



DEPARTMENT OF EDUCATION

**GOVERNMENT TUITION FEE
SUBSIDY POLICY**

**COMMODITY COMPONENT
ADMINISTRATIVE GUIDELINE
FOR PROVINCES AND
DISTRICTS**

2021

1. Introduction

- 1.1 The Government Tuition Fee Subsidy (GTFS) Policy emphasizes on shared responsibility and partnership with parents, provincial governments, DDAs and all stakeholders.
- 1.2 This policy implements two components. The **Operation and Functional Grants (OFG) Component (80%)** is disbursed directly into school accounts and the **Commodity Component (20%)** is retained by the Department of Education to centrally procure and supply standard teaching and learning materials to schools throughout PNG since 2017.
- 1.3 According to NEC **Decision No.25/2021**, the central procurement and supply of teaching and learning materials by DoE has ceased this year (2021) with functions transferred to provinces and districts to encourage and promote local SME.
- 1.4 Provinces and Districts will now be mandated to procure and supply standard teaching and learning materials respectively in their provinces and districts from this year on.

2. Purpose

The Commodity Component procurement guideline intends to inform the provincial and district procurement committees on the process and requirements to follow in order for the successful implementation of the program.

3. Eligibility Requirement for Provincial and District Transfer of Commodity Component Funds

- 3.1 The GTFS Trust Account is established with the Bank of PNG (BPNG) with Subsidiary accounts for a province and each district with Bank South Pacific (BSP).

- 3.2 Specific cheque leaves intended for this program ONLY is to be used for payments to service providers or contractors.
- 3.3 A National Procurement Commission (NPC) Committee is established in a province or district.
- 3.4 Management of the Subsidiary accounts of a province or district shall be utilising the IFMS/PGAS system. The respective PFM and DFMs shall ensure all payments are compliant with PFMA expenditure requirement.
- 3.5 All Provincial and District NPC TEC meeting schedules must be submitted to the Department of Education a month prior to the TEC committee meeting.
- 3.6 State representatives of partner agencies from the Interdepartmental (GTFS) Steering Committee may sit in as independent observers at the Provincial and District NPC Tender Execution Committee (TEC) meeting.

4. Financing Criteria

The Commodity Component of fifteen percent (15%) funding allocation to a province and districts is determined by the following;

- i) The National Education Board Maximum Fee Limit.
- ii) The number of schools established in a province or district.
- iii) The number of classes established in a school.
- iv) The number of students on enrolment.
- v) The estimate cost of teaching and learning materials.

5. Funding Allocation per Province and Districts

Funding to provinces and districts in this program is per the percentage allocation under the Component based on the annual NEB Fee Limits.

Table 5.1. Funding for Highlands Region

DISTRICTS	TOTAL COSTS	DISTRICTS	TOTAL COSTS
CHIMBU		EASTERN HIGHLANDS	
CHUAVE	336,277.80	DAULO	306,577.45
GUMINE	301,526.05	GOROKA	719,012.00
KARAMUI NOMANE	571,466.30	HENGANOFI	567,029.70
KEROWAGI	337,059.25	KAINANTU	753,614.70
KUNDIAWA GEMBOGL	543,215.55	LUFA	449,561.75
SINASINA YONGGAMUGL	317,078.15	OBURA WONENARA	527,235.35
PHS & SS	969,325.75	OKAPA	624,249.20
	3,375,948.85	UNGGAI BENA	430,702.85
		PHS & SS	990,217.15
			5,368,200.15
ENGA		HELA	
KANDEP	329,209.50	KOMO MAGARIMA	378,305.55
KOMPIAM	512,857.30	KOROBA KOPIAGO	876,598.40
LAGAIP PORGERA	996,102.10	TARI PORI	524,197.05
WABAG	564,020.10	PHS & SS	315,996.95
WAPENAMANDA	704,455.15		2,095,097.95
PHS & SS	1,160,264.20		
	4,266,908.35		
JIWAKA		SOUTHERN HIGHLANDS	
ANGLIMP SOUTH WAGHI	1,044,283.85	IALIABU PAGGIA	622,398.60
JIMI	398,417.50	IMBONGGU	658,428.40
NORTH WAGHI	621,334.70	KAGUA ERAVE	762,744.05
PHS & SS	436,127.95	MENDI MUNIHU	701,701.20
	2,500,164.00	NIPA KUTUBU	741,443.80
		PHS & SS	1,510,235.55
			4,996,951.60
WESTERN HIGHLANDS			
DEI	660,900.05		
MT HAGEN	1,501,181.60		
MUL BAIYER	724,780.10		
TAMBUL NEBILYER	800,801.10		
PHS & SS	1,617,917.10		
	5,305,579.95		
HIGHLANDS REGION	27,908,850.85		

