



**DEPARTMENT OF TREASURY
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BUDGET CIRCULAR 5/2012

12 July 2012

CIRCULAR LETTER TO:

All Provincial Administrators

INDICATIVE 2013 RECURRENT BUDGET CEILINGS AND PREPARATION OF 2013 RECURRENT AND DEVELOPMENT BUDGET SUBMISSIONS - PROVINCIAL ADMINISTRATIONS

1. PURPOSE

This Budget Circular is intended to:

1. inform Provincial Administrations/Governments (Provinces) of the 2013 Recurrent Budget Ceilings;
2. advise Provinces of the policy framework underpinning the 2013 Budget;
3. provide guidance to Provinces on the form and content for their 2013 Recurrent and Development Budget Submissions; and
4. seek 2013 Budget Submissions by close of business on **10 August 2012**.

It is important that all Provincial Administrators ensure that their Provincial Administration's obligations to provide a submission on time are met and that officers responsible for preparing the 2013 Budget Submission are provided with a copy of this Circular, read it closely and ensure that they comply with all the requirements of the Circular.

Please contact Budget Division in the Department of Treasury (Treasury) if you need help understanding this circular (contact details are at the end of this circular).

Please contact the Department of National Planning and Monitoring if you need help in preparing your Development Budget submission (contact details are at the end of this circular).

2. STRUCTURE OF BUDGET CIRCULAR

This Budget Circular includes the following information to assist Provinces to formulate and submit their 2013 Budget Submissions.

- *Section 3* provides details on the indicative **2013 Budget ceilings**;
- *Section 4* outlines the **key dates** for the 2013 National Budget;
- *Section 5* provides the **policy principles** driving the formulation of the 2013 National Budget and the priority funding areas based on the Government's development policies;
- *Section 6* explains the **revised Budget process** for Provinces under RIGFA;
- *Section 7* explains the different **recurrent grants** available to Provinces and LLGs;
- *Section 8* provides the instructions to formulate and submit 2013 **Recurrent Budget Submissions**;
- *Section 9* details the instructions to formulate and submit 2013 **Development Budget Submissions**; and
- *Section 10* provides details of **Key Contacts** within Treasury, the Department of Finance (Finance) and the Department of National Planning and Monitoring (DNPM).

3. 2013 BUDGET CEILINGS

The 2013 Budget Ceilings have been set to enable the Government to meet its targets under the *Medium Term Fiscal Strategy 2008-2015* (MTFS), the requirements of the *Fiscal Responsibility Act 2006* that the Budget be in balance over the term of the Government, and the improved funding arrangements for Provinces arising from Review of Intergovernmental Financing Arrangements (RIGFA). The indicative 2013 recurrent ceilings seek to meet these objectives using the latest forecasts of Government revenue and expenditure for 2013 and the medium term.

Attachment A provides the Personnel Emoluments and Goods and Services ceilings for your Province.

Given the devolution of Human Resource functions, a preliminary staff ceiling has not been provided for the 2013 Budget. However, your 2013 Recurrent Budget Submission must include your Province's existing staff structure (including staff on strength, vacancies and unattached officers) and proposed structure, together with evidence that staffing levels, including public servants and teachers, are within your personnel emoluments ceiling for 2013 and will remain within this ceiling throughout 2013.

4. KEY DATES FOR THE 2013 NATIONAL BUDGET

For all Provinces, the following deadlines apply:

- **29 June 2012** – deadline date for Provinces to submit new projects' 2013 Development Budget submissions to DNPM;

