

# Open Budget Survey 2021

Questionnaire

Papua New Guinea

May 2022

# Country Questionnaire: Papua New Guinea

PBS-1. What is the fiscal year of the PBS evaluated in this Open Budget Survey questionnaire?

Please enter the fiscal year in the following format: "FY YYYY" or "FY YYYY-YY."

Answer:

FY 2021

Source:

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

PBS-2. When is the PBS made available to the public?

*Publicly available budget documents are defined as those documents that are published on the website of the public authority issuing the document within the time frame specified in the OBS methodology and that all citizens are able to obtain free of charge. (See the Open Budget Survey Guidelines on Public Availability of Budget Documents.) This is a change from previous rounds of the Open Budget Survey: now at minimum documents must be made available on the Internet and free of charge to be considered publicly available.*

*The OBS methodology requires that for a PBS to be considered publicly available, it must be made available to the public one month before the Executive's Budget Proposal is submitted to the legislature for consideration. If the PBS is not released to the public at least one month before the Executive's Budget Proposal is submitted to the legislature for consideration, option "d" applies. Option "d" should also be chosen for documents that are produced for internal purposes only (that is, produced but never released to the public) or are not produced at all. Some governments may publish budget documents further in advance than the latest possible dates outlined above. In these instances, researchers should choose options "a" or "b," depending on the date of publication identified for the PBS.*

Answer:

c. Less than two months in advance of the budget year, but at least one month before the Executive's Budget Proposal is introduced in the legislature

Source:

Budget Strategy Paper 2021

[http://www.treasury.gov.pg/html/national\\_budget/files/2013/budget\\_documents/BSP%202021.pdf](http://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/BSP%202021.pdf)

<https://postcourier.com.pg/k6-6-billion-deficit-for-2021-budget-strategy-paper-projects/>

Comment:

Peer Reviewer

Opinion: Agree

Comments: BSP available on website and news press of debate on it.

Government Reviewer

Opinion: Agree

PBS-3a. If the PBS is published, what is the date of publication of the PBS?

Note that the date of publication is not necessarily the same date that is printed on the document.

Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late.

Please enter the date in the following format: "DD/MM/YYYY." For example, 5 September 2020 should be entered as 05/09/2020. If the document is not published or not produced, leave this question blank.

Answer:

10/11/2020

Source:

Budget Strategy Paper 2021

[http://www.treasury.gov.pg/html/national\\_budget/files/2013/budget\\_documents/BSP%202021.pdf](http://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/BSP%202021.pdf)

<https://postcourier.com.pg/k6-6-billion-deficit-for-2021-budget-strategy-paper-projects/>

Comment:

The Budget Strategy Paper 2021 was released by the Treasurer on 10 November 2021. It was acknowledged in the Paper that preparation and release was late, and not in compliance with the schedule required in the Fiscal Responsibility Act, and that this was because of the impact of COVID-19, which had severely affected the 2020 Budget and resulted in a Supplementary Budget to be tabled in September 2020.

With the Supreme Court ruling that Parliament was validly adjourned on 13th November, and that it was not validly reconvened on 17th November, the tabling of the EBP was deferred to the 16th December, thereby resulting in it being over 1 month after the release of the PBS

Peer Reviewer

Opinion: Agree

Comments: checked web links

Government Reviewer

Opinion: Agree

PBS-3b. In the box below, please explain how you determined the date of publication of the PBS.

If the document is not published at all, researchers should mark this question "n/a."

Answer:

This researcher downloaded a copy of the PBS on 11 November, but it had already been posted to the Treasury website in the afternoon of 10th November, and the print media on 11th November. The attached bulletins from a Accounting firm and Business Journal in subsequent days, highlight the process leading to the EBP and its deferral by a month, at the direction of the Supreme Court.

The PBS is required under the Fiscal Responsibility Act (2006) to be published at least three months before the presentation of the Budget (EBP) to the National Parliament usually in early November.

The PBS (or Budget Strategy Paper in PNG) usually follows the release of the Mid-Year Economic and Fiscal Outlook (MYEFO) report which is required to be published on 31st July each year, to set the base for the budget strategy paper to ensure that it is reflective of current fiscal trends to guide the formulation of the actual budget. During 2020, with the Covid-19 Scenario and the associated Economic Stimulus Package, the MYEFO was delayed, and tabled in Parliament, and presented to Parliament together with the 2020 Supplementary Budget on 10th September. These delays and challenges are presented by the Treasurer to explain the late release of the PBS.

Source:

Budget Strategy Paper 2021

[http://www.treasury.gov.pg/html/national\\_budget/files/2013/budget\\_documents/BSP%202021.pdf](http://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/BSP%202021.pdf)

<https://postcourier.com.pg/k6-6-billion-deficit-for-2021-budget-strategy-paper-projects/>

<https://www.pwc.com/pg/en/publications/PNG%20Pulse/PNG%20Pulse%20-%20November%202020.pdf>

<https://www.businessadvantagepng.com/budget-paper-papua-new-guineas-revenue-problem-means-it-must-raise-more-debt/>

Comment:

Peer Reviewer

Opinion: Agree

Comments: checked web links

Government Reviewer

Opinion: Agree

PBS-4. If the PBS is published, what is the URL or weblink of the PBS?

*Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late. If the document is not published at all, researchers should leave this question blank.*

Answer:

[http://www.treasury.gov.pg/html/national\\_budget/files/2013/budget\\_documents/BSP%202021.pdf](http://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/BSP%202021.pdf)

Source:

2021 Budget Strategy Paper

Comment:

Peer Reviewer

Opinion: Agree

Comments: checked URL

Government Reviewer

Opinion: Agree

PBS-5. If the PBS is published, are the numerical data contained in the PBS available in a machine readable format?

*Material (data or content) is machine readable if it is in a format that can be easily processed by a computer, such as .csv, .xls/.xlsx, and .json. Numerical data found in PDFs, Word (.doc/.docx) or HTML files do not qualify as machine readable. See more at: <http://opendatahandbook.org/glossary/en/terms/machine-readable/>*

*Option "d" applies if the PBS is not publicly available, therefore its machine readability cannot be assessed.*

Answer:

c. No

Source:

It is only released as pdf document

Comment:

Peer Reviewer

Opinion: Agree

Comments: document is only pdf format

Government Reviewer

Opinion: Agree

PBS-6a. If the PBS is not publicly available, is it still produced?

*If the PBS is not considered publicly available under the OBS methodology (and thus the answer to Question PBS-2 was "d"), a government may nonetheless produce the document.*

*Option "a" applies if the document is produced and made available to the public online but not within the time frame specified in the OBS methodology (see Question PBS-2)*

*Option "b" applies if the document is produced and made available to the public within the time frame specified by the OBS methodology but only in hard copy*

(and is not available online). Option "b" also applies if the document is made available to the public within the time frame specified by the OBS methodology in soft electronic copy but is not available online.

Option "c" applies if the document is produced for internal purposes only and so is not made available to the public.

Option "d" applies if the document is not produced at all.

Option "e" applies if the document is publicly available.

If a document is not released to the public, researchers may need to write to or visit the relevant government office in order to determine whether answer "c" or "d" applies.

Answer:

e. Not applicable (the document is publicly available)

Source:

[http://www.treasury.gov.pg/html/national\\_budget/files/2013/budget\\_documents/BSP%202021.pdf](http://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/BSP%202021.pdf)

Comment:

The 2021 Budget Strategy Paper was available online on the 10 November 2020 .

Peer Reviewer

Opinion: Agree

Comments: Document was available online 10/11/2020 and reported on in the press on 11/11/2020

Government Reviewer

Opinion: Agree

PBS-6b. If you selected option "c" or "d" in question PBS-6a, please specify how you determined whether the PBS was produced for internal use only, versus not produced at all.

If option "a," "b," or "e" was selected in question PBS-6a, researchers should mark this question "n/a."

Answer:

Source:

Comment:

Peer Reviewer

Opinion:

Government Reviewer

Opinion:

PBS-7. If the PBS is produced, please write the full title of the PBS.

For example, a title for the Pre-Budget Statement could be "Proposed 2021 State Budget" or "Guidelines for the Preparation of Annual Plan and Budget for 2020/21."

If the document is not produced at all, researchers should mark this question "n/a."

Answer:

2021 Budget Strategy Paper

Source:

[http://www.treasury.gov.pg/html/national\\_budget/files/2013/budget\\_documents/BSP%202021.pdf](http://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/BSP%202021.pdf)

Comment:

Peer Reviewer  
Opinion: Agree  
Comments: validated

Government Reviewer  
Opinion: Agree

PBS-8. Is there a "citizens version" of the PBS?

*While the Citizens Budget was initially conceived as a simplified version of the Executive's Budget Proposal or the Enacted Budget, good practice is now evolving and suggests that a "citizens" version of key budget documents should be produced during each of the four phases of the budget cycle. This would serve to inform citizens of the state of public financial management throughout the entire budget cycle. While it is recognized that it may be unreasonable to expect that a citizens version is produced for each and every one of those key documents, it seems acceptable to expect that according to good practice, the executive releases a citizens version of key budget documents for each of the four stages of the budget process to allow citizens to be aware of what is happening, in terms of public financial management, throughout the entire budget cycle. For more information on Citizens Budget see: <https://www.internationalbudget.org/publications/citizens-budgets/>.*

Answer:

b. No

Source:

Comment:

There is no "citizen budget". However, there has been concern raised by civil society in the country to the government to make the "citizen budget" available to the public. The citizen budget is part of the Papua New Guinea's 2018-2020 National Action Plan for the Open Government Partnership, with the intention to provide material in an additional national language and have material for key stages of the Budget process. This was a focus for implementation in 2020, as agreed by Fiscal Transparency Cluster members, chaired by the Treasury and co-chaired by the INA, but the Covid-19 scenario, and demands upon the time of Treasury/Finance and Planning Dept staff, resulted in the deferral of various initiatives under OGP

Peer Reviewer  
Opinion: Agree  
Comments: unable to find any evidence of a citizens budget

Government Reviewer  
Opinion: Agree

EBP-1a. What is the fiscal year of the EBP evaluated in this Open Budget Survey questionnaire?

*Please enter the fiscal year in the following format: "FY YYYY" or "FY YYYY-YY."*

Answer:

FY 2021

Source:

The Fiscal Year for Papua New Guinea coincides with the calendar year, i. e. 1st January- 31st December

Comment:

Peer Reviewer  
Opinion: Agree  
Comments: Noted from various budget documents

Government Reviewer  
Opinion: Agree

EBP-1b. When is the EBP submitted to the legislature for consideration?

