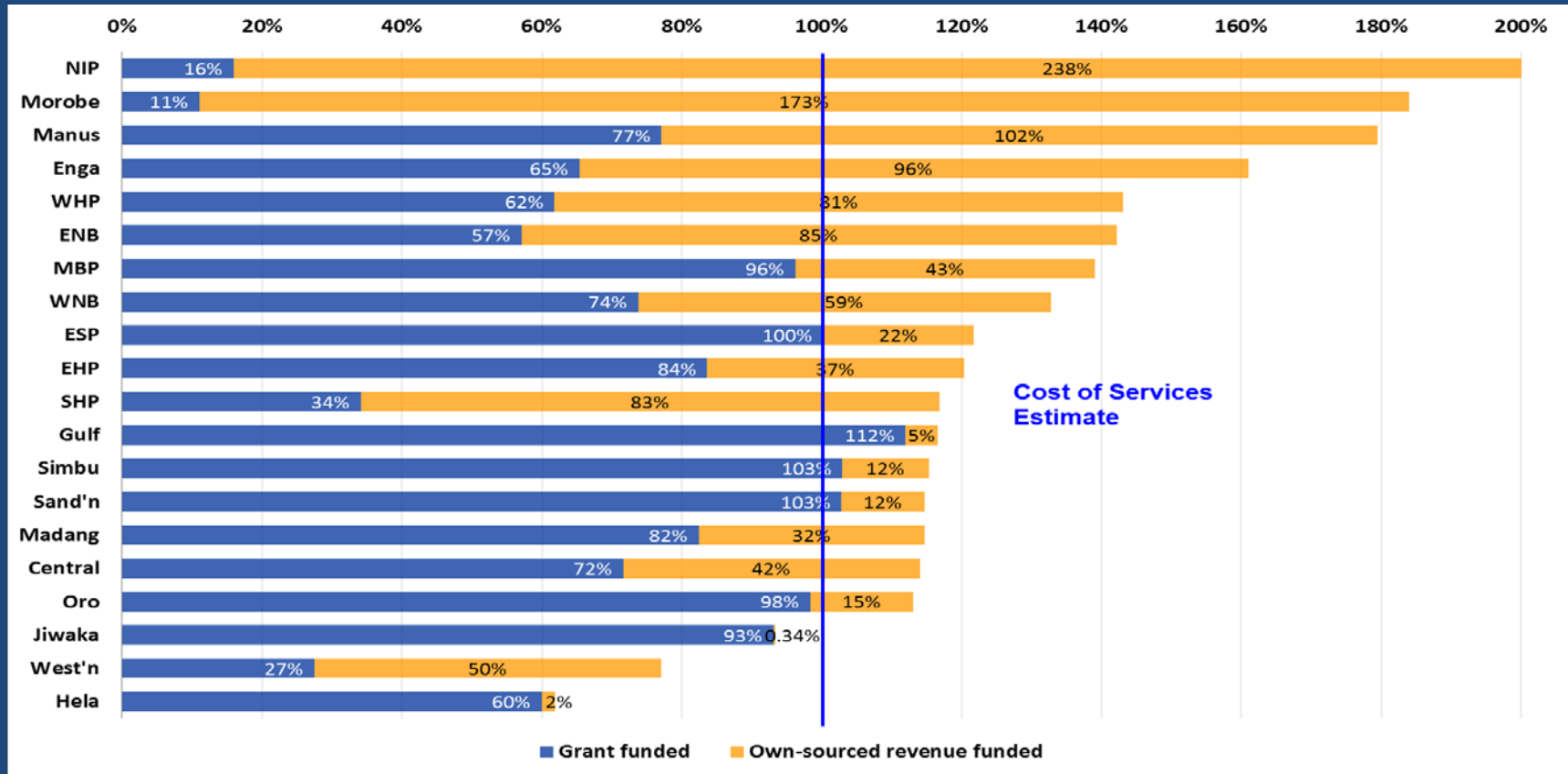




National Economic & Fiscal Commission (NEFC)

Cost of Service – the benchmark

2016 Fiscal capacity by source of provinces compared to their estimated costs



- ✓ 2019 total cost estimate to provide basic minimum goods & services is K893.3 million
- ✓ 2019 recurrent appropriation is K562.7 million – 63% of total cost estimate
- ✓ Only Morobe & New Ireland provinces have fiscal capacity to cover cost estimate
- ✓ Other provinces still need function grant support

