

559 PNG Oil Palm Industry Corporation

(in Millions of Kina)

PIP No.	Project Title	5 Year Total	2011	2012	2013	2014	2015
2789	sadp	5.5	3.0	1.5	1.0		
TOTAL CAPITAL PROJECTS		5.5	3.0	1.5	1.0		
TOTAL		5.5	3.0	1.5	1.0		

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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									
Current Transfers									
Goods and Other Services				4.5	2.0	1.5	1.0		
Sub-Total				4.5	2.0	1.5	1.0		
Capital Expenditure									
Capital Transfers									
Acquisition of Existing Assets									
Capital Formation			20.7	1.0	1.0				
Sub-Total			20.7	1.0	1.0				
A	TOT DIRECT PROJECT COST		20.7	5.5	3.0	1.5	1.0		
Technical Assistance									
Project Preparation									
Equipment									
Advisory									
Training									
B	TOT TECHNICAL ASSISTANCE								
TOTAL PROJECT COST (A+B)			20.7	5.5	3.0	1.5	1.0		
FINANCING SOURCES									
IDENTIFIED FINANCING									
Direct Project Financing:									
Government Contributions:									
Loan			18.7	2.0	2.0				
Grant									
b) Self Generating Revenue									
a) Government Input			2.0	3.5	1.0	1.5	1.0		
C	TOTAL DIRECT FINANCING		20.7	5.5	3.0	1.5	1.0		
Technical Assistance									
D	TOTAL FINANCING (C+D)		20.7	5.5	3.0	1.5	1.0		
FINANCING SOUGHT									
Direct Project Cost (A-C)									
Technical Assistance (B-D)									
TOTAL FINANCING SOUGHT									

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:

Of the K1.5 million allocation in 2010, warrants totalling K1.2 million have been released. However, the progressive status of the project is unknown at this stage.

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		2009 Actual	2010 Budget	5 Year Total	2011	2012	2013	2014	2015
DIRECT PROJECT COST									
Current Expenditure									
Personal Emoluments									
Goods and Other Services				4,500.0	2,000.0	1,500.0	1,000.0		
Current Transfers									
Sub-Total				4,500.0	2,000.0	1,500.0	1,000.0		
Capital Expenditure									
Acquisition of Existing Assets									
Capital Formation			20,695.0	1,000.0	1,000.0				
Capital Transfers									
Sub-Total			20,695.0	1,000.0	1,000.0				
A	TOT DIRECT PROJECT COST		20,695.0	5,500.0	3,000.0	1,500.0	1,000.0		
Technical Assistance									
Project Preparation									
Advisory									
Training									
Equipment									
B	TOT TECHNICAL ASSISTANCE								
TOTAL PROJECT COST (A+B)			20,695.0	5,500.0	3,000.0	1,500.0	1,000.0		
FINANCING SOURCES									
IDENTIFIED FINANCING									
Direct Project Financing:									
Government Contributions:									
a) Government Input			2,000.0	3,500.0	1,000.0	1,500.0	1,000.0		
b) Self Generating Revenue									
Loan			18,695.0	2,000.0	2,000.0				
Grant									
C	TOTAL DIRECT FINANCING		20,695.0	5,500.0	3,000.0	1,500.0	1,000.0		
Technical Assistance									
D	TOTAL FINANCING (C+D)		20,695.0	5,500.0	3,000.0	1,500.0	1,000.0		
FINANCING SOUGHT									
Direct Project Cost (A-C)									
Technical Assistance (B-D)									
TOTAL FINANCING SOUGHT									

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.

2011 Budget Votes for this PIP are :-

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