*Please enter the date in the following format: "DD/MM/YYYY." For example, 5 September 2020 should be entered as 05/09/2020. If the document is not published or not produced, leave this question blank.*

Answer:  
16/12/2020

Source:  
The EBP in PNG comprises a series of documents, including the Budget proposal and legislative Bills, including the three proposed Budget Appropriation Bills, and other Budget-related legislative proposals and amendments. These were initially presented by the Treasurer to the Legislature/Parliament on 17 November 2020, but the Supreme Court gave a ruling that Parliament had already been validly adjourned for a month on 13th November and that the initiative by the Government to reconvene on 17th November was invalid. As a result the EBP was tabled in Parliament on 16th December 2020

Comment:

Peer Reviewer  
Opinion: Agree  
Comments: The source might benefit from a reference to the parliamentary documents: <http://www.parliament.gov.pg/uploads/hansard/H-10-20201216-M23-D02.pdf>

Government Reviewer  
Opinion: Agree  
Comments: Usually the Budget is tabled in Parliament second Tuesday of November annually.

Researcher Response  
The source detail is provided in subsequent quests, but it can be referenced here as well, notably the Parliamentary Minutes (Hansard) for 16th December 2020 <http://www.parliament.gov.pg/uploads/hansard/H-10-20201216-M23-D02.pdf>

IBP Comment  
The comments from the peer reviewer are well-received. The current response is maintained.

EBP-2. When is the EBP made available to the public?

*Publicly available budget documents are defined as those documents that are published on the website of the public authority issuing the document within the time frame specified in the OBS methodology and that all citizens are able to obtain free of charge. (See the Open Budget Survey Guidelines on Public Availability of Budget Documents.) This is a change from previous rounds of the Open Budget Survey: now at minimum documents must be made available on the Internet and free of charge to be considered publicly available.*

*The OBS methodology requires that for an EBP to be considered publicly available, it must be made available to the public while the legislature is still considering it and before the legislature approves (enacts) it. If the EBP is not released to the public before the legislature approves it, option "d" applies. Option "d" should also be chosen for documents that are produced for internal purposes only (that is, produced but never released to the public) or are not produced at all. Some governments may publish budget documents further in advance than the latest possible dates outlined above. In these instances, researchers should choose options "a" or "b," depending on the date of publication identified for the EBP.*

*The OBS definition of an Executive's Budget Proposal is a document(s) that (i) the executive submits to the legislature as a formal part of the budget approval process and (ii) the legislature either approves or on which it approves proposed amendments.*

*The OBS will treat the Executive's Budget Proposal as "Not Produced," in the following cases:*

- *The executive does not submit the draft budget to the legislature; or*
- *The legislature receives the draft budget but does not approve it or does not approve recommendations on the draft budget;*
- *The legislature rejects the draft budget submitted by the executive, but the executive implements it without legislative approval; or*
- *There is no legislature, or the legislature has been dissolved.*

Answer:

c. Less than two months in advance of the budget year, but at least in advance of the budget being approved by the legislature

Source:

Some of the 2021 EBP documents were uploaded on the Treasury Website in the afternoon of 17th November 2021, others were posted on 18th November. Standardly, there is a Budget 'lockup', at which the media, accounting firms, development partners, government departments and research bodies are presented with copies of the EBP and a briefing in the morning in advance of the EBP being presented to the legislature (Parliament), on condition that participants don't reveal the contents publicly until it was tabled, after lunch. On 17th November, the Government dispensed with the Lockup and proceeded in the morning to table the EBP in Parliament, and moved straight on to the 3 Readings and ostensibly to passing the Budget in the same day and then adjourning Parliament until April 2020. The Opposition was not present in the Chamber, as they thought they'd succeeded in Adjourning Parliament on 13 Nov for one month.

The Opposition sought a Supreme Court Constitutional reference, which confirmed that that Parliament had legitimately adjourned on 13th November, and not been properly recalled on 17 November, so the presentation and passing of the Budget was deemed invalid.

When Parliament was reconvened in December, the Opposition tabled a Vote of No Confidence in the Government, which failed, and the Government promptly tabled and passed the (same) EBP on 16th December (that it had sought to table - and pass- in November). The Public already had the EBP for one month, by the time it was tabled, and passed

Comment:

Peer Reviewer

Opinion: Agree

Comments: Reference of adjourning parliament to April 2020 - should this read April 2021. Also, it is noted that there was a sitting in March 2021. The dates for publishing on the website are referenced above - it would be useful to know how the date of uploading was verified. It is understood that the researcher has kept constant track of the website and is able to validate the dates of posting to the website. System Date/Time stamps for upload would be added benefits

Government Reviewer

Opinion: Agree

Researcher Response

Correct, the deferral of Parliament should read April 2021 (not April 2020), that was the date that Parliament set for reconvening, notably 20th April 2021, as specified in the Parliamentary Minutes (Hansard) for 17 November 2020: <http://www.parliament.gov.pg/uploads/hansard/H-10-20201117-M22-D05.pdf>. Following the Supreme Court reference submitted by the Opposition, this tabling of the EBP was deemed null and void and likewise the deferral to April 2021. Parliament did indeed sit for a single day on 11 March 2021, but that was specifically in respect for the passing of the late Prime Minister, Sir Michael Somare, reconvening, as determined (following the passage of the Budget on 16th December 2020) on 20 April 2021. The dates for uploading these particular documents came from constant monitoring of the website on the respective days, (For some Treasury uploads we check with Treasury staff, who check in turn with their IT staff. For parliamentary certification and uploads of legislation etc, we verify with respective staff in the Office of the Clerk of Parliament -notably the Parliamentary library, while double checking with other sources, where available; it's not always easy as records are not always kept, and electronic checking of documents may only provide clues)

EBP-3a. If the EBP is published, what is the date of publication of the EBP?

*Note that the date of publication is not necessarily the same date that is printed on the document.*

*Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late.*

*Please enter the date in the following format: "DD/MM/YYYY." For example, 5 September 2020 should be entered as 05/09/2020. If the document is not published or not produced, leave this question blank.*

*In the comment boxes below, researchers should also list any supporting documents to the EBP and their date of publication.*

Answer:

17/11/2020

Source:

The EBP for 2021 was published (at least some volumes of it) on the 17th November 2020, the same day it was intended to table it in Parliament; (the remaining volumes were posted online on 18th November). As that Parliamentary Session was deemed invalid by the Supreme Court, the Treasurer tabled the same Budget on the 16 December 2020

Comment:

Peer Reviewer

Opinion: Agree



Comments: It is clear from the parliamentary sitting that the document was tabled initially in November and subsequently in December, However, the source should indicate how the date of uploading to the website was validated.

Government Reviewer  
Opinion: Agree

Researcher Response  
the details of how the dates for uploading were determined are provided in response to a subsequent question, but for these particular documents, we were checking the Treasury website constantly on the respective days.

EBP-3b. In the box below, please explain how you determined the date of publication of the EBP.

*If the document is not published at all, researchers should mark this question "n/a."*

Answer:

Although the Tabling and Passing of the Budget in Parliament on 17th November 2020 were deemed invalid by the Supreme Court, the Treasury released the the EBP documents online on 17th and 18th November. In the absence of the normal Budget 'press lockup', prior to the tabling of the Budget to the Legislature, the media, accounting firms, academics and other Budget commentators, including the this researcher, had to scour the internet for copies of the document as soon as they were uploaded, notably for reporting purposes that same day and the following day. The Budget address to Parliament, which provides some details of the EBP, including new policy and tax initiatives, was released on 17 November, with the balance of volumes posted that night or in the morning of 18th November, as verified with Treasury staff, when inquiring when they'd be made available.

Source:

<https://postcourier.com.pg/parliament-resumes-for-2021-budget/>  
<https://postcourier.com.pg/parliament-reconvenes-and-passes-pgk19-6-billion-2021-budget/>  
<https://postcourier.com.pg/k19-6b-budget-passed/>  
<https://www.pwc.com/pg/en/publications/png-pulse-keeping-you-informed/png-pulse-november-2020---budget-special-edition-.html>  
<https://postcourier.com.pg/treasurer-2021-budget-null-and-void/>  
<https://www.thenational.com.pg/parliament-passes-2021-budget-again-after-court-ruling/>  
<https://www.rnz.co.nz/international/pacific-news/432983/marape-holds-on-to-power-in-png-s-game-of-political-musical-chairs>

Comment:

Peer Reviewer

Opinion: Agree

Comments: As with 3a - the source for verifying the date of actual upload should be referenced. Doing a google search shows the posting date of the budget speech but not the budget documents themselves (although it is clear they have been uploaded around the same time). Also the Lowry Institute made a web response dated 24 November based on the budget documents so it can be confirmed this happened.

Government Reviewer

Opinion: Agree

Researcher Response

yes, verifying the date of the uploading of the documents can be very challenging. With the EBP various institutions are all eagerly awaiting the details to be provided (especially in November/December 2020, in the absence of the normal Budget lockup); this includes domestic and international media, accounting firms, academic bodies (notably ANU) and think tanks, including ourselves. When we are able to access it, we normally share it with other institutions, but we're also monitoring what material is being put out by accounting firms and ANU etc. We were monitoring the 2021 release closely, but we did also follow up with Treasury staff to ensure that our estimate of the upload time was accurate. (with Parliamentary uploads of the enacted Budget certification, uploading and Hansard etc we double check with the Parliamentary staff; For documents that we've not been monitoring so closely, we hone it down from reports in the media and website/blogsites, prior to dialogue with Treasury or parliament or other relevant staff, and checking electronic evidence of the date of documents etc)

EBP-4. If the EBP is published, what is the URL or weblink of the EBP?

*Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late. If the document is not published at all, researchers should leave this question blank.*

*In the comment boxes below, researchers should also list any supporting documents to the EBP and their URL or weblink.*

Answer:  
[https://www.treasury.gov/pg/html/national\\_budget/2021%20National%20Budget.html](https://www.treasury.gov/pg/html/national_budget/2021%20National%20Budget.html)

Source:

Comment:

Peer Reviewer

Opinion: Agree

Comments: Confirmed

Government Reviewer

Opinion: Agree

EBP-5. If the EBP is published, are the numerical data contained in the EBP or its supporting documents available in a machine readable format?

*Material (data or content) is machine readable if it is in a format that can be easily processed by a computer, such as .csv, .xls/.xlsx, and .json. Numerical data found in PDFs, Word (.doc/.docx) and HTML files do not qualify as machine readable. See more at: <http://opendatahandbook.org/glossary/en/terms/machine-readable/>.*

*Option "d" applies if the EBP is not publicly available, therefore its machine readability cannot be assessed.*

Answer:

c. No

Source:

All Budget Documents from the Treasury released are online in Pdf format only, (with a limited number of copies available few in hard copy format); (only the Central Bank -BPNG - provides economic and fiscal data in machine readable format)

Comment:

Peer Reviewer

Opinion: Agree

Comments: Noted - only pdf format

Government Reviewer

Opinion: Agree

EBP-6a. If the EBP is not publicly available, is it still produced?

