



Hon. Patrick Pruaitch, 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 2016 WARRANT RELEASES, January -August 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 August, 2016. It shows that on average, 38% of the fund intended for service delivery has been released, and the remaining 62% 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)		
	2016 Appropriation	Funds released		2016 Appropriation	Funds released		2016 Appropriation	Funds released		2016 Appropriation	Funds released		2016 Appropriation	Funds released	
		Year to date (Jan to Aug)	% RELEASED		Year to date (Jan to Aug)	% RELEASED		Year to date (Jan to Aug)	% RELEASED		Year to date (Jan to Aug)	% RELEASED		Year to date (Jan to Aug)	% RELEASED
Western	17,199,900	6,312,000	37%	161,500	62,300	39%	3,814,300	1,473,800	39%	2,980,000	1,151,500	39%	561,800	217,100	39%
Gulf	29,199,600	11,009,500	38%	2,410,800	931,500	39%	2,410,800	931,500	39%	4,844,600	1,871,800	39%	2,613,400	1,009,800	39%
Central	32,676,900	12,127,000	37%	1,917,500	740,800	39%	1,917,500	740,800	39%	6,073,200	2,277,400	37%	3,137,700	1,176,600	37%
NCD (*)	0	0	0%	0	0	0%	0	0	0%	0	0	0%	0	0	0%
Milne Bay	35,032,700	12,972,900	37%	1,913,500	728,800	38%	7,608,200	2,900,600	38%	7,804,200	2,975,400	38%	4,538,600	1,730,300	38%
Oro	22,908,300	8,504,800	37%	1,292,600	492,800	38%	1,292,600	492,800	38%	5,206,800	1,985,100	38%	2,249,600	935,700	42%
Southern Highlands	15,564,214	5,617,300	36%	257,957	98,300	38%	3,926,304	1,496,900	38%	3,414,054	1,301,700	38%	720,141	274,600	38%
Enga	29,692,302	11,074,600	37%	1,868,806	712,400	38%	4,999,961	1,906,200	38%	5,231,842	1,994,600	38%	3,036,263	1,157,500	38%
Western Highlands	26,160,390	9,910,437	38%	967,859	369,000	38%	4,467,280	1,703,200	38%	6,092,884	2,322,800	38%	1,946,212	742,000	38%
Simbu	38,254,290	17,365,300	45%	2,848,216	1,272,100	45%	7,680,875	3,562,100	46%	9,362,153	4,341,800	46%	3,416,466	1,622,500	47%
Eastern Highlands	49,550,204	18,267,200	37%	3,166,154	1,207,000	38%	7,594,914	2,895,600	38%	10,811,446	4,121,800	38%	4,055,583	1,546,200	38%
Morobe	14,781,600	5,201,400	35%	585,300	223,200	38%	1,275,800	486,500	38%	2,000,000	728,800	36%	967,500	368,900	38%
Madang	48,325,100	17,967,600	37%	3,613,000	1,354,900	38%	9,534,300	3,634,900	38%	9,450,800	3,603,100	38%	3,772,300	1,438,200	38%
East Sepik	63,181,700	20,605,000	33%	3,451,800	1,046,800	30%	11,941,200	3,880,900	33%	12,755,000	3,870,800	30%	3,782,900	1,229,500	33%
Sandaun	44,930,000	16,227,900	36%	3,871,300	1,440,400	37%	10,696,000	3,979,700	37%	10,061,800	3,743,800	37%	2,914,600	810,700	28%
Manus	14,106,300	5,369,500	38%	1,066,100	406,400	38%	2,492,700	950,400	38%	2,977,900	1,135,400	38%	1,419,100	541,000	38%
New Ireland	5,412,900	2,010,100	37%	203,600	77,700	38%	1,051,100	400,800	38%	965,500	368,200	38%	211,400	79,400	38%
East New Britain	26,392,500	9,895,600	37%	504,100	192,200	38%	4,290,200	1,635,600	38%	6,567,700	2,503,900	38%	3,217,600	1,110,100	35%
West New Britain	22,638,700	8,798,300	39%	963,700	385,300	39%	4,794,100	1,828,200	38%	5,868,100	2,237,200	38%	1,822,600	694,900	38%
Bougainville (*)	0	0	0%	0	0	0%	0	0	0%	0	0	0%	0	0	0%
Hela	16,569,711	5,235,400	32%	1,567,772	509,600	33%	4,387,311	1,425,900	33%	2,673,257	868,800	32%	1,319,722	429,000	33%
Jiwaka	25,714,005	13,995,000	54%	1,872,548	1,007,100	54%	4,568,531	2,990,100	65%	5,622,905	2,855,000	51%	1,893,152	1,015,700	54%
TOTAL	578,291,316	218,466,837	38%	34,504,112	13,728,600	40%	112,518,176	43,776,500	39%	120,200,041	46,042,500	38%	47,596,639	18,129,700	38%