- **30 July – 3 August 2012** – As is stated in Budget Circular 5/2012 (Second Quarter Budget Reviews), discussions with Treasury on the distribution of the total goods and services grant ceiling between the different grants will be held in conjunction with the Second Quarter Review meetings. See section 6.1.2 below for more details of this process;
- **10 August 2012** – deadline date for Provincial Administrations to submit 2013 recurrent budget submissions to Treasury;
- **3 – 21 September 2012** – Budget meetings between Provinces and the Budget Screening Committee (BSC). The BSC comprises of Deputy Secretaries of Central Government Agencies and is chaired by the Deputy Secretary (Budget & Financial Management) of Treasury. The BSC members represent the Departments of PM & NEC, Justice & Attorney General, Finance, National Planning & Monitoring, Personnel Management and the Provincial and Local Level Government Affairs. These BSC meetings provide agencies with the opportunity to present and discuss their 2013 budget submission with senior officials from central agencies. The BSC make recommendations to the Central Agencies Coordinating Committee. Details of BSC meetings, including dates, time, venue, and format and structure, will be provided in August.
- **13 November 2012 – 2013 Budget tabled** in Parliament.

5. PRINCIPLES GUIDING THE FRAMING OF THE 2013 NATIONAL BUDGET

The 2013 Budget will be framed against a background of fiscal responsibility and constraint due to increased expenditure pressures, noting that significant national budget revenue from LNG is not expected for some years. Consequently, there will be limited opportunities for increasing funding outside of 2012 National Executive Council (NEC) decisions and announced priorities such as Australia-Papua New Guinea Partnerships for Development. Even some of these priorities may not be able to be fully funded in 2013. Provincial Administrators should consider these constraints when preparing 2013 recurrent and development budget submissions seeking additional resources above the ceilings.

5.1 The Budget Strategy Paper

The 2012 Budget Strategy Paper (BSP) is the key document establishing the broad principles, strategy and fiscal parameters guiding the 2012 Budget process. The BSP is scheduled to be released at the end of July. Treasury will provide further advice closer to the release date. It will be available on the Treasury website: www.treasury.gov.pg.

5.2 The Medium Term Fiscal Strategy 2008-2012

The key policy document that informs the BSP is the Medium Term Fiscal Strategy 2008-2012 (MTFS). The MTFS provides a responsible, prudent and sustainable framework for the Government to manage its fiscal resources. The MTFS lays out the following three key fiscal rules to assist the Government with achieving sustainable economic growth through correct management of its resources:

- keeping ongoing expenditure in line with normal, sustainable revenues;

- using additional windfall mineral revenue to pre-fund public investment projects and repay debt and other liabilities; and
- limiting the amount of actual public investment expenditure sourced from windfall revenues to a maximum of 4 per cent of GDP in any one year, in order to promote macroeconomic stability and minimise inflationary pressures. It is expected that there will be no additional mineral revenue available in 2013 to fund additional priority expenditure or one-off investment projects.

The MTFS can be accessed from the Treasury website (www.treasury.gov.pg).

6. REVISED FINANCING ARRANGEMENTS AND INTERIM PROCESSES

Amendments to the *Organic Law on Provincial Governments and Local-level Governments* in 2008 resulted in the implementation of a revised system for funding most Provincial and Local-Level governments. These amendments stem from the *Review of Intergovernmental Financial Arrangements* (RIGFA) which was conducted by the National Economic and Fiscal Commission (NEFC).

For NCD and Bougainville, which are not covered by RIGFA, arrangements remain unchanged.

6.1 Changes to the Budget process

The revised financing arrangements provide the Provinces with higher levels of funding on average, more certainty over their funding, and detailed information about funding earlier in the year to allow for more effective internal Budget processes.

6.1.1 Determining the Equalisation Amount

One of the key benefits of the revised system is that it determines the amount of goods and services funding available to the Provinces and LLGs on a sustainable basis that will grow as the National Government's net revenue grows.

The legislation sets the total amount of goods and services funding available to Provinces and LLGs (the **Equalisation Amount**). While the system will provide more funding, on average, for Provinces, they will **not** be able to negotiate to have this ceiling increased because the total amount of goods and services funding will be set by law.

6.1.2 Discussion with Treasury on individual goods and services grants

Although Provinces **cannot change** the Total Goods and Services Ceiling, they can propose a different split of the ceiling between the various grants **within** the total ceiling.

