

206 Department of Finance

(in Millions of Kina)

PIP No.	Project Title	5 Year Total	2011	2012	2013	2014	2015
1756	FIN MANAGEMENT/IMPR	78.0	18.0	28.0	20.0	12.0	
3020	PSAP	3.0	.2	.5	.5	.5	.5
3111	EPSGTS	7.0	4.2	3.0	2.0	1.0	1.0
3116	PCBP2	4.0	2.5	1.5	1.0	1.0	.5
TOTAL CAPACITY BUILDING PROJECTS		92.0	24.9	33.0	23.5	14.5	2.0
TOTAL		92.0	24.9	33.0	23.5	14.5	2.0

206 Department of Finance

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			1.8	21.3	4.3	7.5	5.5	3.5	.5
Current Transfers				31.0	8.0	12.0	7.0	4.0	
Goods and Other Services			16.6	48.4	20.4	12.5	8.5	5.5	1.5
Sub-Total			18.4	100.7	32.7	32.0	21.0	13.0	2.0
Capital Expenditure									
Capital Transfers									
Acquisition of Existing Assets									
Capital Formation			41.9	17.2	2.2	7.0	5.0	3.0	
Sub-Total			41.9	17.2	2.2	7.0	5.0	3.0	
A TOT DIRECT PROJECT COST			60.3	117.9	34.9	39.0	26.0	16.0	2.0
Technical Assistance									
Project Preparation									
Equipment									
Advisory									
Training									
B TOT TECHNICAL ASSISTANCE									
TOTAL PROJECT COST (A+B)			60.3	117.9	34.9	39.0	26.0	16.0	2.0
FINANCING SOURCES									
IDENTIFIED FINANCING									
Direct Project Financing:									
Government Contributions:									
Loan									
Grant			5.9	11.0		4.5	3.0	2.0	1.5
b) Self Generating Revenue									
a) Government Input			54.3	101.0	29.0	34.5	23.0	14.0	.5
C TOTAL DIRECT FINANCING			60.2	112.0	29.0	39.0	26.0	16.0	2.0
Technical Assistance									
D TOTAL FINANCING (C+D)			60.2	112.0	29.0	39.0	26.0	16.0	2.0
FINANCING SOUGHT									
Direct Project Cost (A-C)			.1	5.9	5.9				
Technical Assistance (B-D)									
TOTAL FINANCING SOUGHT			.1	5.9	5.9				

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) Configuration & Quality Assurance for revenue and budget ceilings. (2) Configuration & Quality Assurance processes of Recurrent Budget estimates. (3) Configuration & Quality Assurance for the Development Budget.

PROJECT COMPONENTS:

The project has six (6) main components which are: (1) Integrated Financial Management System (IFMS). (2) Budget Execution & Accounting Systems. (3) Information Technology Systems & Government Enterprise Systems. (4) Government Wide Information Network. (5) Training & Human Resource Development. (6) Provincial Capacity Building (PCaB).

PROJECT LOCATION:

Department of Finance, All State Agencies 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 executing agency has the capacity to implement the program given its experience with the program from previous years of implementation.

PROJECT BENEFICIARIES:

Staff of the Departments responsible for the formulation of national budget's implementation and monitoring of public funds as well as all State Agencies when the project has been fully implemented in line with PNG Government Systems Regulation, Policies & Purposes plus at large the people of PNG.

PROJECT SUSTAINABILITY

The program will be sustained through the annual budgets given the importance of the project to be fully implemented in order to realize its objectives.