Table 5.2. Funding for Momase Region

DISTRICTS	TOTAL COSTS	DISTRICTS	TOTAL COSTS
EAST SEPIK		MADANG	
AMBUNTI DREKIKIR	684,349.70	BOGIA	838,579.55
ANGORAM	747,614.25	MADANG	932,214.00
MAPRIK	642,046.60	MIDDLE RAMU	601,966.50
WEWAK	650,597.35	RAI COAST	765,064.70
WOSERA GAWI	862,256.30	SUMKAR	904,384.20

YANGORU SAUSSIA	537,612.95	USINO BUNDI	487,813.50
PHS & SS	889,774.30	PHS & SS	699,575.95
	5,014,251.45		5,229,598.40
MOROBE		SANDAUN	
BULOLO	807,968.80	AITAPE LUMI	603,941.90
FINSCHAFFEN	593,162.70	NUKU	637,523.75
HUON	724,234.50	TELEFOMIN	415,113.35
KABWUM	481,306.15	VANIMO GREEN	688,097.40
LAE	1,009,372.35	PHS & SS	296,714.75
MARKHAM	567,182.10		2,641,391.15
MENYAMYA	632,088.45		
NAWAE	454,934.70		
TEWAI SIASSI	540,031.90		
PHS & SS	1,308,763.05		
	7,119,044.70		
MOMASE REGION	20,004,285.70		

Table 5.3. Funding for NGI Region

DISTRICTS	TOTAL COSTS	DISTRICTS	TOTAL COSTS
AROBI		MANUS	
CENTRAL BOUGAINVILLE	642,233.80	MANUS	776,883.10
NORTH BOUGAINVILLE	878,300.70		
SOUTH BOUGAINVILLE	782,377.75	NEW IRELAND	
PHS & SS	412,168.75	KAVIENG	670,014.95
	2,715,081.00	NAMATANAI	947,011.85
		PHS & SS	311,577.05
			1,928,603.85
EAST NEW BRITAIN		WEST NEW BRITAIN	
GAZELLE	1,008,535.10	KANDRIAN GLOUSTER	773,471.80
KOKOPO	615,087.70	TALASEA	1,623,693.60
POMIO	572,498.25	PHS & SS	544,104.65
RABAUL	290,777.05		2,941,270.05
PHS & SS	678,043.80		
	3,164,941.90		
NGI REGION	11,526,779.90		

Table 5.4. Funding for Southern Region

DISTRICTS	TOTAL COSTS	DISTRICTS	TOTAL COSTS
CENTRAL		MILNE BAY	
ABAU	126,287.85	ALOTAU	816,148.60
GOILALA	511,842.00	ESA ALA	508,368.10
KAIRUKU HIRI	898,850.75	KIRWINA GOODENOUGH	530,614.20
RIGO	563,203.05	SAMARAI MURUA	533,016.95
PHS & SS	678,102.30	PHS & SS	377,984.70
	2,778,285.95		2,766,132.55

GULF		ORO	
KEREMA	542,324.20	IJIVITARI	835,707.05
KIKORI	397,680.10	SOHE	749,619.65
PHS & SS	148,328.00	PHS & SS	223,303.85
	1,088,332.30		1,808,630.55
NCD		WESTERN	
	2,979,309.20	MIDDLE FLY	487,894.05
		NORTH FLY	552,037.75
		SOUTH FLY	845,597.25
		PHS & SS	299,521.65
			2,185,050.70
SOUTHERN REGION	13,605,741.25		
PNG TOTAL		73,045,657.70	

6. Expenditure Process

- 6.1. The Financial Instruction (FI), this Administrative Guidelines (AG), the relevant laws (PFMA & NPC Acts) and other instructions are to be followed.
- 6.2. Payments from the Main GTFS Trust Account with BPNG to provincial and districts Subsidiary trust bank accounts with BSP will be through electronic funds transfer (EFT).
- 6.3. All payments to service providers from the province and district Subsidiary trust bank accounts shall use specific cheque leaves utilizing the IFMS/PGAS system.
- 6.4. The Provincial Finance Manager (PFM) and District Finance Managers (DFM) MUST ensure all payments are compliant with the PFMA expenditure requirements.
- 6.5. Endorsement for payments under Financial Delegates directed in Sections 8 and 10 of the Financial Instruction (FI) must be observed.

7. Audit and Inspection

- 7.1. The expenditure and management of the program is subject to audit and inspection by the Department of Finance and Department of Education.
- 7.2. The audit and inspection on the expenditure and management of the program shall be done at the end of the program implementation however, monitoring of the program shall be conducted during the implementation phase of the program.