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		
	2016 Appropriation	Funds released		2016 Appropriation	Funds released		2016 Appropriation	Funds released		2016 Appropriation	Funds released		2016 Appropriation	Funds released	
		Year to date (Jan to Aug)	% RELEASED		Year to date (Jan to Aug)	% RELEASED		Year to date (Jan to Aug)	% RELEASED		Year to date (Jan to Aug)	% RELEASED		Year to date (Jan to Aug)	% RELEASED
Western	4,434,000	1,713,200	39%	1,216,300	470,000	39%	174,200	67,200	39%	75,800	29,500	39%	3,782,000	1,097,900	29%
Gulf	7,199,800	2,781,700	39%	2,461,100	950,800	39%	403,400	155,900	39%	75,700	29,200	39%	3,075,700	887,000	29%
Central	10,695,500	4,010,800	37%	2,031,300	761,800	38%	404,000	151,600	38%	65,000	24,900	38%	2,063,700	599,800	29%
NCD (*)	0	0	0%	0	0	0%	0	0	0%	0	0	0%	0	0	0%
Milne Bay	7,437,300	2,835,600	38%	2,417,200	921,600	38%	500,600	190,800	38%	67,100	25,600	38%	2,746,000	638,600	23%
Oro	4,642,200	1,769,800	38%	2,321,900	885,200	38%	356,800	136,000	38%	72,800	27,800	38%	2,338,700	556,900	24%
Southern Highlands	3,050,101	1,162,800	38%	634,722	242,000	38%	313,525	119,500	38%	65,000	24,800	38%	3,182,410	871,900	27%
Enga	10,572,402	4,030,800	38%	1,189,368	453,500	38%	389,342	148,400	38%	65,565	25,100	38%	2,338,753	621,000	27%
Western Highlands	8,700,953	3,317,300	38%	1,325,241	505,337	38%	400,780	152,100	38%	78,782	30,000	38%	2,180,399	738,700	34%
Simbu	10,576,015	4,737,100	45%	1,882,581	931,700	49%	688,276	319,300	46%	75,208	34,900	46%	1,724,500	508,900	30%
Eastern Highlands	17,590,320	6,706,400	38%	2,865,759	1,092,500	38%	653,454	249,200	38%	75,213	28,700	38%	2,737,361	391,100	14%
Morobe	2,266,300	864,000	38%	465,300	177,500	38%	157,000	59,900	38%	65,000	24,800	38%	6,999,400	2,243,000	32%
Madang	12,998,200	4,955,500	38%	3,807,800	1,451,800	38%	601,000	266,200	44%	69,800	26,700	38%	4,477,900	1,209,600	27%
East Sepik	21,291,500	6,919,800	33%	4,184,900	1,360,100	33%	887,100	288,300	32%	77,100	25,100	33%	4,810,200	1,958,600	41%
Sandaun	8,392,500	3,197,000	38%	4,073,600	1,133,000	28%	404,700	150,500	37%	72,400	27,000	37%	4,443,100	1,718,800	39%
Manus	4,059,000	1,547,600	38%	998,600	380,700	38%	281,700	115,800	41%	65,000	24,800	38%	746,200	242,600	33%
New Ireland	1,013,200	386,300	38%	453,700	170,200	38%	45,500	17,400	38%	73,900	28,200	38%	1,395,000	453,700	33%
East New Britain	6,129,800	2,336,900	38%	1,897,500	723,400	38%	235,800	89,900	38%	74,800	28,500	38%	3,475,000	1,246,600	36%
West New Britain	3,829,800	1,460,100	38%	2,854,600	1,088,400	38%	353,300	134,600	38%	77,900	29,600	38%	2,074,600	440,400	21%
Bougainville (*)	0	0	0%	0	0	0%	0	0	0%	0	0	0%	0	0	0%
Hela	2,912,142	946,400	32%	1,125,359	365,700	32%	197,953	64,400	33%	73,295	23,800	32%	2,312,900	578,000	25%
Jiwaka	9,317,776	5,163,000	55%	1,135,693	536,400	47%	353,030	146,500	41%	75,330	31,300	42%	875,040	218,600	25%
TOTAL	157,108,809	60,842,100	39%	39,342,523	14,601,637	37%	7,801,460	3,023,500	39%	1,440,693	550,300	38%	57,778,863	17,221,700	30%

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.