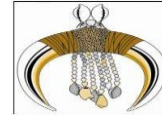




Hon. Patrick Pruaith, CMG, MP  
Minister for Treasury



DEPARTMENT OF TREASURY



NATIONAL ECONOMIC AND FISCAL COMMISSION



Hohora Suve  
NEFC -Chairman/CEO

## NATIONAL GOVERNMENT GOODS & SERVICES FUNDING RELEASED TO PROVINCIAL AND LOCAL-LEVEL GOVERNMENTS UPDATE OF 2015 WARRANT RELEASES, January - June 30th

This Warrant Release is intended to inform the Provinces and LLGs as to how much of their appropriations have been released to carry out their service delivery responsibilities as at 30th of June, 2015. It shows that on average, 43% of the fund intended for service delivery has been released, and the remaining 57% of the funds are yet to be released.

PROVINCIAL GOVERNMENT	TOTAL GOODS AND SERVICES GRANTS (KINA)			ADMINISTRATION GRANT (KINA)			HEALTH FUNCTION GRANT (KINA)			EDUCATION FUNCTION GRANT (KINA)			OTHER SERVICE DELIVERY GRANT (KINA)		
	2015 Appropriation	Funds released		2015 Appropriation	Funds released		2015 Appropriation	Funds released		2015 Appropriation	Funds released		2015 Appropriation	Funds released	
		Year to date (Jan to June)	% RELEASED		Year to date (Jan to June)	% RELEASED		Year to date (Jan to June)	% RELEASED		Year to date (Jan to June)	% RELEASED		Year to date (Jan to June)	% RELEASED
Western	9,923,300	3,895,200	39%	89,400	38,400	43%	1,579,500	680,500	43%	1,394,000	600,100	43%	212,100	91,400	43%
Gulf	24,299,500	10,298,300	42%	1,990,000	856,700	43%	5,010,800	2,157,100	43%	3,906,800	1,681,900	43%	2,568,900	1,105,900	43%
Central	33,918,600	14,643,900	43%	3,038,800	1,947,300	64%	6,112,300	2,631,400	43%	6,328,100	2,724,300	43%	3,270,700	1,408,000	43%
NCD (*)	0	0	0%	0	0	0%	0	0	0%	0	0	0%	0	0	0%
Milne Bay	34,547,500	14,699,200	43%	1,871,100	805,500	43%	7,489,600	3,224,300	43%	7,719,500	3,323,300	43%	4,530,100	1,950,200	43%
Oro	21,162,500	7,637,500	36%	1,105,000	374,700	34%	4,800,200	1,718,700	36%	4,145,400	1,537,000	37%	2,241,800	774,400	35%
Southern Highlands	19,015,800	7,790,000	41%	615,100	264,800	43%	4,104,800	1,767,100	43%	4,378,300	1,884,800	43%	1,469,900	632,800	43%
Enga	29,315,100	12,232,700	42%	1,846,200	794,700	43%	4,954,800	2,133,000	43%	5,186,700	2,232,900	43%	3,016,500	1,196,100	40%
Western Highlands	20,888,500	8,211,800	39%	3,462,000	1,954,100	56%	4,104,800	1,533,400	37%	4,378,300	1,635,600	37%	1,469,900	446,800	30%
Simbu	37,746,300	16,189,400	43%	2,787,000	1,199,900	43%	7,532,900	3,242,900	43%	9,285,600	3,997,400	43%	3,380,700	1,455,400	43%
Eastern Highlands	42,583,400	22,173,900	52%	2,485,300	1,069,900	43%	6,233,200	2,683,500	43%	9,579,100	4,123,800	43%	3,715,100	1,599,400	43%
Morobe	16,649,800	8,310,000	50%	2,585,300	2,252,000	87%	1,275,800	549,300	43%	2,000,000	861,000	43%	967,500	416,600	43%
Madang	47,262,100	22,577,800	48%	4,441,700	2,676,700	60%	9,153,600	4,196,700	46%	9,022,700	3,953,700	44%	3,715,200	1,677,200	45%
East Sepik	60,874,400	24,204,400	40%	3,370,800	1,328,800	39%	11,529,100	4,585,100	40%	12,464,100	5,004,100	40%	3,722,200	1,460,100	39%
Sandaun	43,319,800	18,649,500	43%	3,737,600	1,609,000	43%	10,354,300	4,457,600	43%	9,675,600	4,165,300	43%	2,884,900	1,242,000	43%
Manus	17,017,300	7,326,400	43%	2,056,000	885,100	43%	2,642,700	1,137,700	43%	3,092,900	1,331,600	43%	2,164,000	931,600	43%
New Ireland	3,502,700	1,507,900	43%	25,300	10,900	43%	783,700	337,400	43%	555,400	239,100	43%	50,900	21,900	43%
East New Britain	24,801,400	11,815,600	48%	2,146,600	2,063,100	96%	3,751,500	1,615,000	43%	6,127,400	2,637,800	43%	3,286,600	1,414,900	43%
West New Britain	14,792,700	6,530,500	44%	1,101,700	1,043,800	95%	2,544,200	1,095,400	43%	3,713,000	1,598,500	43%	1,391,600	511,000	37%
Bougainville (*)	0	0	0%	0	0	0%	0	0	0%	0	0	0%	0	0	0%
Hela	12,549,200	4,570,800	36%	1,236,000	461,600	37%	3,383,600	1,263,900	37%	2,009,700	750,700	37%	1,120,700	418,700	37%
Jiwaka	15,572,200	5,926,500	38%	706,100	431,500	61%	2,502,600	934,800	37%	3,660,300	1,367,300	37%	1,299,200	485,300	37%
<b>TOTAL</b>	<b>529,742,100</b>	<b>229,163,300</b>	<b>43%</b>	<b>40,697,000</b>	<b>22,068,500</b>	<b>54%</b>	<b>99,844,000</b>	<b>41,944,800</b>	<b>42%</b>	<b>108,622,900</b>	<b>45,650,200</b>	<b>42%</b>	<b>46,478,500</b>	<b>19,240,000</b>	<b>41%</b>