*If the EBP is not considered publicly available under the OBS methodology (and thus the answer to Question EBP-2 was "d"), a government may nonetheless produce the document.*

*Option "a" applies if the document is produced and made available to the public online but not within the time frame specified in the OBS methodology (see Question EBP-2).*

*Option "b" applies if the document is produced and made available to the public within the time frame specified by the OBS methodology but only in hard copy (and is not available online). Option "b" also applies if the document is made available to the public within the time frame specified by the OBS methodology in soft electronic copy but is not available online.*

*Option "c" applies if the document is produced for internal purposes only and so is not made available to the public.*

*Option "d" applies if the document is not produced at all.*

*Option "e" applies if the document is publicly available.*

*If a document is not released to the public, researchers may need to write to or visit the relevant government office in order to determine whether answer "c" or "d" applies.*

Answer:

e. Not applicable (the document is publicly available)

Source:

The Budget Proposal was made available to the public online promptly. It was also broadcast live via Television and Radio. Indeed, in view of the initial attempt to table the EBP being invalidated by the Supreme Court, the Budget proposal was in effect released one month ahead of its Tabling to the Legislature

Comment:

Peer Reviewer

Opinion: Agree

Comments: reflected in the chronology of events

Government Reviewer

Opinion: Agree

EBP-6b. If you selected option "c" or "d" in question EBP-6a, please specify how you determined whether the EBP was produced for internal use only, versus not produced at all.

*If option "a","b," or "e" was selected in question EBP-6a, researchers should mark this question "n/a."*

Answer:

Source:

Comment:

Peer Reviewer

Opinion:

Government Reviewer

Opinion:

EBP-7. If the EBP is produced, please write the full title of the EBP.

*For example, a title for the Executive's Budget Proposal could be "Draft Estimates of Revenue and Expenditure for BY 2020-21, produced by the Ministry of Finance, Planning and Economic Development."*

*If there are any supporting documents to the EBP, please enter their full titles in the comment box below.*

*If the document is not produced at all, researchers should mark this question "n/a."*

Answer:

National Budget 2021

Source:

The National Budget 2021

Documents comprising: -

Budget Speech: By Hon. Ian Ling-Stuckey, CMG MP Minister for Treasury

Volume 1: Economic and Development Policies

Volume 2:

Volume 2A - Estimates of Revenue and Expenditure for National Government Departments

Volume 2B - Estimates of Revenue and Expenditure for National Government Departments (cont...)

Volume 2C - Estimates of Revenue and Expenditure for National Government Departments (cont...)  
Volume 2D - Estimates of Revenue and Expenditure for Statutory Authorities, Provincial Governments, Debt Services and Trust Accounts  
Volume 3:  
Volume 3A - Public Investment Program for National Government Departments 2021-2025  
Volume 3B - Public Investment Program for Statutory Authorities and Provincial Governments 2021-2025  
Bills: Appropriation and Taxation Bills

Comment:

Peer Reviewer

Opinion: Agree

Comments: Noted on web page

Government Reviewer

Opinion: Agree

EBP-8. Is there a "citizens version" of the EBP?

*While the Citizens Budget was initially conceived as a simplified version of the Executive's Budget Proposal or the Enacted Budget, good practice is now evolving and suggests that a "citizens" version of key budget documents should be produced during each of the four phases of the budget cycle. This would serve to inform citizens of the state of public financial management throughout the entire budget cycle. While it is recognized that it may be unreasonable to expect that a citizens version is produced for each and every one of those key documents, it seems acceptable to expect that according to good practice, the executive releases a citizens version of key budget documents for each of the four stages of the budget process to allow citizens to be aware of what is happening, in terms of public financial management, throughout the entire budget cycle. For more information on Citizens Budget see: <https://www.internationalbudget.org/publications/citizens-budgets/>.*

Answer:

b. No

Source:

There has been ongoing discussion between government and civil society to have a 'citizen budget'. It was envisaged for this to occur in 2020 as part of the Open Government Partnership 2018-2020 Fiscal Transparency measures, it did not materialize, partly in the face of major budgetary disruption caused by Covid-19

Comment:

Peer Reviewer

Opinion: Agree

Comments: No citizens version

Government Reviewer

Opinion: Agree

EB-1a. What is the fiscal year of the EB evaluated in this Open Budget Survey questionnaire?

*Please enter the fiscal year in the following format: "FY YYYY" or "FY YYYY-YY."*

Answer:

FY 2020 FY 2020

Source:

The 2020 Budget is selected, as the 2021 Budget was finally passed on 16 December 2020, and although it has been certified and published (by the Parliament) within 1 month of being passed, by mid-January 2021, this is outside cut-off date for the OBS 2021, Unfortunately, the certification and publishing of the Budget for 2020 was substantially more delayed, being certified and published in May 2020, and with one key document slipping back to September. In any case, it fails to meet the required deadline for release under the Open Budget Survey.

Comment:

Peer Reviewer

Opinion: Disagree

Suggested Answer: The FY in question should be FY2021 as explained belows

Comments: My understanding of the OBS process per the guidelines is that the earlier document should not be used in this instance but from a perspective of the cut-off date, the budget year should be FY2021 and documents not meeting the cut off date should be treated as "not published or published for internal use only". It would seem that with the approval of the executive budget proposal in December 2020 reflects the budget that was enacted. There is not a clear distinction between versions - Executive Propossed Budget and Enacted Budget - no changes as far as I understand. A separate set of documents to show proposed versus enacted is not therefore produced.

Government Reviewer

Opinion: Agree

Researcher Response

This is correct. The Budget Appropriation Acts (notably for the General public service expenditure) specify that the EBP may be treated as providing the detail of expenditure. The Appropriation Acts and other Budget legislation (Customs Amendments etc) provide the legal components of the Enacted Budget, which are duly certified and subsequently uploaded. For the 2021 Budget this was done promptly (within days of the approval of the Budget on 16 December 2020), but this still fell outside the cut off time for the OBS. The Appropriation Acts also do not provide details of revenue, and only provide the Budget expenditure ceilings for the 3 arms of government respectively, effectively a summary bread up of that expenditure and the authorisations for borrowing and varying the expenditure during the Budget year.

IBP Comment

Per the OBS guidelines, researchers should assess the most recently released version of each of the eight key budget documents, as long as the document meets its publication deadline and is published before the cut-off date. The Open Budget Survey uses a cut-off date to standardize the research and ensure comparability. Documents are not accepted if they are published after this date. This enables the Open Budget Survey to provide a snapshot of budget transparency at a particular point of time. For the OBS 2021, the cut-off date is December 31, 2020. In that respect, it is not possible to consider the documents published beyond that date in this assessment. As the EB for 2021 meets its publication deadline and was publicly available but was published beyond the cut-off date, the OBS methodology allows assessing the EB for 2020. IBP is in agreement with the researcher's response. The current response of "FY 2020" is maintained.

EB-1b. When was the EB approved (enacted) by the legislature?

*Please enter the date in the following format: "DD/MM/YYYY." For example, 5 September 2020 should be entered as 05/09/2020. If the document is not published or not produced, leave this question blank.*

Answer:

5/12/2019 5/12/2019

Source:

Comment:

The 2020 EB, and associated Acts and Legislative Amendments, were passed by Parliament on the 5th December 2019, one week after it was tabled. Hansard (Minutes) of Parliament for 5th December 2019: <http://www.parliament.gov.pg/uploads/hansard/H-10-20191205-M16-D06.pdf>

Peer Reviewer

Opinion: Disagree

Suggested Answer: Should be left blank (Actual enactment date 16/12/2020 is outside reference period.

Comments: As with EB-1a the reference period should be Budget for FY2021 not FY2020 According to the guidelines - this should be left blank.

Government Reviewer

Opinion: Agree

Researcher Response

the 2021 Enacted Budget was not applicable as it fell outside the closing date for the OBS, not because of a failure to implement tasks on time (indeed the EB for 2021 was certified and uploaded in a relatively short period after approval on 16th December 2020); on this basis under the OBS rules one reverts to the previous year, ie the 2020 Budget, when, unfortunately, the certification and uploading of the 2020 Budget legislation, which makes up the EB, was much slower (occurring for most of the legislation in in May and for the General Public Service appropriation in October 2020)

IBP Comment

Per the OBS guidelines, researchers should assess the most recently released version of each of the eight key budget documents, as long as the document meets its publication deadline and is published before the cut-off date. The Open Budget Survey uses a cut-off date to standardize the research and ensure comparability. Documents are not accepted if they are published after this date. This enables the Open Budget Survey to provide a snapshot of budget transparency at a particular point of time. For the OBS 2021, the cut-off date is December 31, 2020. In that respect, it is not

possible to consider the documents published beyond that date in this assessment. As the EB for 2021 meets its publication deadline and was publicly available but was published beyond the cut-off date, the OBS methodology allows assessing the EB for 2020. IBP is in agreement with the researcher's response. The current response is maintained.

EB-2. When is the EB made available to the public?

*Publicly available budget documents are defined as those documents that are published on the website of the public authority issuing the document within the time frame specified in the OBS methodology and that all citizens are able to obtain free of charge. (See the Open Budget Survey Guidelines on Public Availability of Budget Documents.) This is a change from previous rounds of the Open Budget Survey: now at minimum documents must be made available on the Internet and free of charge to be considered publicly available.*

*The OBS methodology requires that for an EB to be considered publicly available, it must be made available to the public three months after the budget is approved by the legislature. If the EB is not released to the public at least three months after the budget is approved by the legislature, option "d" applies. Option "d" should also be chosen for documents that are produced for internal purposes only (that is, produced but never released to the public) or are not produced at all. Some governments may publish budget documents further in advance than the latest possible dates outlined above. In these instances, researchers should choose options "a" or "b," depending on the date of publication identified for the EB.*

Answer:

d. The EB is not released to the public, or is released more than three months after the budget has been enacted

Source:

The 2020 EB, comprising the Appropriation and associated Budget legislation, but excluding the General Public Service Appropriation, was certified by the Speaker of Parliament on 7 May 2020, and uploaded on the Parliament website on the Parliament website on 8th May 2020; For some reason the Appropriation (General Public Service Expenditure 2020) Act, which comprises the allocation for the Executive, was not certified until 8 September, and available for download thereafter. <http://www.parliament.gov.pg/bills-and-legislation/2019>

Comment:

In practice in PNG, the EBP is assumed to be the EB, for the most part, by the bureaucracy and the public in PNG, and this is essentially the case with respect to expenditure, as specified in the Appropriation Bills themselves; therefore it could be deemed that the EB is already available in the main, following the release of the EBP, upon the passing of the Budget.

