



**DEPARTMENT OF TREASURY
OFFICE OF THE SECRETARY**



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BUDGET CIRCULAR 7/2025

TO : ALL HEADS OF DEPARTMENT,
ALL HEADS OF STATUTORY AUTHORITIES,
ALL PROVINCIAL ADMINISTRATORS,
ALL HEADS OF CONSTITUTIONAL OFFICES

DATE : 15th of December 2025

SUBJECT : 2026 ANNUAL CASH FLOW PROJECTIONS, WORK
PLANS & PROCUREMENT PLANS

1. Purpose

This Budget Circular advises National Departments, Statutory Authorities, Constitutional Offices, and Provincial Administrations (agencies) of their responsibilities in preparing and submitting cash-flow projections, work plans and procurement plan requirements for the 2026 fiscal year. Your cash flow projections, work plans and procurement plans must be submitted to the Department of Treasury and Department of National Planning & Monitoring by **Friday, January 16, 2026**.

2. Work Plans

Work plans clearly state the intentions and predetermined targets of State institutions planned for the 2026 Budget. They detail institutional targets into actionable steps through activities and programs that can be easily tracked and measured. These plans provide clarity as to where resources are required and when these resources are required for government institutions to deliver on their mandated functions and government responsibilities within set timeframes. The work plan must clearly capture key result areas while highlighting the agency's core functions.

As such, you are required to submit your agency's work plans for 2026. The work plans must detail the following four (4) key components:

- 1) The activities and programs planned for implementation;
- 2) The intended outcomes expected from implementing the planned activities and programs;
- 3) The timeframe in which the planned activities are expected to be implemented; and

- 4) The level of resources required to undertake the planned activities and programs.

All work plans must be aligned with your agency's 2026 Budget Appropriation. Agencies must ensure that these plans are clearly articulated and consistent with each agency's Corporate Plans, mandate/function, and/or relevant government policies and decisions.

3. Procurement Plans

Where an agency intends to procure goods and services valued at more than **K1million**, a procurement plan is required. A procurement plan must be submitted before an Authority to Pre-Commit (APC) application is lodged with the Department of Finance. All agencies intending to procure goods and services worth more than K1million—whether under the recurrent or capital budget—must submit a procurement plan to both the Department of Finance and the Department of Treasury by **Friday 16th January 2026**.

If an agency is not planning to procure goods or services valued at more than K1million, the agency must notify both the Department of Finance and the Department of Treasury in writing via a letter addressed to the respective Secretaries.

All procurement plans will be reviewed and certified by the Department of Finance. Agencies requiring assistance in compiling their procurement plans may request support from both the Department of Treasury and Department of Finance.

These procurement plans will assist both the Department Finance and Department of Treasury to facilitate the timely release of funds for procurements exceeding K1 million, including for APC processing.

For further information on procurement plans, agencies may contact the Authority to Pre-Commit Committee (APCC) Secretariat using the contact details provided below. apccsecretariat@finance.gov.pg or contact Mr Samson Metofa on 311 8272 or Samson_Metofa@finance.gov.pg

4. Non-Financial Instruction (NFI)

To address poor implementation challenges, several budgetary reforms have been implemented with a view to improving efficiency and effectiveness.

Please refer to the 2026 Appropriation and Non-Financial Circular for more information.

5. Monthly Cash flow Projection & Implementation Schedules

All agencies are required to clearly show their cash flow projections by months, based on their respective 2026 appropriations.

Where an agency fails to submit a cash flow by the deadline **Friday, January 16, 2026**, Treasury will assume a 1/12th pro-rata allocation and will distribute funds accordingly.

If an amendment to your agency's monthly cash flow projection is required, please contact the relevant Assistant Secretary in the Budget Operations Division (contact

details provided below). To discuss this request, adequate written justification is required by the Department of Treasury. Each agency is also required to provide their implementation schedules. These schedules must be based on realistic implementation plans.

6. Monthly Cash Flow Format (Template)

The annual cash flow should be split into **Personnel Emoluments** and **Other Items (Goods & Services)** by month, as shown in the attached template. All agencies are requested to use the standardized template provided for consistency with Treasury's requirements (refer to the attached template).

7. Grants to Provincial and Local Level Governments

All grants to Provincial and Local Level Governments will be released once their respective 2026 Budgets have been approved by the Minister for Treasury. All Provinces and LLGs are still required to submit their monthly cash flows to Treasury for approval after their respective 2026 budget have been approved.

8. Responsibilities of Heads of Agencies

Section 5(1)(e) of the Public Finances (Management) Act 1995 makes agency heads, including Provincial Administrators, responsible for the financial management of their agencies. It specifically states that agency heads are responsible for ensuring that *“there is no over-commitment of funds, and a review is undertaken each month to ensure that there is no over-expenditure or over-commitment, and the collection of public moneys is in accordance with approved plans and estimates.”* **The agency head's responsibility extends to the actions of subordinates acting under delegation.**

It is important that all officers delegated with financial powers understand their responsibility to manage the agency budget within the appropriation given. **Please monitor your agency's expenditure to ensure it is consistent with the approved budget allocation for the year.**

All work plans, cash flow projections, and procurement plans for agencies must be submitted no later than **Friday, January 16, 2026**, to the Department of Treasury and the Department National Planning & Monitoring.

For further assistance or any queries, the respective sector officers can be contacted as listed below.

Sector	Name of Officer	Telephone	Email Address
Economic Sector (DoT)	Mr. Godfrey Ivun	313 3548	Godfrey_ivun@treasury.gov.pg
Economic Sector (DNPM)	Mrs. Marie Pais	308 4113	Marie_pais@planning.gov.pg
Infrastructure & Transport Sector (DoT)	Mr. Godfrey Ivun	313 3548	Godfrey_ivun@treasury.gov.pg

Sector	Name of Officer	Telephone	Email Address
Infrastructure & Transport Sector (DNPM)	Dr. Oti Jigo	308 4110	Oti_jigo@planning.gov.pg
Health Sector (DoT)	Mr. Gabriel Kaku	313 3549	Gabriel_Kaku@treasury.gov.pg
Health Sector (DNPM)	Mrs. Rose Koyama	328 8572	Rose_koyama@planning.gov.pg
Education Sector (DoT)	Mr. Gabriel Kaku	313 3549	Gabriel_Kaku@treasury.gov.pg
Education Sector (DNPM)	Mrs. Rose Koyama	328 8572	Rose_koyama@planning.gov.pg
Community & Culture Sector (DoT)	Mr. Gabriel Kaku	313 3549	Gabriel_Kaku@treasury.gov.pg
Community & Culture Sector (DNPM)	Mrs. Rose Koyama	328 8572	Rose_koyama@planning.gov.pg
Law & Order Sector (DoT)	Ms. Cathy Haro	313 3776	Cathy_Haro@treasury.gov.pg
Law & Justice Sector (DNPM)	Mr. Willie Kumanga	328 8572	Willie_kumanga@planning.gov.pg
Administrative Sector (DoT)	Ms. Roselyn Irum	313 3613	Roselyn_Irum@treasury.gov.pg
Administrative Sector (DNPM)	Mr. Jonathan Kenneth	328 8520	Jonathan_Kenneth@planning.gov.pg
Provincial Sector (DoT)	Mr. Amos Ropkil	313 3554	Amos_Ropkil@treasury.gov.pg
Provincial Sector (DNPM)	Mr. Jonathan Kenneth	328 8520	Jonathan_Kenneth@planning.gov.pg


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 Acting Secretary