PROVINCIAL GOVERNMENT	TRANSPORT INFRASTRUCTURE MAINTENANCE FUNCTION GRANT (KINA)			PRIMARY PRODUCTION GRANT (KINA)			VILLAGE COURTS FUNCTION GRANT (KINA)			LAND MEDIATION FUNCTION GRANT (KINA)			RURAL LLG GRANTS AND URBAN LLG GRANTS		
	2015 Appropriation	Funds released		2015 Appropriation	Funds released		2015 Appropriation	Funds released		2015 Appropriation	Funds released		2015 Appropriation	Funds released	
		Year to date (Jan to June)	% RELEASED		Year to date (Jan to June)	% RELEASED		Year to date (Jan to June)	% RELEASED		Year to date (Jan to June)	% RELEASED		Year to date (Jan to June)	% RELEASED
Western	2,199,100	946,700	43%	567,400	244,300	43%	102,100	44,000	43%	65,000	28,000	43%	3,779,700	1,221,800	32%
Gulf	6,023,100	2,593,000	43%	1,615,300	695,300	43%	329,100	141,700	43%	65,000	28,000	43%	2,855,500	1,066,700	37%
Central	10,734,600	4,621,400	43%	2,031,300	874,600	43%	423,500	182,400	43%	65,000	28,000	43%	1,979,300	254,500	13%
NCD (*)	0	0	0%	0	0	0%	0	0	0%	0	0	0%	0	0	0%
Milne Bay	7,348,400	3,163,500	43%	2,340,900	1,007,700	43%	498,500	214,600	43%	65,000	28,000	43%	2,749,400	1,010,100	37%
Oro	4,298,100	1,555,900	36%	2,009,100	673,500	34%	341,200	128,000	38%	65,000	23,900	37%	2,221,700	875,300	39%
Southern Highlands	3,942,800	1,697,300	43%	991,800	427,000	43%	384,900	165,700	43%	65,000	46,000	71%	3,128,200	950,500	30%
Enga	10,527,200	4,531,900	43%	1,144,200	492,500	43%	387,100	166,700	43%	65,000	40,200	62%	2,252,400	684,900	30%
Western Highlands	3,942,800	1,472,900	37%	991,800	370,600	37%	384,900	143,800	37%	65,000	29,900	46%	2,154,000	654,600	30%
Simbu	10,433,100	4,491,500	43%	1,862,200	801,800	43%	673,000	289,700	43%	65,000	28,000	43%	1,791,800	710,800	40%
Eastern Highlands	15,207,300	10,723,100	71%	2,133,800	918,700	43%	585,300	252,000	43%	65,000	28,000	43%	2,644,300	803,500	30%
Morobe	2,266,300	975,600	43%	465,300	200,300	43%	157,000	67,600	43%	65,000	28,000	43%	6,932,600	2,987,600	43%
Madang	12,522,400	6,990,600	56%	3,455,700	1,505,700	44%	567,700	244,700	43%	65,000	35,400	54%	4,383,100	1,332,200	30%
East Sepik	20,491,500	8,095,800	40%	3,675,800	1,442,700	39%	838,600	320,300	38%	65,000	28,500	44%	4,782,300	1,967,500	41%
Sandaun	8,050,900	3,465,900	43%	3,835,900	1,651,400	43%	397,300	171,000	43%	65,000	28,000	43%	4,383,300	1,887,300	43%
Manus	4,758,900	2,048,700	43%	1,148,600	494,500	43%	431,700	185,900	43%	65,000	28,000	43%	722,500	311,300	43%
New Ireland	496,100	213,600	43%	230,800	99,400	43%	27,700	11,900	43%	65,000	28,000	43%	1,332,800	573,700	43%
East New Britain	4,356,700	1,875,700	43%	1,554,800	669,300	43%	201,500	86,700	43%	65,000	28,000	43%	3,376,300	1,453,100	43%
West New Britain	1,954,800	841,500	43%	1,992,600	857,800	43%	180,900	77,900	43%	65,000	28,000	43%	1,913,900	504,600	26%
Bougainville (*)	0	0	0%	0	0	0%	0	0	0%	0	0	0%	0	0	0%
Hela	2,215,400	827,600	37%	760,400	284,000	37%	148,200	55,300	37%	65,000	24,300	37%	1,675,200	509,000	30%
Jiwaka	5,480,300	2,047,100	37%	825,800	308,500	37%	260,100	97,100	37%	65,000	24,300	37%	837,800	254,900	30%
<b>TOTAL</b>	<b>137,249,800</b>	<b>63,179,300</b>	<b>46%</b>	<b>33,633,500</b>	<b>14,019,600</b>	<b>42%</b>	<b>7,320,300</b>	<b>3,047,000</b>	<b>42%</b>	<b>1,300,000</b>	<b>588,500</b>	<b>45%</b>	<b>55,896,100</b>	<b>20,013,900</b>	<b>36%</b>

