU).

PROJECT LOCATION:

The project will focus on mine affected areas in PNG.

PROJECT JUSTIFICATION:

The project is aimed at improving capacity of the Department of Mining/MRA to promote exploration activities to sustain the country's economic performance in mineral exports and mitigate mines environmental impacts on sorounding communities to mining projects.

PROJECT CAPACITY:

The project was formerly implemented under the Mining Department and transfered to MRA when it was established. Under the project a Project Management Unit was set up and a National Program Manager rrecruited to oversee the implementation of the project. Thus institutional capacity is not an issue as, MRA/DoM has implemented projects of such magnitude including this one.

PROJECT BENEFICIARIES:

The main beneficiaries will be the mine affected communities and areas.

PROJECT SUSTAINABILITY

The Department of Mineral Resource Authority has now assumed full ownership and has the capacity to implement the project with funding from EU.

2774 EU SYSMIN PROJECT

ESTIMATED TOTAL PROJECT COST 0.0 ESTIMATED DURATION OF THE PROJECT Years

EXPENDITURE PROJECTION AND FINANCING REQUIREMENTS (K'000)

PROJECT COST		2009 Actual	2010 Bugdet	5 Year Total	2011	2012	2013	2014	2015
DIRECT PROJECT COST									
Current Expenditure									
Personal Emoluments									
Goods and Other Services				9,348.0	9,348.0				
Current Transfers			500.0	4,300.0	1,800.0	1,500.0	1,000.0		
Sub-Total			500.0	13,648.0	11,148.0	1,500.0	1,000.0		
Capital Expenditure									
Acquisition of Existing Assets									
Capital Formation			10,500.0						
Capital Transfers									
Sub-Total			10,500.0						
A	TOT DIRECT PROJECT COST		11,000.0	13,648.0	11,148.0	1,500.0	1,000.0		
Technical Assistance									
Project Preparation									
Advisory									
Training									
Equipment									
B	TOT TECHNICAL ASSISTANCE								
TOTAL PROJECT COST (A+B)			11,000.0	13,648.0	11,148.0	1,500.0	1,000.0		
FINANCING SOURCES									
IDENTIFIED FINANCING									
Direct Project Financing:									
Government Contributions:									
a) Government Input				4,300.0	1,800.0	1,500.0	1,000.0		
b) Self Generating Revenue									
Loan									
Grant				9,348.0	9,348.0				
C	TOTAL DIRECT FINANCING			13,648.0	11,148.0	1,500.0	1,000.0		
Technical Assistance									
D	TOTAL FINANCING (C+D)			13,648.0	11,148.0	1,500.0	1,000.0		
FINANCING SOUGHT									
Direct Project Cost (A-C)			11,000.0						
Technical Assistance (B-D)									
TOTAL FINANCING SOUGHT			11,000.0						

CURRENT DONOR INVOLVEMENT

European Union (EU) and GoPNG are co-financing this project.

POTENTIAL DONOR INVOLVEMENT

Only EU and no other donor involvement.

2011 Budget Votes for this PIP are :-

53534011210 SYSMIN PROJECT

PIP NUMBER: 2968

PROJECT NAME: MINING SECTOR INSTITUTIONAL STRENGTHENING PHASE 2

EXECUTING AGENCY: Mineral Resources Authority

PROJECT OBJECTIVIES:

To enhance the capacity of the Government through the Mineral Resource Authority 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 resource evaluation and utilization.

PROJECT STATUS:

The project commenced in 2000 with concessional loan funding from the World Bank and a counterpart funding from the National Government. MRA has completed the first draft of the Small Grants Manual for management of small grants in women's groups in mining areas.

PROJECT COMPONENTS:

The component include; 1. Policy and Regulatory Institutional Strengthening; 2. Development of Departmental Capacity to monitor and execute Audits of Exploration and Mining Activities; 3. Strengthening of Departmental Mineral Tenements Management; 4. Development of Project Coordination and Liaison Capacity for Sustainable Development in Mining Project Areas; 5. Institutional Strengthening of the Geological Survey and Development of Geological Information System (GIS) Capabilities; 6. Institutional Strengthening and Capacity Building for IRC.

PROJECT LOCATION:

Mineral Resources Authority, Konedobu, National Capital District.

PROJECT JUSTIFICATION:

This project will enable the Government to be more effecient in the management of benefits from the mineral resources, maximize exploration capacity, and improve analysis and monitoring of mineral resource development.

PROJECT CAPACITY:

The Mineral Resources Authority has the capacity to coordinate the implementation of the project. Implementation has been satisfactory in the first phase. The project itself has provided a lot of capacity building for the former Department of Mining staff in terms of manpower training.