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		2009 Actual	2010 Budget	5 Year Total	2011	2012	2013	2014	2015
DIRECT PROJECT COST									
Current Expenditure									
Personal Emoluments			1,396.2	19,054.3	4,054.3	7,000.0	5,000.0	3,000.0	
Goods and Other Services			10,028.2	26,700.7	11,700.7	7,000.0	5,000.0	3,000.0	
Current Transfers			25.6	15,045.0	45.0	7,000.0	5,000.0	3,000.0	
Sub-Total			11,450.0	60,800.0	15,800.0	21,000.0	15,000.0	9,000.0	
Capital Expenditure									
Acquisition of Existing Assets									
Capital Formation			1,871.0	17,200.0	2,200.0	7,000.0	5,000.0	3,000.0	
Capital Transfers									
Sub-Total			1,871.0	17,200.0	2,200.0	7,000.0	5,000.0	3,000.0	
A	TOT DIRECT PROJECT COST		13,321.0	78,000.0	18,000.0	28,000.0	20,000.0	12,000.0	
Technical Assistance									
Project Preparation									
Advisory									
Training									
Equipment									
B	TOT TECHNICAL ASSISTANCE								
TOTAL PROJECT COST (A+B)			13,321.0	78,000.0	18,000.0	28,000.0	20,000.0	12,000.0	
FINANCING SOURCES									
IDENTIFIED FINANCING									
Direct Project Financing:									
Government Contributions:									
a) Government Input			13,321.0	78,000.0	18,000.0	28,000.0	20,000.0	12,000.0	
b) Self Generating Revenue									
Loan									
Grant									
C	TOTAL DIRECT FINANCING		13,321.0	78,000.0	18,000.0	28,000.0	20,000.0	12,000.0	
Technical Assistance									
D	TOTAL FINANCING (C+D)		13,321.0	78,000.0	18,000.0	28,000.0	20,000.0	12,000.0	
FINANCING SOUGHT									
Direct Project Cost (A-C)									
Technical Assistance (B-D)									
TOTAL FINANCING SOUGHT									

CURRENT DONOR INVOLVEMENT

GoPNG is fully funding this project. All donor agency have ceased funding since 2009.

POTENTIAL DONOR INVOLVEMENT

2011 Budget Votes for this PIP are :-

20612031201 FINANCIAL MANAGEMENT PROJECT

PIP NUMBER: 3020

PROJECT NAME: PUBLIC SERVICE AUDIT PROGRAM

EXECUTING AGENCY: Department of Finance

PROJECT OBJECTIVIES:

To have better governance, accountability and transparency in the GoPNG Public Sector through targeted support of internal audit capacity within GoPNG Public Service.

PROJECT COMPONENTS:

The program has three (3) main components: (1) Travelling to undertake audits. (2) Contractor Payment. (3) Staff Training.

PROJECT LOCATION:

The project will be located within the National Government Agencies as well as the sub-national levels through out the country.

PROJECT JUSTIFICATION:

The project , as part of the Partnership for Development, is aimed to implement amendments to Section 9 of the Public Finances (Management) Act that were passed in 2004, requiring all National Departments & Provincial Governments to establish Audit Committees and Internal Audit Units to promote good governance, accountability and transparency in GoPNG Public Service.

PROJECT CAPACITY:

The implementing agency has the required capacity to undertake and successfully implement the project.

PROJECT BENEFICIARIES:

The staff of the National Government Departments, Provincial Governments and the public at large will benefit from this program.

PROJECT SUSTAINABILITY

The project will be sustained by the implementing agency through the annual recurrent budgets.

3020 PUBLIC SERVICE AUDIT PROGRAM

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			375.0	2,200.0	200.0	500.0	500.0	500.0	500.0
Goods and Other Services			625.0						
Current Transfers									
Sub-Total			1,000.0	2,200.0	200.0	500.0	500.0	500.0	500.0
Capital Expenditure									
Acquisition of Existing Assets									
Capital Formation									
Capital Transfers									
Sub-Total									
A	TOT DIRECT PROJECT COST		1,000.0	2,200.0	200.0	500.0	500.0	500.0	500.0
Technical Assistance									
Project Preparation									
Advisory									
Training									
Equipment									
B	TOT TECHNICAL ASSISTANCE								
TOTAL PROJECT COST (A+B)			1,000.0	2,200.0	200.0	500.0	500.0	500.0	500.0
FINANCING SOURCES									
IDENTIFIED FINANCING									
Direct Project Financing:									
Government Contributions:									
a) Government Input			1,000.0	3,000.0	1,000.0	500.0	500.0	500.0	500.0
b) Self Generating Revenue									
Loan									
Grant									
C	TOTAL DIRECT FINANCING		1,000.0	3,000.0	1,000.0	500.0	500.0	500.0	500.0
Technical Assistance									
D	TOTAL FINANCING (C+D)		1,000.0	3,000.0	1,000.0	500.0	500.0	500.0	500.0
FINANCING SOUGHT									
Direct Project Cost (A-C)				-800.0	-800.0				
Technical Assistance (B-D)									
TOTAL FINANCING SOUGHT				-800.0	-800.0				

CURRENT DONOR INVOLVEMENT

Nil.