### PURPOSE OF GRANTS

**Function and Administration Grants** are provided to Provincial Governments to ensure that adequate funding is directed towards the **service delivery priorities** specified under the Medium Term Development Plan. Funding from these grants should only be used to pay for operational and recurrent costs (ie goods & services). These Grants must not be spent on any activities related to **Salaries or Capital Investment Programs**.

Since the 2009 Budget, the Department of Treasury has issued a Secretary's Instruction (Budget & Expenditure Instruction) regarding the use of function grants. Provinces are now required to specifically fund a set of Minimum Priority Activities (MPAs) in each area of functional responsibility. The MPAs are a minimum set of activities that must be funded out of each of the function grants.

The MPAs are not the only activities that can be funded, and in general Provinces would be expected to fund a broader range of activities out of each of their service delivery function grants. However, they are a core set of activities that most Provinces would already be expected to have in place. The relevant sectoral MPAs are included with each **Sector Grant** description below.

The **Health Function Grant** should be used for rural health operations. MPAs for this sector are;

1. Operation of rural health facilities
2. Health outreach patrols and clinics
3. Drug distribution

The **Education Function Grant** should be primarily used to fund operational costs for primary education, rather than secondary education. MPAs are as follows:

1. Provision of school materials
2. Supervision of schools by district and provincial officers
3. Operation of district education offices

The **Transport Infrastructure Maintenance Function Grant** should be used to meet maintenance costs of provincial roads & bridges, jetties & wharves and airstrips. This grant should not be used for the construction of new roads or maintenance of buildings or for major reconstruction or rehabilitation of unusable existing roads. MPAs are as follows;

1. Road and bridges maintenance
2. Airstrip maintenance
3. Wharves and jetties maintenance - for maritime provinces

The **Primary Production Function Grant** should be used to fund extension activities in Agriculture & Livestock, Forestry, Fisheries. Extension activities including farmer training, distribution of seeds and other technologies to farmers.

The **Village Court Function Grant** is to be used to fund the operational and supervision costs incurred in the village court sector. The grant should not be used to fund the costs of salaries or allowances for village court officials. The MPA for this sector is;

1. Provision of Operational materials

The **Land Mediation Function Grant** is to be used to fund the operational and supervision cost incurred in Land mediation under Village Court Sector.

The **Administration Grant** should be used to cover the costs of Provincial Government administrative overheads such as the Office of Administrator, Internal Audit, Human Resources, Policy, Planning & Research, Finance & Administration, Legal Services, LLG Administration and Assembly Services.

The **Other Service Delivery Function Grant** is intended to fund other costs, not covered by the Function Grants such as community development, natural resource management, business development and Land administration.

Note: (\*) **Autonomous Region of Bougainville** and **National Capital District Commission** receive a separate type of Grants from the National Government.

The release of this information is a joint initiative of Department of Treasury and National Economic and Fiscal Commission.