References are made throughout the Appropriation (General Public Services Expenditure 2020 Budget) Act 2019 to the Volumes of the EBP, e.g. - Under Section 2, Appropriation  
"(a) for the purposes of identifying the activities of agencies referred to in this Act, Volume 2, A,B,C and D of the 2020 Budget Books may be considered relevant documents; and  
(b) for the purpose of identifying the capital expenditure referred to in this Act Volume 2, A,B,C and D of the 2020 Budget Publications are to be considered relevant documents;"

Peer Reviewer

Opinion: Agree

Comments: Again the wrong reference period has been used. From my understanding, as the enacted budget falls outside the OBS reference period, the performance should be rated "not published" (within the time period). This should be reflected in the researcher source and comments, including the reference to the certified document online: [http://www.parliament.gov.pg/uploads/acts/20A\\_29.pdf](http://www.parliament.gov.pg/uploads/acts/20A_29.pdf). Budget Act certified 14 January 2021

Government Reviewer

Opinion: Agree

Researcher Response

See earlier explanation over why the 2020 Enacted Budget was (correctly) reported upon, rather than 2021

IBP Comment

Per the OBS guidelines, researchers should assess the most recently released version of each of the eight key budget documents, as long as the document meets its publication deadline and is published before the cut-off date. The Open Budget Survey uses a cut-off date to standardize the research and ensure comparability. Documents are not accepted if they are published after this date. This enables the Open Budget Survey to provide a snapshot of budget transparency at a particular point of time. For the OBS 2021, the cut-off date is December 31, 2020. In that respect, it is not possible to consider the documents published beyond that date in this assessment. As the EB for 2021 meets its publication deadline and was publicly available but was published beyond the cut-off date, the OBS methodology allows assessing the EB for 2020. IBP is in agreement with the researcher's response. The current response of "FY 2020" is maintained.

EB-3a. If the EB is published, what is the date of publication of the EB?

*Note that the date of publication is not necessarily the same date that is printed on the document.*

Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late.

Please enter the date in the following format: "DD/MM/YYYY." For example, 5 September 2020 should be entered as 05/09/2020. If the document is not published or not produced, leave this question blank.

Answer:  
8/5/2020

Source:

Except for one important component, the 2020 EB, comprising the Appropriation and other associated Budget legislation, was certified by the Speaker on 7th May 2020 and published on 8th May 2020. The Exception, was the Appropriation, (General Public Service Expenditure 2020) Act 2019, which for some reason was certified and published on 8 September 2020, which comprises the major portion of Budgeted public expenditure. (The omission was no doubt noticed, as the 2020 Supplementary Budget was tabled on 10th September)

Comment:

Peer Reviewer

Opinion: Disagree

Suggested Answer: 14/1/2021

Comments: Reference year is wrong - should refer to FY2021 The 2021 Acts were certified on 14 January 2021 - <http://www.parliament.gov.pg/bills-and-legislation/2020> It may be necessary to confirm the actual upload date to the parliamentary website

Government Reviewer

Opinion: Agree

Researcher Response

Please see earlier explanation of why the 2020 EB was (correctly) reported upon, rather than 2021

IBP Comment

See IBP comment in EB-1a. The current response is maintained.

EB-3b. In the box below, please explain how you determined the date of publication of the EB.

If the document is not published at all, researchers should mark this question "n/a."

Answer:

(The 2021 Budget (Appropriation and other legislation) was only passed on 16th December 2020, so, although it was certified (on 14 February 2021) and published within 1 month of approval, it falls outside the 31st December cut-off time for OBS; so for the survey we had to revert to the 2020 Budget)

The 2020 Budget (Appropriation and other legislation) was passed on 5th December 2019 but the legislation was only Certified on 7th May and published on 8th May 2020, and for the Appropriation (General Public Services Expenditure 2020) Act 2019 was certified and published on 8th September 2020, well outside the 3 month limit for OBS.

In PNG the EBP is generally deemed to be the EB, once passed by Parliament. Indeed, the legislation, notably the Appropriation for General Public Services Expenditure specifies that the Budget details are as provided in the EBP. It is implemented by the Executive accordingly. However, the Appropriation and EBP go together, with the expenditure and related tax legislation not legally valid until Certified by the Speaker of Parliament. The date of certification was ascertained from the Parliament website and the front page of each Act; the date of uploading the EB to the website was obtained from the responsible Parliamentary staff.

Source:

<http://www.parliament.gov.pg/bills-and-legislation/2019>  
Staff of the National Parliament

Comment:

Peer Reviewer

Opinion: Disagree

Suggested Answer: The wrong reference period - should be FY2021 <http://www.parliament.gov.pg/bills-and-legislation/2020> For a more definitive confirmation of the date published on the website - can a date/time stamp of the upload be obtained?

Comments: As above (Also correct narrative which states that the Acts were certified on 14th February when this was actually 14th January 2021)

Government Reviewer

Opinion: Agree

Researcher Response

Please see earlier explanation of why the 2020 EB was (correctly) reported upon, rather than 2020

IBP Comment

See IBP comment in EB-1a. The current response is maintained.

EB-4. If the EB is published, what is the URL or weblink of the EB?

*Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late. If the document is not published at all, researchers should leave this question blank.*

Answer:

<http://www.parliament.gov.pg/bills-and-legislation/2019> <http://www.parliament.gov.pg/bills-and-legislation/2019>

Source:

The Minutes of the passing of the Budget Appropriation Acts and other Budget legislation on 5th December 2019:

<http://www.parliament.gov.pg/uploads/hansard/H-10-20191205-M16-D06.pdf>

<http://www.parliament.gov.pg/index.php/bills-and-legislation/view/appropriation-judiciary-services-2020-act-2019>

<http://www.parliament.gov.pg/index.php/bills-and-legislation/view/appropriation-national-parliament-2020-act-2019>

<http://www.parliament.gov.pg/index.php/bills-and-legislation/view/appropriation-general-public-services-expenditure-2020-act-2019>

<http://www.parliament.gov.pg/index.php/bills-and-legislation/view/excise-tariff-2020-budget-amendment-act-2019>

<http://www.parliament.gov.pg/index.php/bills-and-legislation/view/income-tax-2020-budget-amendment-act-2019>

<http://www.parliament.gov.pg/index.php/bills-and-legislation/view/public-finance-management-amendment-act-2019>

<http://www.parliament.gov.pg/index.php/bills-and-legislation/view/public-money-management-regulation-amendment-act-2019>

Comment:

Peer Reviewer

Opinion: Disagree

Suggested Answer: <http://www.parliament.gov.pg/bills-and-legislation/2020> Is the correct reference year and each URL link should be updated to reflect FY2021

Comments: As above

Government Reviewer

Opinion: Agree

Researcher Response

Please see earlier explanation of why the 2020 EB was (correctly) reported upon, rather than 2020

IBP Comment

See IBP comment in EB-1a. The current response is maintained.

EB-5. If the EB is published, are the numerical data contained in the EB available in a machine readable format?

*Material (data or content) is machine readable if it is in a format that can be easily processed by a computer, such as .csv, .xls/.xlsx, and .json. Numerical data found in PDFs, Word (.doc/.docx) and HTML files do not qualify as machine readable. See more at: <http://opendatahandbook.org/glossary/en/terms/machine-readable/>*

*Option "d" applies if the EB is not publicly available, therefore its machine readability cannot be assessed.*

Answer:

c. No

Source:

The Budget documentation from Parliament (and from Treasury) is all provided only in Pdf format (and/or hard copy) at this stage; (only Economic and fiscal material from the Bank of Papua New Guinea -Central Bank- is machine readable)



Comment:

Peer Reviewer

Opinion: Agree

Comments: For FY2021 and earlier years, the EB volumes, Appropriation Bills and (certified) Appropriation Acts are in pdf with the bills and acts being on scanned copy (picture) version

Government Reviewer

Opinion: Agree

IBP Comment

See IBP comment in EB-1a. The current response is maintained.

EB-6a. If the EB is not publicly available, is it still produced?

*If the EB is not considered publicly available under the OBS methodology (and thus the answer to Question EB-2 was "d"), a government may nonetheless produce the document.*

*Option "a" applies if the document is produced and made available to the public online but not within the time frame specified in the OBS methodology (see Question EB-2)*

*Option "b" applies if the document is produced and made available to the public within the time frame specified by the OBS methodology but only in hard copy (and is not available online). Option "b" also applies if the document is made available to the public within the time frame specified by the OBS methodology in soft electronic copy but is not available online.*

*Option "c" applies if the document is produced for internal purposes only and so is not made available to the public.*

*Option "d" applies if the document is not produced at all.*

*Option "e" applies if the document is publicly available.*

*If a document is not released to the public, researchers may need to write to or visit the relevant government office in order to determine whether answer "c" or "d" applies.*

Answer:

a. Produced but made available online to the public too late (published after the acceptable time frame)

Source:

(by contrast, the 2021 EB was, incidentally published online within 1 month of being passed, as publishing was in mid-January 2021, it was beyond the survey cut-off date, so we had to use the 2020 Budget)

<http://www.parliament.gov.pg/bills-and-legislation/2019>

The enacted 2020 Budget Appropriation and associated Budget legislation were published online, but 5 months after the legislation was passed on 5th December 2019, and the major Act was certified and published 9 months after being passed. (Covid-19 lockdowns and disruptions were a factor in delaying normal Parliamentary functions)

On the other hand, as the Budget Appropriation Acts specify that the EBP documents should be considered as components of the EB, it might be considered that EB is effectively, once the Budget is passed, notably on 5th December 2019... .

"Appropriation.

Sums granted by this Act out of the Consolidated Revenue Fund for the year ending 31 December 2020 are appropriated for the activities of the agencies listed in the Schedule of this Act in the year ending 31 December 2020 as follows:

(a) for the purposes of identifying the activities of agencies referred to in this Act, Volume 2, A,B,C and D of the 2020 Budget Books may be considered relevant documents; and

(b) for the purpose of identifying the capital expenditure referred to in this Act Volume 2, A,B,C and D of the 2020 Budget Publications are to be considered relevant documents";

Comment:

Peer Reviewer

Opinion: Agree

Comments: As described earlier - the document is produced but the Appropriation Act was certified on 14/1/2021 (outside the reference period).