POTENTIAL DONOR INVOLVEMENT

2011 Budget Votes for this PIP are :-

20612031211 PUBLIC SERVICE AUDIT PROGRAM

PIP NUMBER: 3111

PROJECT NAME: EPSG TWINNING SCHEME

EXECUTING AGENCY: Department of Finance

PROJECT OBJECTIVIES:

The project aims to build of middle management in GoPNG agencies by improving technical and management skills.

PROJECT STATUS:

This is an on-going project which commenced in 2008 with various attachments to Australian Federal Government Departments by GoPNG public servants as well as short term training programs by IRC officials in 2009.

PROJECT COMPONENTS:

The project has two (2) main components: (1) Strengthening of middle level management of GoPNG agencies by partnering with their equivalent Australian Commonwealth Government Departments, this are: Australian Treasury with PNG Treasury; Australian Department of Finance and Deregulation with PNG Department of Finance; the Australian National Audit Office with the PNG Auditor- General's Office; Australian Customs Service and the Australian Tax Office with their respective counter parts in the PNG Internal Revenue Commission. (2) Conducting overseas training for national staff of line agencies by their counterparts in Australian Government Departments or placing requests by GoPNG line agencies to the SGP for an advisor to assist with management capacity building.

PROJECT LOCATION:

The project will be implemented nation-wide.

PROJECT JUSTIFICATION:

The project is helping line agencies to improve middle level management capacity and build database for each sector agency. Some improvements are being made and noticeable progress has been achieved on monitoring and evaluation against baseline targets. However, a lot of work still needs to be done within identified line agencies.

PROJECT CAPACITY:

This program will be delivered by the Department of Finance as the lead agency in partnership with Department of Treasury, Internal Revenue Commission (Tax & Customs Branch), and the Auditor General's Office.

PROJECT BENEFICIARIES:

The project beneficiaries will be the concerned GoPNG agencies and the people of PNG at large.

PROJECT SUSTAINABILITY

This program will be sustained through AusAID funding for the duration of the programs implementation phase.

3111 EPSG TWINNING SCHEME

ESTIMATED TOTAL PROJECT COST 0.0 ESTIMATED DURATION OF THE PROJECT 1.0 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			3,405.0	11,215.0	4,215.0	3,000.0	2,000.0	1,000.0	1,000.0
Current Transfers									
Sub-Total			3,405.0	11,215.0	4,215.0	3,000.0	2,000.0	1,000.0	1,000.0
Capital Expenditure									
Acquisition of Existing Assets									
Capital Formation									
Capital Transfers									
Sub-Total									
A	TOT DIRECT PROJECT COST		3,405.0	11,215.0	4,215.0	3,000.0	2,000.0	1,000.0	1,000.0
Technical Assistance									
Project Preparation									
Advisory									
Training									
Equipment									
B	TOT TECHNICAL ASSISTANCE								
TOTAL PROJECT COST (A+B)			3,405.0	11,215.0	4,215.0	3,000.0	2,000.0	1,000.0	1,000.0
FINANCING SOURCES									
IDENTIFIED FINANCING									
Direct Project Financing:									
Government Contributions:									
a) Government Input									
b) Self Generating Revenue									
Loan									
Grant			3,405.0	7,000.0		3,000.0	2,000.0	1,000.0	1,000.0
C	TOTAL DIRECT FINANCING		3,405.0	7,000.0		3,000.0	2,000.0	1,000.0	1,000.0
Technical Assistance									
D	TOTAL FINANCING (C+D)		3,405.0	7,000.0		3,000.0	2,000.0	1,000.0	1,000.0
FINANCING SOUGHT									
Direct Project Cost (A-C)				4,215.0	4,215.0				
Technical Assistance (B-D)									
TOTAL FINANCING SOUGHT				4,215.0	4,215.0				

CURRENT DONOR INVOLVEMENT

AusAID.

