

29th February 2008

PRESS STATEMENT

Treasurer issues guidelines on District Service Improvement Program Funds

The Minister for Finance and Treasury, Hon. Patrick Pruaitch, has issued strict guidelines to provincial and district authorities on the use of administrative funds for the District Services Improvement Program (DSIP).

He said the K300,000 recently transferred to each of the 86 districts' SIP Trust Accounts should only be spent for purposes directly related to the effective planning, procurement and implementation of the DSIP.

He said these activities were, but not limited to;

- Engagement of consultants for project scoping and documentation;
- Project identification and planning;
- Monitoring and evaluation of projects and project implementation;
- Compilation of reports, including acquittals; and,
- Other expenditure directly related to the effective administration of the DSIP fund.

Mr Pruaitch said those funds should not form part of the district's operating budget and should not be used for operational purposes such as;

- Office establishment, including office rentals;

- Customary occasions such as bride price and compensation payments, feasts and peace ceremonies;
- School fee assistance; and,
- Other purposes not directly related to the effective administration of DSIP funds.

“The K300,000 is meant to be spent over the next five years together with the balance of K9.7 million,” Mr Pruaitch said.

“It will have to be spread over the six areas of health, transport, agriculture, water supply, law and justice, and education.

“The Minister for National Planning and District Development, Hon. Paul Tiensten shortly and I will publish full details of the guidelines, as approved by the National Government, shortly.

“In the meantime all enquiries related to the DSIP funds should be directed to senior Finance Department officials, Mr. Kemas Tomala on 3288605 and Mrs Cathy Ali on 3288602.”

Approved For Release

HON. PATRICK PRUAITCH, MP
Minister