Government Reviewer

Opinion: Agree

Researcher Response

Please see earlier explanation of why the 2020 EB was (correctly) reported upon, rather than 2020

IBP Comment

See IBP comment in EB-1a. The current response is maintained.

EB-6b. If you selected option "c" or "d" in question EB-6a, please specify how you determined whether the EB was produced for internal use only, versus not produced at all.

*If option "a," "b," or "e" was selected in question EB-6a, researchers should mark this question "n/a."*

Answer:

n/a

Source:

Comment:

Peer Reviewer

Opinion: Disagree

Suggested Answer: N/A

Comments: This question has been left blank - according to the guide it should be marked N/A

Government Reviewer

Opinion: I choose not to review this question

IBP Comment

See IBP comment in EB-1a. The peer reviewer's comment is well received. N/A is added to the response.

EB-7. If the EB is produced, please write the full title of the EB.

*For example, a title for the Enacted Budget could be "Appropriation Act n. 10 of 2018."*

*If the document is not produced at all, researchers should mark this question "n/a."*

Answer:

2020 National Budget; Appropriation (National Parliament 2020 Budget) Act 2019; Appropriation (Judiciary Services 2020 Budget) Act 2019; Appropriation (General Public Services Expenditure 2020 Budget) Act 2019; Customs Tariff (2020 Budget)(Amendment) Act 2019; Excise Tariff (2020 Budget)(Amendment) Act 2019; Income Tax (2020 Budget)(Amendment) Act 2019; Papua New Guinea Fiscal Responsibility (Amendment) Act 2019; Public Money Management Regulation (Amendment) Act 2019; Appropriation (General Public Services Expenditure 2020) Act 2019

Source:

It should be noted that the details of the EB, in terms of specific expenditure allocations and revenue forecast etc, for the purpose of monitoring etc, are specified in the EBP; the EBP volumes are deemed under the Budget Appropriation legislation to provide the specific expenditure allocations (not spelt out in the Appropriation Acts), and therefore once the Acts are passed are complementary, or integrally connected with, the Acts.  
<http://www.parliament.gov.pg/bills-and-legislation/2019>

Comment:

Peer Reviewer

Opinion: Disagree

Suggested Answer: Wrong reference year All references above should be made to the FY2021 Budget Book Volumes, Appropriations and Certified Acts For example: 2021 National Budget - Volume 1 Economic and Development Policies;

Comments: References should be made in full to the budget book volumes (for example but not limited to): VOLUME 2 (Part 1-A) 2013 RECURRENT BUDGET ESTIMATES OF REVENUE AND EXPENDITURE FOR NATIONAL GOVERNMENT DEPARTMENTS VOLUME 2 (Part-1B) 2013 RECURRENT BUDGET ESTIMATES OF REVENUE AND EXPENDITURE FOR NATIONAL GOVERNMENT DEPARTMENTS VOLUME 2 (Part 2) 2013 RECURRENT BUDGET ESTIMATES OF REVENUE AND EXPENDITURE FOR STATUTORY AUTHORITIES PROVINCIAL GOVERNMENTS DEBT SERVICES AND TRUST ACCOUNTS

Government Reviewer

Opinion: Agree

Researcher Response

Please see earlier explanation of why the 2020 EB was (correctly) reported upon, rather than 2021

IBP Comment

See IBP comment in EB-1a. The current response is maintained.

EB-8. Is there a "citizens version" of the EB?

*While the Citizens Budget was initially conceived as a simplified version of the Executive's Budget Proposal or the Enacted Budget, good practice is now evolving and suggests that a "citizens" version of key budget documents should be produced during each of the four phases of the budget cycle. This would serve to inform citizens of the state of public financial management throughout the entire budget cycle. While it is recognized that it may be unreasonable to expect that a citizens version is produced for each and every one of those key documents, it seems acceptable to expect that according to good practice, the executive releases a citizens version of key budget documents for each of the four stages of the budget process to allow citizens to be aware of what is happening, in terms of public financial management, throughout the entire budget cycle. For more information on Citizens Budget see: <https://www.internationalbudget.org/publications/citizens-budgets/>.*

Answer:

b. No

Source:

There is no Citizen Budget. However, it has long been under discussion with civil society and was included under the Open Government Partnership 2018-2020 National Action Plan, to be provided for 2021, including in a second language - Tok Pisin. It was not provided for 2020, (and, owing largely to Covid-19 disruption, has also not been provided for 2021)

Comment:

Peer Reviewer

Opinion: Agree

Comments: No citizens budget for FY2020 or FY2021

Government Reviewer

Opinion: Agree

CB-1. What is the fiscal year of the CB evaluated in this Open Budget Survey questionnaire?

*Please enter the fiscal year in the following format: "FY YYYY" or "FY YYYY-YY."*

*If more than one Citizens Budget is produced, for each CB please indicate the document the CB simplifies/refers to, and the fiscal year.*

Answer:

FY 2021

Source:

But no CB has yet been published

Comment:

Peer Reviewer

Opinion: Agree

Comments: correct FY but no CB produced

Government Reviewer

Opinion: Agree

CB-2a. For the fiscal year indicated in CB-1, what is the public availability status of the CB?

*If more than one Citizens Budget is produced, please complete this question for one of them, specifying in the comment box below which document (Executive's Budget Proposal or Enacted Budget) you are referring to, and – in the same comment box – which other Citizens Budget is produced and its public availability status.*

*Remember that publicly available budget documents are defined as those documents that are published on the website of the public authority issuing the document within the time frame specified by the OBS methodology and that all citizens are able to obtain free of charge. This is a change from previous rounds of the Open Budget Survey: now at minimum documents must be made available on the Internet and free of charge to be considered publicly available.*

*Option "a" applies if the document is produced and made available to the public online but not within the time frame specified in the OBS methodology  
Option "b" applies if the document is produced and made available to the public within the time frame specified by the OBS methodology but only in hard copy (and is not available online). Option "b" also applies if the document is made available to the public within the time frame specified by the OBS methodology in soft electronic copy but is not available online.*

*Option "c" applies if the document is produced for internal purposes only and so is not made available to the public.*

*Option "d" applies if the document is not produced at all.*

*Option "e" applies if the document is publicly available.*

Answer:

d. Not produced at all

Source:

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

CB-2b. If you selected option "c" or "d" in question CB-2a, please specify how you determined whether the CB was produced for internal use only, versus not produced at all.

*If option "a," "b," or "e" was selected in question CB-2a, researchers should mark this question "n/a."*

Answer:

A summary presentation of the budget is normally provided during the Budget 'press lockup', for the 2021 Budget there was no 'Lock up'. This summary could form the basis for CB. In any case, it is not circulated widely and does not at this stage meet the requirements of a CB, either in terms of wide circulation, nor level of explanation. There are plans and commitments made to produce a Citizens Budget, notably as part of the Open Government Partnership National Action Plan 2018-20, and it was intended by Treasury to commence with the 2021 Budget, including a summary/explanatory translation into a second language/lingua franca 'Tok Pisin', but, with the disruption of Covid-19 during 2020, including to the Budget composition and the Budget process (with revenue shortfall, Covid- economic stimulus package and Supplementary Budget in 2020, the planned CB was by-passed. It could be argued that, with the disruption of the Covid-19, it would be especially important to have a Citizens Budget to better explain the fiscal and related economic , debt and revenue raising measures.

Source:

Comment:

Peer Reviewer

Opinion: Agree

Comments: Maybe the narrative could mention discussions from the Department of Treasury confirming that no such document was produced

Government Reviewer

Opinion: Agree

CB-3a. If the CB is published, what is the date of publication of the CB?

*Note that the date of publication is not necessarily the same date that is printed on the document. Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late.*

*Please enter the date in the following format: "DD/MM/YYYY." For example, 5 September 2020 should be entered as 05/09/2020. If the document is not published or not produced, leave this question blank.*

*If more than one Citizens Budget is published, please complete this question for one of them, specifying in the comment box below which document you are referring to, and – in the same comment box – which other Citizens Budget is produced and its dates of publication.*

Answer:

Source:

n/a

Comment:

n/a

Peer Reviewer

Opinion: Agree

Comments: Although it should be left blank rather than marked N/A according to the guide

Government Reviewer

Opinion: I choose not to review this question

Comments: PNG doesn't produce CB version.

IBP Comment

The comment from the peer reviewer is well-noted. The corresponding box for the date is blank.

CB-3b. In the box below, please explain how you determined the date of publication of the CB.

*If the document is not published at all, researchers should mark this question "n/a."*

Answer:

n/a

Source:

n/a

Comment:

n/a

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question

CB-4. If the CB is published, what is the URL or weblink of the CB?

*Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late. If the*

document is not published at all, researchers should leave this question blank.

If more than one Citizens Budget is published, please complete this question for one of them, specifying in the comment box below which document you are referring to, and – in the same comment box – which other Citizens Budget is produced and its URL or weblink.

Answer:

Source:  
n/a

Comment:  
n/a

Peer Reviewer

Opinion: Agree

Comments: although guide suggests to just leave blank rather than N/A

Government Reviewer

Opinion: I choose not to review this question

Researcher Response

we have left it blank (and could leave source and comment blank as well, but they might as well remain as they are)

IBP Comment

The comment from the peer reviewer is well-noted. The corresponding box for the URL is blank.

CB-5. If the CB is produced, please write the full title of the CB.

For example, a title for the Citizens Budget could be "Budget 2020 People's Guide" or "2021 Proposed Budget in Brief: A People's Budget Publication."

If the document is not produced at all, researchers should mark this question "n/a."

If more than one Citizens Budget is produced, for the other CB, indicate the document the CB refers to and, next to it, its full title.

Answer:

n/a

Source:  
n/a

Comment:  
n/a

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question

CB-6. If the CB is produced, please indicate which budget document it corresponds to.

If more than one Citizens Budget is produced, please complete this question for one of them, specifying in the comment box below which document you are referring to, and – in the same comment box – which other Citizens Budget is produced and which budget document it simplifies.

Answer:

Source:

Comment:

Peer Reviewer

Opinion: Agree

Comments: There is no CB so leave blank is correct

Government Reviewer

Opinion: I choose not to review this question

IYRs-1. What is the fiscal year of the IYRs evaluated in this Open Budget Survey questionnaire?

*Please enter the fiscal year in the following format: "FY YYYY" or "FY YYYY-YY."*

Answer:

FY 2020

Source:

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

IYRs-2. When are the IYRs made available to the public?

