



Papua New Guinea

DEPARTMENT OF FINANCE
Office of the Secretary

FINANCE INSTRUCTION 5/2021

28th APRIL 2021

**SUBJECT: IMPLEMENTATION OF NEC DECISION 57/2021 FOR THE
PROCUREMENT OF GOODS, WORKS AND SERVICES UNDER
THE NATIONAL PANDEMIC ACT**

1. INTRODUCTION

1.1. Authority

This Finance Instruction (hereafter FI) is issued by Secretary Finance under Section 117 of the *Public Finances (Management) Act 1995 (PFMA)* (as amended) whereby the Finance Departmental Head may issue Financial Instructions that are necessary or desirable for carrying out or giving effect to this Act and in general for the better control and management of public monies and public property.

1.2. Legality and Enforcement

Pursuant to Section 4 (1) of the PFMA, the Finance Secretary has control and direction of all matters relating to the management of the financial affairs of the State.

Pursuant to the National Pandemic Act 2020:

- Section 4, the Emergency Controller has control and direction of all matters relating to the management of the response to the declaration of a pandemic or a Public Health Emergency.
- Section 56, the Emergency Controller The Controller may, in consultation with the Head of the Department responsible for Finance, issue financial instructions, and procurement instructions or guidelines, not inconsistent with the National Pandemic Act 2020, which are necessary or desirable for carrying out or giving effect to that Act and in general for the better control and management of the disbursement of funds and the procurement of goods, works, or services under that Act. All persons shall comply with the financial instructions, and procurement instructions or guidelines issued under Section 56 of the National Pandemic Act 2020.

1.3 Legality and Enforcement

This FI will remain in effect for the duration of a Declared Period, in accordance with Section 4 (1) and (2) of the *National Pandemic Act 2020*.

1.4 Precedence

This FI is supplementary to FI Nos. 07A and 08 of 2020, which provide guidance to Provinces and Districts on the management of funds allocated for the COVID-19 emergency response at the sub-national level.

2. PURPOSE

The purpose of this Instruction is to implement NEC Decision No. 57/2021 made at Special Meeting No. 05/2021 on 08 April 2021, which authorizes the Emergency Controller to use his powers under Section 53 of the *National Pandemic Act 2020* to procure all goods, works and services related to COVID-19 efforts that are under the value of K10 million.

This FI gives direction to all Departmental Heads on the mechanisms for undertaking procurement of goods, works and services related to the COVID-19 emergency response.

3. PROCUREMENT CONTROL MEASURES

- 3.1. **The Emergency Controller shall authorise All COVID-19 related procurements under the value of K10 million that are required by National Departments and Statutory Authorities that are funded through the 2021 National Budget.**
- 3.2. The following bodies have been established under the *National Pandemic Act 2020* to assist the Controller:
 - (a) Technical Advisory Council (Section 13 of the *National Pandemic Act 2020*) to provide technical and expert advice to the controller;
 - (b) Finance and Procurement Committee (Section 54 of the *National Pandemic Act 2020*) to ensure all funds received and held for the purposes of the national response to COVID-19 are properly disbursed and provide oversight of COVID-19 related procurements; and
 - (c) Procurement Advisory Committee, established under Section 15 of the *National Pandemic Act 2020*, comprising members from the Department of Finance, Department of Treasury, Department of Justice & Attorney General, Department of Works, National Procurement Commission, World Health Organisation and Transparency International PNG, to undertake a complementary role to the Technical Advisory Council and provide independent procurement advice and guidance to the Controller.
- 3.3. All Government Agencies, under sub-section 3.1, are to submit COVID-19 related procurement requests to the Deputy Secretary – Operations, of the Department of Finance for collating and submission to the Procurement Advisory Committee and the Department of Finance is responsible for the overall coordination and management of all necessary fiscal operations necessary to support the Emergency Controller in the execution of his mandate and responsibilities under the *National Pandemic Act 2020*.
- 3.4. The Emergency Controller and the Finance & Procurement Committee shall seek clearance from the State Solicitor before a decision is made to authorise the procurement of any good, works or services valued between K500,000 and K10 million.

3.5. The Emergency Controller may clear for payment any cheque drawn to meet expenditure under the *National Pandemic Act 2020*.

3.6. All Government Agencies, under sub-section 3.1, are prohibited from committing expenditure or the raising of an ILPOC or a procurement contract against an APC for COVID-19 related procurements without the written approval of the Controller.

4. SUB-NATIONAL (DISTRICT and LLGs) GOVERNMENT PROCUREMENT

Procurement pursuant to the *National Pandemic Act 2020* by sub-national (that is, district and LLGs) governments shall continue to be subject to Financial Instructions 07A/2020 and 08/2020 and sub-national governments shall continue to use lawfully available funding, District Services Improvement Programme, to meet expenditures by them for COVID-19 related procurements.

5. CENTRALISED REGISTER OF SUPPLIERS

In order to meet the obligations of Papua New Guinea to the International Monetary Fund in respect of funds made available for COVID-19 related procurements, the Emergency Controller shall ensure that a centralised register is kept of all suppliers provisioning COVID-19 related materials. As far as reasonably practicable, the Emergency Controller shall cause that centralised register to record the generalised categories of COVID-19 related procurements, in such categories, as may be advised by the Head of the Department responsible for Treasury, so as to meet the obligations to the International Monetary Fund.,

6. DATE OF IMPLEMENTATION

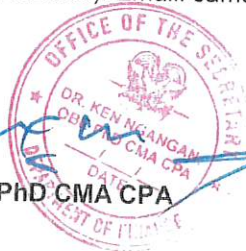
This Finance Instruction is effective as of the date of signing by the Secretary for Finance.

7. HELP DESK

Should you require further information the following officers should be contacted:

- Samson Metofa, First Assistant Secretary, Financial Reporting and Compliance Division (Phone: 79986000). Email: samson_metofa@finance.gov.pg


DR. KEN NGANGAN OBE PhD CMA CPA
Secretary for Finance
Department of Finance




DAVID MANNING, MBE, DPS
Police Commissioner and
Emergency Controller



Date: 29 04 2021

Date: 29 04 2021

Telephone: (675) 328 8455/8418
Facsimile: (675) 328 8431

P O Box 710, **WAIGANI**, NCD
Papua New Guinea