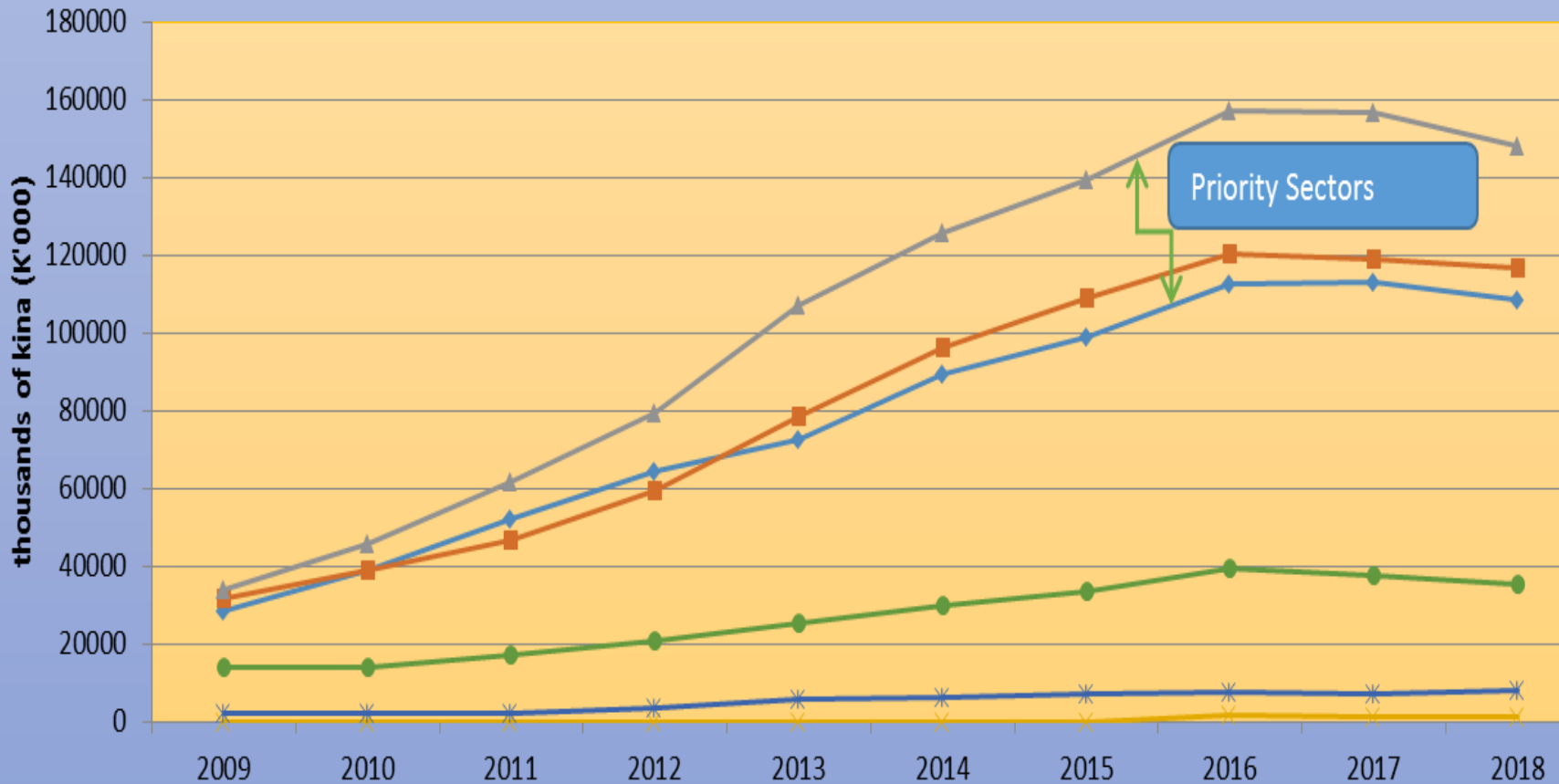
Sub national allocation increased over the last decade

Total Function Grants : Appropriations Verses Total Actual Expenditure: 2009-2018



✓ Between 2009 and 2018 a total of K4.0 billion has been allocated to sub nationals (function grants)

Expenditure by Sector (Function Grants)



◆ Health Function Grant.

▲ Transport Infrastructure Function Grant.

◆ Village Courts Function Grant.

■ Education Function Grant.