*Publicly available budget documents are defined as those documents that are published on the website of the public authority issuing the document within the time frame specified in the OBS methodology and that all citizens are able to obtain free of charge. (See the Open Budget Survey Guidelines on Public Availability of Budget Documents.) This is a change from previous rounds of the Open Budget Survey: now at minimum documents must be made available on the Internet and free of charge to be considered publicly available.*

*The OBS methodology requires that for IYRs to be considered publicly available, IYRs must be made available to the public no later than three months after the reporting period ends. If at least seven of the last 12 monthly IYRs, or at least three of the last four quarterly IYRs are not released to the public at least three months after the reporting period ends, option "d" applies. Option "d" should also be chosen for documents that are produced for internal purposes only (that is, produced but never released to the public) or are not produced at all. Some governments may publish budget documents further in advance than the latest possible dates outlined above. In these instances, researchers should choose options "a" or "b," depending on the date of publication identified for the IYRs.*

Answer:

d. The IYRs are not released to the public, or are released more than three months after the period covered

Source:

No in-year reports (Fiscal Outturn Reports or Treasury Economic Monitor) have been released since 2011. In-year reports are being prepared in-house, within Govt, but not publicly released by Treasury.

Comment:

This lack of IYRs since 2011 is partly the result of multiple financial management systems being run concurrently over recent years, making preparation of timely financial reporting hard. They are now being consolidated with the roll-out of the Integrated Financial Management System across all Department and Statutory authorities and latterly across the provinces. Under the Open Government Partnership, fiscal transparency cluster objectives, it was envisaged that some in-year reports would have commenced in 2020; but with the disruption from Covid-19 even the existing reporting (such as YER and MYR) were delayed in their release.

Peer Reviewer  
Opinion: Agree  
Comments: Not published

Government Reviewer  
Opinion: Agree

IYRs-3a. If the IYRs are published, what are the dates of publication of the IYRs?

*Specifically: if quarterly In-Year Reports are published, indicate the dates of publication of at least three of the last four IYRs that were publicly available. If monthly IYRs are published, indicate the dates of publication of at least seven of the last 12 IYRs that were publicly available.*

*Note that the date of publication is not necessarily the same date that is printed on the document. Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late.*

*Please enter the date in the following format: "DD Month YYYY." For example, 5 September 2020 should be entered as 05 September 2020. If the document is not published or not produced, please mark this question "n/a."*

Answer:

n/a

Source:

n/a

Comment:

n/a

Peer Reviewer  
Opinion: Agree

Government Reviewer  
Opinion: Agree

IYRs-3b. In the box below, please explain how you determined the date of publication of the IYRs.

*If the document is not published at all, researchers should mark this question "n/a."*

Answer:

n/a

Source:

n/a

Comment:

Peer Reviewer  
Opinion: Agree

Government Reviewer  
Opinion: Agree



IYRs-4. If the IYRs are published, what is the URL or weblink of the IYRs?

*Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late.*

*Researchers should provide the weblink to the most recent In-Year Report in the space below, and – in the comment box underneath – the weblinks to older IYRs.*

*If the document is not published at all, researchers should leave this question blank.*

Answer:

Source:  
n/a

Comment:

Peer Reviewer

Opinion: Agree

Comments: Response should be left blank

Government Reviewer

Opinion: Agree

Comments: The URLs would depend on the name of the reports published and their location placed on the web.

IYRs-5. If the IYRs are published, are the numerical data contained in the IYRs available in a machine readable format?

*Material (data or content) is machine readable if it is in a format that can be easily processed by a computer, such as .csv, .xls/.xlsx, and .json. Numerical data found in PDFs, Word (.doc/.docx) and HTML files do not qualify as machine readable. See more at: <http://opendatahandbook.org/glossary/en/terms/machine-readable/>*

*Option "d" applies if the IYRs are not publicly available, therefore their machine readability cannot be assessed.*

Answer:

d. Not applicable

Source:  
n/a

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

IYRs-6a. If the IYRs are not publicly available, are they still produced?

*If the IYRs are not considered publicly available under the OBS methodology (and thus the answer to Question IYRs-2 was "d"), a government may nonetheless produce the document.*

*Option "a" applies if the document is produced and made available to the public online but not within the time frame specified in the OBS methodology (see Question IYRs-2).*

*Option "b" applies if the document is produced and made available to the public within the time frame specified by the OBS methodology but only in hard copy (and is not available online). Option "b" also applies if the document is made available to the public within the time frame specified by the OBS methodology in soft electronic copy but is not available online.*

Option "c" applies if the document is produced for internal purposes only and so is not made available to the public.

Option "d" applies if the document is not produced at all.

Option "e" applies if the document is publicly available.

If a document is not released to the public, researchers may need to write to or visit the relevant government office in order to determine whether answer "c" or "d" applies.

Answer:

c. Produced for internal purposes/use only

Source:

The Treasury and Finance Dept staff state that internal In-Year Reports are still being prepared (as they were up until 2011), and that it would not be a big task to make them publicly available. The intent (as per the Open Government Partnership Commitments, for the the fiscal transparency cluster) was to make some publicly available during 2020, but this did not occur, ostensibly in the face of the Covid-19 pandemic.

Comment:

Peer Reviewer

Opinion: Agree

Comments: Would it be possible to verify that it is being done internally other than a staff statement - would it be possible to request a copy of the most recent document (even though it is not public)?

Government Reviewer

Opinion: Agree

IBP Comment

The peer reviewer's comment is well-noted. Although on some occasions, it is possible to access a copy of the document, this has not been the case. Please note that the government of Papua New Guinea has reviewed this questionnaire providing comments and suggestions, and for this question, the government reviewers agree the document is produced for internal use but did not elaborate further.

IYRs-6b. If you selected option "c" or "d" in question IYRs-6a, please specify how you determined whether the IYRs were produced for internal use only, versus not produced at all.

If option "a," "b," or "e" was selected in question IYRs-6a, researchers should mark this question "n/a."

Answer:

Treasury and Finance Staff state that some in-year reports are being prepared, but are not shared, partly as they're not required under the Fiscal Responsibility Act (as are the YER and MYR). Collating the data is becoming easier as the Integrated Financial Management System (IFMS) is being rolled out across the institutions and provinces, progressively replacing the former 3 systems that were being utilised simultaneously across different institutions. But the IFMS depends upon internet-based instant financial information and approval processes, while the internet roll-out has progressed more slowly than envisaged, resulting in extensive delays in financial information delays, especially from some institutions and provinces.

Source:

Dialogue with Treasury (Finance and Planning Dept) staff

Comment:

Peer Reviewer

Opinion: Agree

Comments: As previous question - it would be useful if the response mentioned whether a request for a copy was made to provide empirical evidence for the response.

Government Reviewer

Opinion: Agree

IBP Comment

The peer reviewer's comment is well-noted. Although on some occasions, it is possible to access a copy of the document, this has not been the case. Please note that the government of Papua New Guinea has reviewed this questionnaire providing comments and suggestions, and for this question, the government reviewers agree the document is produced for internal use but did not elaborate further.

IYRs-7. If the IYRs are produced, please write the full title of the IYRs.

*For example, a title for the In-Year Report could be "Budget Monitoring Report, Quarter 1" or "Budget Execution Report January-March 2020."*

*If In-Year Reports are not produced at all, researchers should mark this question "n/a."*

*Researchers should provide the full title of the most recent In-Year Report in the space below, and – in the comment box underneath – the full titles of older IYRs.*

Answer:  
n/a

Source:  
n/a

Comment:

Peer Reviewer

Opinion: Disagree

Suggested Answer: The previous question suggests the IYRs are produced but not published - by obtaining a copy the full name of the report could be established and referenced

Comments: as above

Government Reviewer

Opinion: Agree

IBP Comment

The peer reviewer's comment is well-noted. Although on some occasions, it is possible to access a copy of the document or to confirm the name with a government official, this has not been the case. Please note that the government of Papua New Guinea has reviewed this questionnaire providing comments and suggestions, and for this question, the government reviewers did not provide a title of the IYRs.

IYRs-8. Is there a "citizens version" of the IYRs?

*While the Citizens Budget was initially conceived as a simplified version of the Executive's Budget Proposal or the Enacted Budget, good practice is now evolving and suggests that a "citizens" version of key budget documents should be produced during each of the four phases of the budget cycle. This would serve to inform citizens of the state of public financial management throughout the entire budget cycle. While it is recognized that it may be unreasonable to expect that a citizens version is produced for each and every one of those key documents, it seems acceptable to expect that according to good practice, the executive releases a citizens version of key budget documents for each of the four stages of the budget process to allow citizens to be aware of what is happening, in terms of public financial management, throughout the entire budget cycle. For more information on Citizens Budget see: <https://www.internationalbudget.org/publications/citizens-budgets/>.*

Answer:  
b. No

Source:

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

MYR-1. What is the fiscal year of the MYR evaluated in this Open Budget Survey questionnaire?

Please enter the fiscal year in the following format: "FY YYYY" or "FY YYYY-YY."

Answer:  
FY 2020

Source:

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

MYR-2. When is the MYR made available to the public?

*Publicly available budget documents are defined as those documents that are published on the website of the public authority issuing the document within the time frame specified in the OBS methodology and that all citizens are able to obtain free of charge. (See the Open Budget Survey Guidelines on Public Availability of Budget Documents.) This is a change from previous rounds of the Open Budget Survey: now at minimum documents must be made available on the Internet and free of charge to be considered publicly available.*

*The OBS methodology requires that for an MYR to be considered publicly available, it must be made available to the public no later than three months after the reporting period ends (i.e., three months after the midpoint of the fiscal year). If the MYR is not released to the public at least three months after the reporting period ends, option "d" applies. Option "d" should also be chosen for documents that are produced for internal purposes only (that is, produced but never released to the public) or are not produced at all. Some governments may publish budget documents further in advance than the latest possible dates outlined above. In these instances, researchers should choose options "a" or "b," depending on the date of publication identified for the MYR.*

Answer:  
c. More than nine weeks, but less than three months, after the midpoint

Source:  
<http://www.parliament.gov.pg/uploads/hansard/H-10-20200910-M20-D10.pdf>  
[http://www.treasury.gov.pg/html/national\\_budget/files/2013/budget\\_documents/2020%20Mid-Year%20Economic%20and%20Fiscal%20Outlook%20\(MYEFO\).pdf](http://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/2020%20Mid-Year%20Economic%20and%20Fiscal%20Outlook%20(MYEFO).pdf)  
<https://www.thenational.com.pg/house-to-debate-on-supplementary-budget/>

Comment:  
The MYR was published by the Treasury department on the 10 September 2020, the same day that it was tabled in Parliament by the Treasurer (together with the Supplementary Budget 2020). Under the PNG Fiscal Responsibility Act; the Treasurer shall release publicly and table (in the Legislature ) an economic and fiscal outlook report by the end of July; however in 2020, with the COVID-19 situation impacting revenue and the Economic Stimulus Plan, necessitating a Supplementary Budget, the MYR (locally termed MYEFO) was delayed in its release, as Highlighted in the Treasurer's address to Parliament on 10th November, when tabling the Supplementary Budget (page 10) and, as highlighted by him to Parliament in the days prior to 10th November, (as reported in the attached article in the National Newspaper)

Peer Reviewer

Opinion: Agree

Comments: Noted in Hansard and on DoT website. However, the date of publication on the website needs to be validated via date/time stamp of the upload. The MYEFO was certainly tabled before parliament within 3 months according to response "c" but the mode of verifying date published needs to be mentioned.