- Where Provinces propose an alternative split of grants, they should advise Treasury as soon as possible.
- If you do not raise this with Treasury, the Treasury ceilings will be put forward in the Budget.

Where a Province proposes a different split of Grants, Treasury will assess the proposal and may enter into further discussions with the Provinces.

However, because the ceilings provided by Treasury are based on a detailed analysis by NEFC of actual costs, expenditure and resources within each Province, Provinces will have to provide detailed, complete and credible alternative evidence to support their request for a different split of Grants.

In most cases, Treasury will not agree to a variation of more than 10 per cent from the ceiling in **any individual Grant**.

If Provinces would like any assistance in the allocation of the **Total Goods and Services Ceiling** between the Administration Grant and Function Grants, they should contact Treasury. The NEFC's *Costs of Services Study* may assist Provinces to make decisions about how best to allocate this funding.

Provinces are reminded that unspent functional grants from one year are to be included in their annual budgets and spent in the same functional area as was originally approved by the Treasurer. They may not be absorbed into general revenue. Provinces which have not rolled over unspent functional grant funds from 2011 should adjust their 2012 Budgets accordingly.

6.1.3 Ministerial Grant Determination to set Goods and Services Grants

Once discussions on the individual grants are finalised with all Provinces, Treasury and NEFC will make a recommendation to the Treasurer on the individual Goods and Services Grants for each Province and LLG.

On the basis of this advice, the Treasurer will issue a Ministerial Determination which will set the Goods and Services Grants for the 2013 Budget.

As this determination will be issued before the commencement of the normal Budget Committees, the Goods and Services Grants for Provinces will not be considered further by the Committees.

6.2 Additional grant types

A ceiling has been provided for an **Administration Grant** to fund the general administration of the Province. The NEFC *Costs of Services Study* has demonstrated that, in most cases, Provinces have sufficient funding for administration. For this reason, where additional funding is available it has generally been directed towards priority areas. If Provinces feel that they need a higher level of funding for administration, they should use their own internal revenue.

In order to provide funding for all the non-priority functions that Provinces are responsible for, and **Other Services Function Grant** ceiling has been provided separately. The purpose of this grant is to provide funding toward the Provincial functions which are not covered by the other sector specific Function Grants.

A **Primary Production Function Grant** may be used to fund Agriculture, Fishery and Forestry activities.

6.3 Conditions on the use of Function Grants

Function Grants are provided to the Provinces by the National Government on the condition that they are used for the purpose provided, in the year that the funding is provided.

The main purpose of Function Grants is to improve service delivery in the core priority areas by ensuring that these sectors have a minimum level of funding. As

with the Administration Grant, it is expected that Provinces will supplement National Government Function Grants with funding from their internal revenues.

Function Grants are to be used to pay for operational goods and services and maintenance costs incurred in the relevant sector. They must not be spent on salaries or capital development.

6.3.1 Budget and Expenditure Instructions

Under the revised system, the Secretary for Treasury can issue *Budget and Expenditure Instructions* to specify conditions on the use of Provincial Grants.

Provinces should ensure that they have the latest *Budget and Expenditure Instructions* and apply them as they prepare their Budgets.

6.3.2 Reviews and Reporting of Expenditure

The NEFCs review of the expenditure of Function Grants for the 2005-09 Budget years, and 2010 to 2012 concludes that in order for the Provinces to effectively use the function grant funds, they must:

- Spend **all** the money they receive;
- Spend it in a **timely** manner and avoid holding the money until the end of the year;
- Spend the money on the **functions** for which it was provided, and avoid spending the Function Grants on wages, capital work and non-essential items;
- **Share** financial information with Program Managers to ensure effective implementation; and
- Include the Provincial Treasurer as part of the management team. The Provincial Treasury **must** make financial data available to the Provincial Administration on a regular basis.