✕ Land Mediation Function Grants.

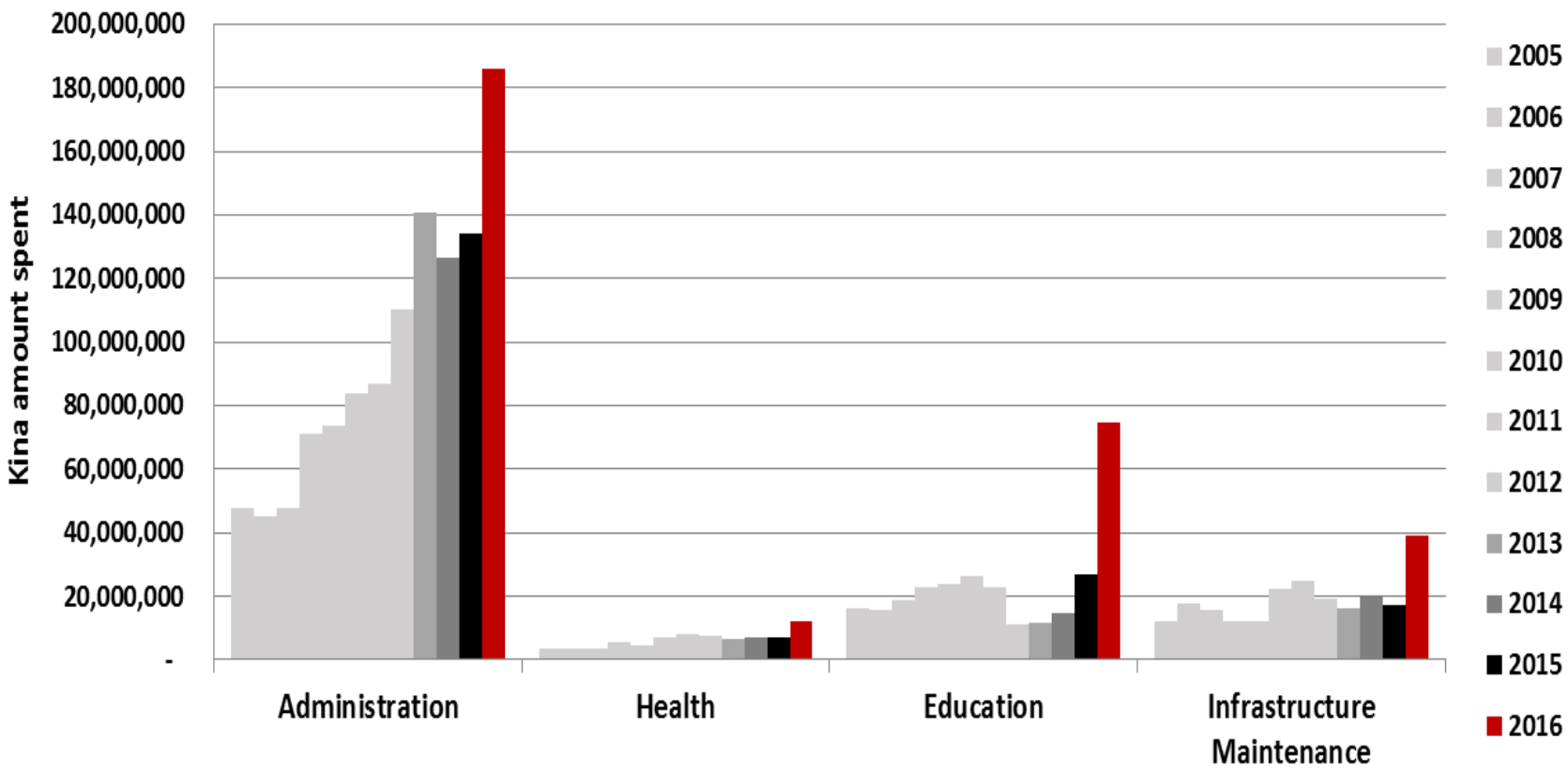
● Agriculture/Primary Production FG.

Quarterly Cash Release (Function Grants)

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
% of cash released (2016)	2%	9%	28%	61%
% of cash released (2017)	2%	18%	32%	48%

Provinces Internal Revenue Expenditure by Sector

Operational Spending from Internal Revenue comparing Administration, Health, Education and Infrastructure sectors



The value of the Human Development Index from 1990 to 2017