Government Reviewer

Opinion: Agree

IBP Comment

The details of how the online publication dates were determined are requested and provided specifically in question MYR-3b. It entails a combination of the researchers' close monitoring at the time, combined with verifying from other reporting and asking the respective offices (in this case Treasury and Parliament staff for the minutes). Furthermore consulting JavaScript code confirms the date.

MYR-3a. If the MYR is published, what is the date of publication of the MYR?

*Note that the date of publication is not necessarily the same date that is printed on the document.*

*Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late.*

*Please enter the date in the following format: "DD/MM/YYYY." For example, 5 September 2020 should be entered as 05/09/2020. If the document is not published or not produced, leave this question blank.*

Answer:  
10/9/2020

Source:  
<http://www.parliament.gov.pg/uploads/hansard/H-10-20200910-M20-D10.pdf>  
[http://www.treasury.gov.pg/html/national\\_budget/files/2013/budget\\_documents/2020%20Mid-Year%20Economic%20and%20Fiscal%20Outlook%20\(MYEFO\).pdf](http://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/2020%20Mid-Year%20Economic%20and%20Fiscal%20Outlook%20(MYEFO).pdf)  
<https://www.thenational.com.pg/house-to-debate-on-supplementary-budget/>

Comment:  
It was presented in Parliament on 10 September (together with the 2020 Supplementary Budget) and published online the same day on the Treasury Website. Minutes of the presentation (Hansard) were provided on the Parliament website. (The Minutes are posted some 3 weeks later, after MPs have been invited to provide any feedback/suggested corrections)

Peer Reviewer

Opinion: Agree

Comments: Whist I agree that the subject matter was discussed in parliament - a fact open to the public this may not necessarily mean the MYEFO was actually published on the DoT website on that date. What is the source to confirm publication?

Government Reviewer

Opinion: Agree

Comments: MYEFO published date is 31st July each year.

IBP Comment

The details of how the online publication dates were determined are requested and provided specifically in question MYR-3b. It entails a combination of the researchers' close monitoring at the time, combined with verifying from other reporting and asking the respective offices (in this case Treasury and Parliament staff for the minutes). Furthermore consulting JavaScript code confirms the date.

MYR-3b. In the box below, please explain how you determined the date of publication of the MYR.

*If the document is not published at all, researchers should mark this question "n/a."*

Answer:

The Treasury website was monitored closely by this researcher from the time when the release date for the MYR fell due (on 31st July 2020). It was released very late,, (on the 10 September), being presented in Parliament together with the 2020 Supplementary Budget, This was well outside the due date stipulated under the Fiscal Responsibility Act which requires the Treasurer to release the MYR to the public before the 31st of July each year, with COVID-19 being stated as causing the delay.

Source:

Hansard (Parliamentary Minutes for 10 Sept 2020), P 70; <http://www.parliament.gov.pg/uploads/hansard/H-10-20200910-M20-D10.pdf>  
[http://www.treasury.gov.pg/html/national\\_budget/files/2013/budget\\_documents/2020%20Mid-Year%20Economic%20and%20Fiscal%20Outlook%20\(MYEFO\).pdf](http://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/2020%20Mid-Year%20Economic%20and%20Fiscal%20Outlook%20(MYEFO).pdf)  
Article from a daily newspaper, the National on forthcoming tabling of the MYR: <https://www.thenational.com.pg/house-to-debate-on-supplementary-budget/>

Comment:

Peer Reviewer

Opinion: Agree

Comments: The Treasury website was monitored closely by the researcher - this may also be added to earlier questions.

Government Reviewer

Opinion: Agree

Comments: Yes, delayed.

IBP Comment

The details of how the online publication dates were determined are requested and provided specifically in this question (MYR-3b). The eight documents have a specific question that examines how the dates were determined. In this case, it entails a combination of the researchers' close monitoring at the time, combined with verifying from other reporting and asking the respective offices (in this case Treasury and Parliament staff for the minutes). Furthermore consulting JavaScript code confirms the date.

MYR-4. If the MYR is published, what is the URL or weblink of the MYR?

*Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late. If the document is not published at all, researchers should leave this question blank.*

Answer:

[http://www.treasury.gov.pg/html/national\\_budget/files/2013/budget\\_documents/2020%20Mid-Year%20Economic%20and%20Fiscal%20Outlook%20\(MYEFO\).pdf](http://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/2020%20Mid-Year%20Economic%20and%20Fiscal%20Outlook%20(MYEFO).pdf)

Source:

Link to the MYR on the website of the Treasury

Hansard (Parliamentary Minutes for 10 Sept 2020), P 70; <http://www.parliament.gov.pg/uploads/hansard/H-10-20200910-M20-D10.pdf>

Comment:

Peer Reviewer

Opinion: Agree

Comments: noted publication on that URL

Government Reviewer

Opinion: Agree

MYR-5. If the MYR is published, are the numerical data contained in the MYR available in a machine readable format?

*Material (data or content) is machine readable if it is in a format that can be easily processed by a computer, such as .csv, .xls/.xlsx, and .json. Numerical data found in PDFs, Word (.doc/.docx) and HTML files do not qualify as machine readable. See more at: <http://opendatahandbook.org/glossary/en/terms/machine-readable/>.*

*Option "d" applies if the MYR is not publicly available, therefore its machine readability cannot be assessed.*

Answer:

c. No

Source:

The MYR is only published as a Pdf document

Comment:

Peer Reviewer

Opinion: Agree

Comments: Noted from online document

Government Reviewer

Opinion: Agree

MYR-6a. If the MYR is not publicly available, is it still produced?

*If the MYR is not considered publicly available under the OBS methodology (and thus the answer to Question MYR-2 was "d"), a government may nonetheless produce the document.*

*Option "a" applies if the document is produced and made available to the public online but not within the time frame specified in the OBS methodology (see Question MYR-2).*

*Option "b" applies if the document is produced and made available to the public within the time frame specified by the OBS methodology but only in hard copy (and is not available online). Option "b" also applies if the document is made available to the public within the time frame specified by the OBS methodology in soft electronic copy but is not available online.*

*Option "c" applies if the document is produced for internal purposes only and so is not made available to the public.*

*Option "d" applies if the document is not produced at all.*

*Option "e" applies if the document is publicly available.*

*If a document is not released to the public, researchers may need to write to or visit the relevant government office in order to determine whether answer "c" or "d" applies.*

Answer:

e. Not applicable (the document is publicly available)

Source:

Comment:

Peer Reviewer

Opinion: Agree

Comments: as evidenced in earlier responses

Government Reviewer

Opinion: Agree

MYR-6b. If you selected option "c" or "d" in question MYR-6a, please specify how you determined whether the MYR was produced for internal use only, versus not produced at all.

*If option "a," "b," or "e" was selected in question MYR-6a, researchers should mark this question "n/a."*

Answer:

Source:

Comment:

Peer Reviewer

Opinion:

Government Reviewer

Opinion:

MYR-7. If the MYR is produced, please write the full title of the MYR.

For example, a title for the Mid-Year Review could be "Semi-annual Budget Performance Report, FY 2019/20" or "Mid-Year Report on the 2020 National Budget."

If the document is not produced at all, researchers should mark this question "n/a."

Answer:  
2020 Mid-Year Economic and Fiscal Outlook (MYEFO)

Source:

Comment:

Peer Reviewer  
Opinion: Disagree  
Suggested Answer: Mid-Year Economic and Fiscal Outlook Report 2020

Government Reviewer  
Opinion: Agree

IBP Comment  
The peer reviewer's comment is well noted. It is observed that the factual title of the document, as observed on page 1, is "Mid-Year Economic and Fiscal Outlook Report 2020".

MYR-8. Is there a "citizens version" of the MYR?

*While the Citizens Budget was initially conceived as a simplified version of the Executive's Budget Proposal or the Enacted Budget, good practice is now evolving and suggests that a "citizens" version of key budget documents should be produced during each of the four phases of the budget cycle. This would serve to inform citizens of the state of public financial management throughout the entire budget cycle. While it is recognized that it may be unreasonable to expect that a citizens version is produced for each and every one of those key documents, it seems acceptable to expect that according to good practice, the executive releases a citizens version of key budget documents for each of the four stages of the budget process to allow citizens to be aware of what is happening, in terms of public financial management, throughout the entire budget cycle. For more information on Citizens Budget see: <https://www.internationalbudget.org/publications/citizens-budgets/>.*

Answer:  
b. No

Source:

Comment:

Peer Reviewer  
Opinion: Agree

Government Reviewer  
Opinion: Agree

YER-1. What is the fiscal year of the YER evaluated in this Open Budget Survey questionnaire?

Please enter the fiscal year in the following format: "FY YYYY" or "FY YYYY-YY."

Answer:  
FY 2019

Source:  
Under the PNG Fiscal responsibility Act 2006, Section 13, 'the Treasurer shall publicly release and table a final budget outcome report for each financial year no later than three months after the end of the financial year'



Comment:

Peer Reviewer  
Opinion: Agree

Government Reviewer  
Opinion: Agree

YER-2. When is the YER made available to the public?

*Publicly available budget documents are defined as those documents that are published on the website of the public authority issuing the document within the time frame specified in the OBS methodology and that all citizens are able to obtain free of charge. (See the Open Budget Survey Guidelines on Public Availability of Budget Documents.) This is a change from previous rounds of the Open Budget Survey: now at minimum documents must be made available on the Internet and free of charge to be considered publicly available.*

*The OBS methodology requires that for an YER to be considered publicly available, it must be made available to the public no later than one year after the fiscal year to which it corresponds. If the YER is not released to the public within one year after the end of the fiscal year to which it corresponds, option "d" applies. Option "d" should also be chosen for documents that are produced for internal purposes only (that is, produced but never released to the public) or are not produced at all. Some governments may publish budget documents further in advance than the latest possible dates outlined above. In these instances, researchers should choose options "a" or "b," depending on the date of publication identified for the YER.*

Answer:

a. Six months or less after the end of the budget year

Source:

<http://www.parliament.gov.pg/uploads/hansard/H-10-20200611-M19-D07.pdf>

It was released within 6 months after the end of the financial year, but after the date required under the PNG Financial Responsibility Act 2006 (which is 31st March 2020).