The NEFC will continue to monitor the transfer and expenditure of the **Function Grants**. In order to assist the NEFC in future reviews, Treasury has emphasised the importance of Provinces providing physical progress and expenditure reports for the Minimum Priority Areas – including health, education, transport infrastructure maintenance and village court spending from their ‘200 series’ grants and ‘700 series’ revenues, as part of the Quarterly Budget Review process. These reports should be in the revised format at Attachment A.

Provincial administrations are also expected to be able explain any variances in expenditure against Item 111 Personnel Emoluments and to provide assurances that the payroll records have been checked and certified correct and will fall within the 2012 Budget appropriation.

7. RECURRENT GRANTS

The following guidance has been provided to assist Provinces to understand the grants that are appropriated by the National Government.

7.1 Personal Emoluments

The 7.5% Salary Adjustment signed under the Memorandum of Agreement (MoA) for Salaries, Allowances & Benefits in the Public Service 2011 to 2013 made between

the Department of Personnel Management (DPM) and the Public Employees Association (PEA) is captured under Item 111 'Staffing Grants' in the 2013 Budget Ceilings for all Provincial Administrations as seen in Table 1

7.1.1 Public Servants and Teachers Salaries and Allowances Grants

Separate grants are provided for the salaries and allowances of both Public Servants and Teachers. The ceilings are based on achieving a reasonable balance between the actual costs of teachers and public servants over the past few years and requests from Provincial Administrations for funding under these items.

Public Servants and Teachers paid under these grants should be processed through the Alesco 'Concept' payroll system. The grant ceilings must not be exceeded.

7.1.2 Public Servants and Teachers Leave Fares

It is expected that funding for leave fares will be similar to the 2012 Budget, with some indexation. Outstanding leave fare arrears from earlier years for the Provinces should have been met through the recent acquittal process for arrears.

Provinces are required to keep more accurate leave records to ensure that better estimates of leave fare costs can be provided to Treasury. This will allow for more accurate provisions for leave fares in the future.

7.1.3 Village Courts Allowances Grant

It is expected that the Village Courts Allowances Grant for 2013 will be similar to what was provided in 2012. This grant may *only* be used to fund the costs of salaries for village court officials.

The Village Courts Allowances Grant is based on data which was agreed between Treasury, the NEFC and the Village Courts Secretariat.

The 2013 Budget will continue to include a separate *Village Court Function Grant* for goods and services to assist in meeting the operational and supervision costs of village courts.

7.2 Goods and Services Grants

Each Province has been provided with a **Total Goods and Services Ceiling** for the recurrent, non-staffing costs of delivering goods and services. This is a hard ceiling which is **not negotiable**. The ceiling is determined in consultation with the NEFC on the basis of:

- the total amount of funding available to Provinces and LLGs under the revised financing arrangements (known as the Equalisation Amount);
- the amount of internal revenue available to the Province; and
- the fiscal need of the Province as assessed by the NEFC.

The Individual Goods and Services Ceiling has been split into two broadly grouped ceilings as follows:

- **Administration and Function Grant Ceiling** for funding the Administration Grant and the six Function Grants (Health, Education, Transport Infrastructure Maintenance, Agriculture, Village Courts and Other Services). Provinces are able to negotiate with Treasury regarding a revised distribution of the Ceiling *between* the individual grants (see Section 6.1.2 above).
- **Local-Level Government Ceiling** for funding the urban LLGs and rural LLGs. The Local-Level Government Ceiling and the individual LLG grants under it are not open to negotiation. They have been determined on the basis of NEFC analysis of the amount of funding available and the population of each LLG.

More information on the individual Goods and Services grants, and the purpose for which they are provided, is included in the *Budget and Expenditure Instructions*.