POTENTIAL DONOR INVOLVEMENT

2011 Budget Votes for this PIP are :-

20612011207 EPSG TWINNING SCHEME

PIP NUMBER: 3116

PROJECT NAME: PROVINCIAL CAPACITY BUILDING PHASE 2

EXECUTING AGENCY: Department of Finance

PROJECT OBJECTIVIES:

To strengthen sub-national financial management capacity at all provincial and district treasuries to ensure sustainability.

PROJECT STATUS:

Progress on situational analysis for some PCaB II provinces is lagging behind those of say Milne Bay and Central Provinces due to incomplete sub-district reports on district financial management programs to enhance district treasuries.

PROJECT COMPONENTS:

The project has four (4) main components: (1) Capacity building for Provincial Treasuries, District Treasuries and LLGs. (2) Information and Communications Technology (ICT) support for provincial financial management (at national & sub national levels). (3) Internet programs for university undergraduates, and; (4) National and sub-national workshops and exchange study visits.

PROJECT LOCATION:

The project continues to be implemented in Central, Milne Bay, Western, East New Britain, Morobe and Eastern Highlands Provinces.

PROJECT JUSTIFICATION:

The PCaB II is a vital prerequisite to the strengthening of the provincial and district level financial management capacity in a manner that reflects consistent efforts to enhance the capacity of Provincial and District Treasuries to develop a culture of accountability and transparency.

PROJECT CAPACITY:

The various sector agencies have the capacity in terms of manpower and expertise in accomplishing each project as intended.

PROJECT BENEFICIARIES:

The beneficiaries of the project will be the Department of Finance, the various provincial governments where the project will be implemented and the people of Papua New Guinea.

PROJECT SUSTAINABILITY

The projects will be sustained by the recurrent budget of the Department of Finance. The respective stakeholder's capacity has been improved through the capacity development programs and therefore will be competent and capable of sustaining these program activities after its completion.

3116 PROVINCIAL CAPACITY BUILDING PHASE 2

ESTIMATED TOTAL PROJECT COST 0.0 ESTIMATED DURATION OF THE PROJECT 1.0 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			2,497.0	6,479.0	2,479.0	1,500.0	1,000.0	1,000.0	500.0
Current Transfers									
Sub-Total			2,497.0	6,479.0	2,479.0	1,500.0	1,000.0	1,000.0	500.0
Capital Expenditure									
Acquisition of Existing Assets									
Capital Formation									
Capital Transfers									
Sub-Total									
A	TOT DIRECT PROJECT COST		2,497.0	6,479.0	2,479.0	1,500.0	1,000.0	1,000.0	500.0
Technical Assistance									
Project Preparation									
Advisory									
Training									
Equipment									
B	TOT TECHNICAL ASSISTANCE								
TOTAL PROJECT COST (A+B)			2,497.0	6,479.0	2,479.0	1,500.0	1,000.0	1,000.0	500.0
FINANCING SOURCES									
IDENTIFIED FINANCING									
Direct Project Financing:									
Government Contributions:									
a) Government Input									
b) Self Generating Revenue									
Loan									
Grant			2,497.0	4,000.0		1,500.0	1,000.0	1,000.0	500.0
C	TOTAL DIRECT FINANCING		2,497.0	4,000.0		1,500.0	1,000.0	1,000.0	500.0
Technical Assistance									
D	TOTAL FINANCING (C+D)		2,497.0	4,000.0		1,500.0	1,000.0	1,000.0	500.0
FINANCING SOUGHT									
Direct Project Cost (A-C)				2,479.0	2,479.0				
Technical Assistance (B-D)									
TOTAL FINANCING SOUGHT				2,479.0	2,479.0				

CURRENT DONOR INVOLVEMENT

AusAID.

POTENTIAL DONOR INVOLVEMENT

2011 Budget Votes for this PIP are :-

20612031212 PROVINCIAL CAPACITY BUILDING PHASE 2