8. Provincial and District Procurement Committee

- 8.1. The Provincial Procurement Committees will be responsible to procure and supply standard teaching and learning materials to all Provincial High and Secondary Schools in a province.
- 8.2. The District Procurement Committees will be responsible to procure and supply standard teaching and learning materials to all Primary and Elementary Schools in a district.
- 8.3. Vocational Schools do not receive materials under this program as this sector receives full cash grants under the OFG Component.
- 8.4. The Department of Education will be responsible to procure and supply standard teaching and learning materials to the 6 Schools of Excellence (National High Schools) in the country.
- 8.5. All existing procedures of the National Procurement Act (NPA) 2018, the regulations, guidelines and procurement instructions therein are to be carried out.
- 8.6. The Section 7 of the Financial Instruction (FI) MUST be carried out in the Procurement Process of the program.

9. Administration Process

- 9.1. The program will be implemented by the province and district procurement committees established by the National Procurement Commission.
- 9.2. The procurement of materials for schools be within the country or province. Procuring abroad can be considered only if the contract period permits. If there are delays then this must be reported to the Department of Education in the first instance.
- 9.3. The provincial and district procurement committee meetings may have a representative of the Department of Education as appointed by the Secretary to offer technical input on standards and processes.
- 9.4. The GTFS Commodity Component funds shall be expended to procure quality teaching and learning materials for schools and not on items such as administrative costs including sitting allowances, equipment and vehicles.
- 9.5. The selected contractors or SMEs should come from the local district or province with local knowledge and demonstrate capacity to deliver.

- 9.6. There shall be a (i) Financial and (ii) Physical Report provided by the Provincial Education Advisor and District Education Manager with evidence of tangible outcomes of implementation. An Annual Report will be from the Provincial Administrator after the program concludes. These reports will be submitted to the Department of Education.
- 9.7. The Financial and Physical Reports prepared by the PEAs and DEAs are to be endorsed by the Provincial Administrator.
- 9.8. The provinces and districts will take full carriage of providing administration and logistics to implement the program and no management fees or charges shall be deducted from this funding.

10. Monitoring and Reporting

- 10.1. The implementation of this program shall be monitored and reported on its achievements, impacts and outcomes to the relevant authorities at District, Provincial and National levels.
- 10.2. As stated in Section 9.6 and 9.7 above, the Financial and Physical reports by the PEA and DEM are quarterly to be sent to Department of Education.
- 10.3. The Provincial Administrator is responsible for an annual report after the completion of the program implemented by the province and districts.
- 10.4. An Independent assessment will be commissioned by the Department of Education to evaluate the success and challenges of the program.

11. Implementation Responsibility

- 11.1. The program implementation and its management responsibility rest with the province and district administrations.
- 11.2. The financing responsibility and reporting to Government rest with the Department of Education.

12. Financial Delegates

The powers of Section 32 of the PFMA Act shall be observed by individuals in position of authority in a district or province.

The Mandatory and Counter Signatures of the Province and District Trust Accounts and the Authorized Requisition Officers are spelled out clearly in Section 8 of the Financial Instruction (FI) for compliance.

13. Implementation Schedule

NO	PROGRAM STAGE	ACTIVITY	START DATE	TARGET END DATE	RESPONSIBLE AUTHORITY OR AGENCY	STATUS OR COMMENTS
1	Tendering	Funding transaction to nominated provincial and district trust accounts.	1-Feb	31-May	Department of Education	In collaboration with DoF, DoT & BSP.
2		Tender notice put out	30-Jun	31-Jul	Provincial and District Procurement Committees	30 day period
3		Bid Contractors announced	1-Aug	31-Aug	Provincial and District Procurement Committees	Meeting with Contractors
4		Report on Tender Process	31-Aug	31-Aug	Provincial and District Procurement Committees	Report send to NDoE
5	Procurement & Delivery	Procurement and delivery	1-Sep	31-Oct	Contractors	Monitoring by provincial and district administrations
6		Independent Evaluation	1-Sep	30-Sep	Department of Education	Independent evaluation
		Evaluation Reports	1-Nov	30-Nov	Provincial and District administrations	Report send to NDoE
7		1. District and Provincial Administrators and 2. Contractor Completion Reports.				
8	Reporting	Government/Parliament Report	1-Dec	31-Mar	Department of Education	

14. Review

The program arrangement will be reviewed in 2021 after the first year of implementation.

15. Conclusion

The Administrative Guidelines (AG), the Financial Instruction (FI) laws (PFMA & NPC Acts) and regulations with related instructions on public finance management are to be closely observed in the management and implementation of the program.

The contractors (SMEs) with local content and capacity should be awarded contracts to procure and deliver the materials on time.

Help Desk

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