8. INSTRUCTIONS FOR COMPLETING 2013 RECURRENT BUDGET SUBMISSIONS

8.1 Format of a Province's 2013 Recurrent Budget Estimates

Provinces are required to prepare a 2013 Budget submission and submit it to the Treasury by **Friday 10 August 2012**. Where a Province does not lodge a submission, or lodges it late, that Province will not be invited to present to BSC.

Provinces must ensure that the 2013 budget submission lodged is their final submission. If a Province tries to present a different submission to the BSC from the one that was submitted to Treasury, it will be rejected and the original submission will be considered.

Instructions on how to complete the hard and electronic copies of your agency's 2013 budget submission are also in the PNG Budget Manual.

8.1.1 Electronic (Flat file) Budget Submissions

Provinces are required to lodge a diskette containing an electronic flat file of their 2013 recurrent budget submission for uploading into the Planning and Budgetary System (PBS).

Diskettes will be provided to Provinces containing all of the forms that must be completed electronically.

Officials requiring further assistance in the preparation of 2013 Budget Submissions should contact the relevant officers identified in Section 10 below.

8.1.2 Written Budget Submissions

In addition to the electronic submission outlined under 8.1.1 above, Provinces are required to provide a hardcopy 2013 Budget submission outlining planned expenditure for the coming year. The submission should be consistent with the budget structure in Volume 2 (Parts 1 A & B and Part 2) of the 2012 Budget papers. In addition to submitting an electronic copy (diskette) of 2013 recurrent budget submissions, all agencies must also submit a signed hard copy and four (4) photocopies of their 2013 recurrent budget submission and all attachments to Treasury.

Use Table 2 (included at Attachment B to this circular) to present a Provincial Budget Summary Table. Information should be provided, to the nearest thousand Kina for:

- 2011 (actual expenditure as shown in the final public accounts);
- 2012 (current appropriation); and
- 2013 (the funding sought in your Province's Budget Submission).

Although the Goods and Services grants will be set by the Ministerial determination **before** the submission is due, you must include these grants in your submission. Provinces will not be able to seek to change the goods and services grants through their submission.

Provinces are reminded that there will be minimal additional funding available in 2013. New functions should be funded by prioritising and finding savings from existing activities or from internal revenue. The fact that the Province has a new establishment or structure does not automatically mean that funding will be provided for additional positions in the establishment.

8.2 Preparation of 2013 Budget Submissions within the Ceilings Allocated

Provinces must ensure that their 2013 Budget Submissions are within the Budget Ceilings allocated to them.

- The Budget Ceilings allocated to your Province are detailed in an attachment to this Circular and can be perceived as Table 1.

8.2.1 Guidance to Agencies on Meeting Budget Ceilings

The indicative 2013 recurrent budget ceilings provided are the **maximum** levels of funding that will be appropriated to Provinces to continue operating at current policy settings. Where Provinces need to find savings to stay within the ceiling, they should look to find them from:

- reductions in operating costs (particularly in head/regional office administration);
- non-core or lower priority areas; and
- reductions in non-service delivery activities, such as administration.

8.2.2 Aligning Corporate Plans with the Budget

Some Provinces have indicated to Treasury that they are *under-funded* because they are not allocated the funds they have requested to carry out the work areas identified in their corporate planning documents. Provinces should be aware that there is limited funding available and that the Government allocates funding on the basis of *whole of government* expenditure priorities and its national policy objectives.

The Budget is the Government's money plan for the year and the Government expects Provinces to work within what is affordable for PNG. All Provinces should ensure that the tasks identified in their Corporate Plans and Annual Management Plans are achievable **within** the funding available, including funding allocated to them through the National Budget. Provinces should adjust their work plans (including their Corporate Plans and Annual Management Plans) to ensure that they are able to operate **within** the Budget Ceilings allocated.

8.3 Personnel Emoluments and Staffing Resources

The 7.5% Salary Adjustment signed under the Memorandum of Agreement (MoA) for Salaries, Allowances & Benefits in the Public Service 2011 to 2013 made between the Department of Personnel Management (DPM) and the Public Employees Association (PEA) is captured under Item 111 'Staffing Grants' in the 2013 Budget Ceilings for all Provincial Administrations.. This increase is **not** for additional staffing positions.

