

EXPLANATORY NOTES FOR MEMBERS OF THE NATIONAL PARLIAMENT

APPROPRIATION (NATIONAL DEVELOPMENT EXPENDITURE 2010) BILL 2009

FOR THE YEAR ENDING 31 DECEMBER 2010

The purpose of the Appropriation (National Development Expenditure 2010) Bill 2009 is to provide K3,393,558,210 for expenditure on national development projects for the year ending 31 December 2010.

The sum of K3,393,558,210 is to implement projects in the following sectors:

<u>SECTORS</u>	<u>KINA</u>
Administration	604.2 million
Economic	499.9 million
Infrastructure	942.9 million
Law and Justice	126.6 million
Social	833.2 million
Provinces	386.7 million
<u>Total</u>	<u>3,393.6 million</u>

The sources of finance for the development projects are:

<u>FINANCING SOURCE</u>	<u>KINA</u>
Direct Government Financing (Government of PNG)	1,771.0 million
Income Tax Credits	60.0 million
Concessional Loans	1,293.6 million
Donor Grants	268.9 million
<u>Total</u>	<u>3,393.6 million</u>

K568 million of the amount sourced from Direct Government Financing is to be paid into the trusts outlined in Schedule 2 for the following purposes:

<u>PROGRAM</u>	<u>KINA</u>
District Services Improvement Program	178.0 million
Infrastructure Development Grant (UBSA)	120.0 million
Business Development Grant (UBSA)	60.0 million
Coastal Vessels Program	50.0 million
Rural Roads	40.0 million
Rural Electrification	40.0 million
Missing Links (Baiyer-Madang Road)	20.0 million
Missing Links (Bogia-Angoram Road)	20.0 million
Coastal Fisheries Development Program	20.0 million
Waigani Office Redevelopment	15.0 million
Land Reform Program	5.0 million

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