PROJECT BENEFICIARIES:

The staff of the Mineral Resources Authority will be the main beneficiaries of the project through training and skills transfered from the TA. The National Government will also benefit indirectly from the (a) management and regulation of the mining industry and (b) from an improved coordination, monitoring & evaluation of mining activities in the country, thus raising potential for increased revenue for the country.

PROJECT SUSTAINABILITY

The sustainability of this project will depend very much on how staff of MRA are trained and are able to contribute towards the management, monitoring and evaluation of the development of mineral resources in the country.

2968 MINING SECTOR INSTITUTIONAL STRENGTHENING PHASE 2

ESTIMATED TOTAL PROJECT COST 0.0 ESTIMATED DURATION OF THE PROJECT Years

EXPENDITURE PROJECTION AND FINANCING REQUIREMENTS (K'000)

PROJECT COST		2009 Actual	2010 Budget	5 Year Total	2011	2012	2013	2014	2015
DIRECT PROJECT COST									
Current Expenditure									
Personal Emoluments									
Goods and Other Services				16,000.0	13,000.0	1,000.0	1,000.0	1,000.0	
Current Transfers			1,800.0						
Sub-Total			1,800.0	16,000.0	13,000.0	1,000.0	1,000.0	1,000.0	
Capital Expenditure									
Acquisition of Existing Assets									
Capital Formation			18,182.0						
Capital Transfers									
Sub-Total			18,182.0						
A	TOT DIRECT PROJECT COST		19,982.0	16,000.0	13,000.0	1,000.0	1,000.0	1,000.0	
Technical Assistance									
Project Preparation									
Advisory									
Training									
Equipment									
B	TOT TECHNICAL ASSISTANCE								
TOTAL PROJECT COST (A+B)			19,982.0	16,000.0	13,000.0	1,000.0	1,000.0	1,000.0	
FINANCING SOURCES									
IDENTIFIED FINANCING									
Direct Project Financing:									
Government Contributions:									
a) Government Input			19,982.0	4,000.0	1,000.0	1,000.0	1,000.0	1,000.0	
b) Self Generating Revenue									
Loan				12,000.0	12,000.0				
Grant									
C	TOTAL DIRECT FINANCING		19,982.0	16,000.0	13,000.0	1,000.0	1,000.0	1,000.0	
Technical Assistance									
D	TOTAL FINANCING (C+D)		19,982.0	16,000.0	13,000.0	1,000.0	1,000.0	1,000.0	
FINANCING SOUGHT									
Direct Project Cost (A-C)									
Technical Assistance (B-D)									
TOTAL FINANCING SOUGHT									

CURRENT DONOR INVOLVEMENT

The World Bank is continuing to fund this program through a loan with counterpart funding from GoPNG.

POTENTIAL DONOR INVOLVEMENT

There is currently no potential for further donor involvement.

2011 Budget Votes for this PIP are :-

53534011213 MINING SECTOR INSTITUTIONAL STRENGTHENING

PIP NUMBER: 3223

PROJECT NAME: WOMEN IN MINING WOMEN IN MINING

EXECUTING AGENCY: Mineral Resources Authority

3223 WOMEN IN MINING WOMEN IN MINING

ESTIMATED TOTAL PROJECT COST 5,000.0 ESTIMATED DURATION OF THE PROJECT 5.0 Years

EXPENDITURE PROJECTION AND FINANCING REQUIREMENTS (K'000)

PROJECT COST		2009 Actual	2010 Bugdet	5 Year Total	2011	2012	2013	2014	2015
A	DIRECT PROJECT COST								
	Current Expenditure								
	Personal Emoluments								
	Goods and Other Services								
	Current Transfers								
	Sub-Total								
	Capital Expenditure								
	Acquisition of Existing Assets								
	Capital Formation								
	Capital Transfers								
	Sub-Total								
TOT DIRECT PROJECT COST									
B	Technical Assistance								
	Project Preparation								
	Advisory								
	Training								
	Equipment								
TOT TECHNICAL ASSISTANCE									
TOTAL PROJECT COST (A+B)									
FINANCING SOURCES									
C	IDENTIFIED FINANCING								
	Direct Project Financing:								
	Government Contributions:								
	a) Government Input								
	b) Self Generating Revenue								
	Loan								
D	Grant								
	TOTAL DIRECT FINANCING								
	Technical Assistance								
TOTAL FINANCING (C+D)									
FINANCING SOUGHT									
	Direct Project Cost (A-C)								
	Technical Assistance (B-D)								
	TOTAL FINANCING SOUGHT								

CURRENT DONOR INVOLVEMENT

POTENTIAL DONOR INVOLVEMENT

2011Budget Votes for this PIP are :-