Provinces **should indicate** in their 2013 Recurrent Budget Submissions any financial implications of annual automatic increment progression expected in 2013 for Public Servants. This cost is the only allowable increase above the personnel emoluments ceiling for 2013.

A key requirement under the devolution of Human Resource functions is managing and maintaining staff numbers **within** the budget funding for personnel emoluments in 2013. Provinces must include as part of their 2013 Recurrent Budget Submission their existing staff structure (including staff on strength, vacancies and unattached officers) and proposed structure and evidence that staffing levels, including public servants and teachers are within the personnel emoluments ceiling for 2013 and will remain within this ceiling throughout 2013. That is, any planned increase in personnel emoluments expenditure in an activity due to recruitment or restructuring must be offset from a decrease in staffing expenditure in another activity.

In addition, to assist government cash flow estimation, Provinces should provide information to Treasury in relation to the level and timing of contract gratuities and expected leave fares for the following year.

Each Province must also advise Treasury of the number of *Casuals* it currently employs, and explain how these *Casuals* assist in the delivery of key services. Provinces should also be aware that these *Casuals*, as with other staff, may **not** be paid through the PGAS system.

8.4 Annual Return on Trust

Section 19(3) of the *Public Finances (Management) Act 1995* (PFM Act) requires Provincial Administrators responsible for managing trust accounts to provide a return for each trust account before the commencement of the following financial year.

Provinces that have trust accounts should use Table 4 to this Circular to provide a return for *each* trust account they operate or have responsibility for. All returns must be included in the 2013 Budget Submission.

Each return should detail an *estimate* of the balance of the trust account and the expected receipts and payments to be made to or from the account over the 2013 financial year.

Officials requiring further assistance in the preparation of Trust Estimates should contact the relevant officer identified in Section 10 below.

8.5 Internal Audit

Under Section 9 of the PFM Act and Finance Instruction 02/2008, National Departments, Provincial Governments and specified Statutory Authorities are required to establish internal audit units and audit committees.

To assist compliance with the PFM Act, all Provinces are strongly encouraged to separately identify in their 2013 Recurrent Budget Submissions the personnel emolument funding and goods and services funding that will be allocated from within 2013 Recurrent Budget Ceilings to resource their Internal Audit Unit.

9. INSTRUCTIONS FOR COMPLETING 2013 DEVELOPMENT BUDGET SUBMISSIONS

9.1 Format of a Province's 2013 Development Budget Submission

All Provinces must submit their Development Budget submissions in a Project Formulation Document (PFD). A PFD contains all the information necessary for DNPM to make an in-depth appraisal of the programme or project. Submissions should be fully scoped and designed and show a clear linkage to the Medium Term Development Plan (MTDP) sector *deliverables* detailed in the MTDP. The 2013 Development Budget is the third annual budget of the Medium Term Development Plan (MTDP) 2011-15.

New projects in the 2013 Public Investment Programme (PIP) will be limited to those appraised and processed by DNPM. Submissions which are recurrent in nature, e.g. taskforces are not eligible for funding under the Development Budget.

All Provinces must submit their new projects' Budget submissions to DNPM by **29th June 2012**. All provinces should *prioritise* submissions. Every submission cannot be funded. To avoid disappointments, Provinces are encouraged to use their function grants for funding smaller non-capital projects which are development in nature.

With respect to donor-funded projects, only those projects for which the Government has already negotiated loans/grants or signed MoUs/MoAs with donors by **29th June 2012** will be considered for funding and commencement in 2013.

9.2 ONGOING DEVELOPMENT PROJECTS

For ongoing projects, all provinces are asked to prepare Budget Submissions.

For ongoing projects that will continue to be funded in 2013, all provinces must submit accurate expenditure estimates for the period beyond 2013, especially in regard to the counterpart funding requirements of donor-related programs and projects. Forward estimates of expenditure over the life of the project are also required for inclusion in the 2012–2015 PIP and for the development of the Medium Term Resource Framework 2011-2015.

Funding is not guaranteed for ongoing projects in the 2013 PIP. An assessment will be made on the progress to date and whether reporting requirements under the Public Financial Management Act have been compiled with. However, all provinces should clearly highlight *contractual obligations* in their submissions. It is Government's desire to complete ongoing projects.

9.3 Donor Funded Projects (Recurrent and Development Budget)

Donor-funded projects are subject to the normal government planning and budgeting processes.

For donor funded projects, all submissions are to be presented in a PFD accompanied by all the relevant attachments. It is important that:

- appropriate details and break-up of the components are shown;
- accurate expenditure estimates for the life of the project especially *counterpart funding* requirements are shown;
- appropriate percentages for reimbursements are correctly reflected in the estimates;
- cash (GoPNG direct) and non cash (donor/loan) components of the projects are clearly indicated;
- the submission includes a break-up at the item level by donor code.

In addition, all Provinces are urged to provide a full description of the projects objectives for 2013, including their contribution to the sector MTDP deliverables, especially for new donor-funded projects, for inclusion in the budget documents.

Total costs, whether Government or donor, within PNG or offshore, must be included in the budget. Loan agreements and MOUs often provide for direct payments to suppliers.

Amounts intended to be paid in this manner (offshore payments) must also be included in the budget estimates, under the appropriate votes, identified by donor, with the amount or percentage of estimated offshore payment. It is not permissible to allow offshore payments when there is no budget appropriation to cover such payments under the relevant vote during the year.

Donor codes are entered after each line item. When entering the donor code, care must be taken to include the correct number to indicate the source of funds:

0. Government
1. Asian Development Bank
2. World Bank
3. European Union – Grant only
4. IFAD
5. OECF
6. JICA
7. New Zealand Aid
8. AusAID
9. Other donors including UNDP, EU (loans only), France, KFW, Kexim, etc.

It is very important that the correct vote number and donor codes are used because errors at this stage will produce incorrect reports in the General Ledger (Oracle) and the PBS.

9.4 Recurrent Impacts from Development Budget

Provinces should examine all Development projects, whether funded by the Government or aid donors, and identify current or future recurrent Budget requirements. Future funding requirements should be identified separately in the text of the Province's recurrent Budget submission.

10. CONTACTS FOR THE 2012 NATIONAL BUDGET

If clarification is required in relation to any section of this Circular, or if your Province requires any further information or assistance in preparing their 2012 Budget Submissions, please contact the following officers:

10.1 Recurrent Budget (Treasury)

Provincial Sector	Ms. Ruth Veapi	312 8753
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10.2 Electronic (flat file) Budget Submissions (Finance)

Information & Communication Technology Division	Mr Jacob Yafai	328 8182
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10.3 Trusts (Finance)

Trust Accounting, Public Accounts	Mrs Cathy Ali	328 8602
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10.4 Development Budget (DNPM)

Provincial Sector	Mr Jacob Areman	325 8303
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Important Note

I seek your co-operation in ensuring your Province provides Treasury, Finance and DNPM with accurate information in the format provided in this Budget Circular by the due date so that the 2013 Budget process can be conducted successfully.

In addition, we request that this Circular and attachments be provided to the relevant officers in your Province as soon as possible after receipt. This will ensure that your Province has more time to formulate its 2013 Recurrent and Development Budget Submissions and to clarify any issues with Treasury, Finance or DNPM.

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Simon Tosali

Secretary
Department of Treasury

Attachments:

- A. 2013 Recurrent Budget Ceilings Allocated to Your Province (**Table 1**)
- B. 2013 Provincial Budget Summary Table Format (**Table 2**)
- C. Format of Trust Information Required (**Table 3**)