Comment:

Peer Reviewer  
Opinion: Agree

Comments: Noted in the Hansard tabled 11 June 2020 Researcher has been monitoring the website and downloaded on 15 June - confirmed by staff that it was uploaded next day after tabling to Parliament

Government Reviewer  
Opinion: Agree

YER-3a. If the YER is published, what is the date of publication of the YER?

*Note that the date of publication is not necessarily the same date that is printed on the document. Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late.*

*Please enter the date in the following format: "DD/MM/YYYY." For example, 5 September 2020 should be entered as 05/09/2020. If the document is not published or not produced, leave this question blank.*

Answer:

12/6/2020

Source:

<http://www.parliament.gov.pg/uploads/hansard/H-10-20200611-M19-D07.pdf>

It was tabled in Parliament on 10 June 2020, and uploaded online on 12 June 2020

[https://www.treasury.gov.pg/html/national\\_budget/files/2013/budget\\_documents/2019%20FBO%20Report.pdf](https://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/2019%20FBO%20Report.pdf)

Comment:

Observations from the Opposition Treasury Spokesman on why the FBO was legally overdue:  
[https://www.treasury.gov.pg/html/national\\_budget/files/2013/budget\\_documents/2019%20FBO%20Report.pdf](https://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/2019%20FBO%20Report.pdf)  
<https://postcourier.com.pg/dont-tamper-with-numbers-says-abel/>

Peer Reviewer

Opinion: Agree

Comments: Maybe the URL link could be checked - this returned an error when pasting into browser

Government Reviewer

Opinion: Agree

IBP Comment

IBP confirms that it has reviewed all the links and that all of them are functional at the time of this review.

YER-3b. In the box below, please explain how you determined the date of publication of the YER.

*If the document is not published at all, researchers should mark this question "n/a."*

Answer:

The YER (Final Budget Outcome - FBO- Report) is required by law to be released by 31 March each year. For the 2019 YER it was released late, with the Treasurer tabling it in Parliament on 10 June 2020 and it being published online on 12 June. The researcher has been verifying the date with Treasury staff and other online media on the release of the YER. (this researcher downloaded it from the Treasury website on 15th June 2020)

Source:

[http://treasury.gov.pg/html/national\\_budget/files/2013/budget\\_documents/2019%20FBO%20Report.pdf](http://treasury.gov.pg/html/national_budget/files/2013/budget_documents/2019%20FBO%20Report.pdf)  
<https://www.thenational.com.pg/report-reveals-spending-up-by-8-per-cent/>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

YER-4. If the YER is published, what is the URL or weblink of the YER?

*Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late. If the document is not published at all, researchers should leave this question blank.*

Answer:

[http://www.treasury.gov.pg/html/national\\_budget/files/2013/budget\\_documents/2019%20FBO%20Report.pdf](http://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/2019%20FBO%20Report.pdf)

Source:

FINAL BUDGET OUTCOME 2019

Comment:

Peer Reviewer

Opinion: Agree

Comments: Correct

Government Reviewer

Opinion: Agree

YER-5. If the YER is published, are the numerical data contained in the YER available in a machine readable format?

*Material (data or content) is machine readable if it is in a format that can be easily processed by a computer, such as .csv, .xls/.xlsx, and .json. Numerical data found in PDFs, Word (.doc/.docx) and HTML files do not qualify as machine readable. See more at: <http://opendatahandbook.org/glossary/en/terms/machine-readable/>*

*Option "d" applies if the YER is not publicly available, therefore its machine readability cannot be assessed.*

Answer:

c. No

Source:

The YER is only published as a Pdf Document; (none of the Treasury's Budget documentation is currently released in machine-readable format)

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

YER-6a. If the YER is not publicly available, is it still produced?

*If the YER is not considered publicly available under the OBS methodology (and thus the answer to Question YER-2 was "d"), a government may nonetheless produce the document.*

*Option "a" applies if the document is produced and made available to the public online but not within the time frame specified in the OBS methodology (see Question YER-2)*

*Option "b" applies if the document is produced and made available to the public within the time frame specified by the OBS methodology but only in hard copy (and is not available online). Option "b" also applies if the document is made available to the public within the time frame specified by the OBS methodology in soft electronic copy but is not available online.*

*Option "c" applies if the document is produced for internal purposes only and so is not made available to the public.*

*Option "d" applies if the document is not produced at all.*

*Option "e" applies if the document is publicly available.*

*If a document is not released to the public, researchers may need to write to or visit the relevant government office in order to determine whether answer "c" or "d" applies.*

Answer:

e. Not applicable (the document is publicly available)

Source:

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

YER-6b. If you selected option "c" or "d" in question YER-6a, please specify how you determined whether the YER was produced for internal use only, versus not produced at all.

*If option "a," "b," or "e" was selected in question YER-6a, researchers should mark this question "n/a."*

Answer:

n/a

Source:

Comment:

Peer Reviewer

Opinion: Disagree

Suggested Answer: Should mark N/A rather than left blank

Government Reviewer

Opinion:

Comments: n/a

IBP Comment

The peer reviewer's comment is well received. N/A is added to the response.

YER-7. If the YER is produced, please write the full title of the YER.

*For example, a title for the Year-End Report could be "Consolidated Financial Statement for the Year Ended 31 March 2020" or "Annual Report 2019 Published by the Ministry of Finance and Planning." If the document is not produced at all, researchers should mark this question "n/a."*

Answer:

2019 FINAL BUDGET OUTCOME (FBO)

Source:

Comment:

Peer Reviewer

Opinion: Disagree

Suggested Answer: Per the Report Cover is: Final Budget Outcome 2019

Government Reviewer

Opinion: Agree

IBP Comment

The peer reviewer's comment is well noted. It is observed that the title of the document, as observed on page 1, is "Final Budget Outcome 2019", furthermore in page 5, the document is presented as "2019 Final Budget Outcome (FBO)", thus, making both options valid

YER-8. Is there a "citizens version" of the YER?

*While the Citizens Budget was initially conceived as a simplified version of the Executive's Budget Proposal or the Enacted Budget, good practice is now evolving and suggests that a "citizens" version of key budget documents should be produced during each of the four phases of the budget cycle. This would serve to inform citizens of the state of public financial management throughout the entire budget cycle. While it is recognized that it may be unreasonable to expect that a citizens version is produced for each and every one of those key documents, it seems acceptable to expect that according to good practice, the executive releases a citizens version of key budget documents for each of the four stages of the budget process to allow citizens to be aware of what is*

happening, in terms of public financial management, throughout the entire budget cycle. For more information on Citizens Budget see: <https://www.internationalbudget.org/publications/citizens-budgets/>.

Answer:

b. No

Source:

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

AR-1. What is the fiscal year of the AR evaluated in this Open Budget Survey questionnaire?

*Please enter the fiscal year in the following format: "FY YYYY" or "FY YYYY-YY."*

Answer:

FY 2019

Source:

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

AR-2. When is the AR made available to the public?

*Publicly available budget documents are defined as those documents that are published on the website of the public authority issuing the document within the time frame specified in the OBS methodology and that all citizens are able to obtain free of charge. (See the Open Budget Survey Guidelines on Public Availability of Budget Documents.) This is a change from previous rounds of the Open Budget Survey: now at minimum documents must be made available on the Internet and free of charge to be considered publicly available.*

*The OBS methodology requires that for an AR to be considered publicly available, it must be made available to the public no later than 18 months after the end of the fiscal year to which it corresponds. If the AR is not released to the public at least 18 months after the end of the fiscal year to which it corresponds, option "d" applies. Option "d" should also be chosen for documents that are produced for internal purposes only (that is, produced but never released to the public) or are not produced at all. Some governments may publish budget documents further in advance than the latest possible dates outlined above. In these instances, researchers should choose options "a" or "b," depending on the date of publication identified for the AR.*

Answer:

d. Does not release to the public, or is released more than 18 months after the end of the budget year

Source:

<http://www.ago.gov.pg/index.php/8-annual-reports>

Part 1 - Public Accounts of Papua New Guinea – is only available to 2015, and even then does not provide a full picture of the state of accounts at the time

[http://www.ago.gov.pg/images/Part\\_1\\_Report\\_2015.pdf](http://www.ago.gov.pg/images/Part_1_Report_2015.pdf)

Part 2 - National Government Departments and Agencies- available up to 2014-15 (some departments are not complete to that year)

Part 3 - Provincial Governments and Local-level Governments- available up to 2016 (but some are not up to date).  
Part 4 - Public Bodies and their Subsidiaries, Government Owned Companies, National Government Shareholdings in Other Companies- available up to 2019 (many SOEs/Authorities have not yet submitted accounts for audit though )  
[http://www.ago.gov.pg/images/Part\\_4\\_Report\\_2019.pdf](http://www.ago.gov.pg/images/Part_4_Report_2019.pdf)

Comment:

The Auditor General's annual report (albeit for 2018, highlights the status of audits and constraints to the AG's office in fully conducting its constitutional auditing function) <http://www.ago.gov.pg/docs/AuditorGeneralOfficeAnnualReportUploadedJuly2019.pdf>

Peer Reviewer

Opinion: Agree

Comments: The Part IV Report of the Auditor General 2019 is an annual report on its operations and audits undertaken but no recent audit report has yet been published on the public accounts

Government Reviewer

Opinion: Agree

AR-3a. If the AR is published, what is the date of publication of the AR?

*Note that the date of publication is not necessarily the same date that is printed on the document.*

*Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late.*

*Please enter the date in the following format: "DD/MM/YYYY." For example, 5 September 2020 should be entered as 05/09/2020. If the document is not published or not produced, leave this question blank.*

Answer:

Source:

Not published in a timely manner, except the Report on Statutory Authorities and State-owned enterprises (which is not comprehensive)

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

AR-3b. In the box below, please explain how you determined the date of publication of the AR.

*If the document is not published at all, researchers should mark this question "n/a."*

Answer:

n/a

Source:

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

AR-4. If the AR is published, what is the URL or weblink of the AR?

*Researchers should respond to this question if the document is published either within the time frame accepted by the OBS methodology or too late. If the document is not published at all, researchers should leave this question blank.*

Answer:

Source:

Part 1: Audit of the Public Account of PNG for 2015 dated, 1 March 2019: [http://www.ago.gov.pg/images/Part\\_1\\_Report\\_2015.pdf](http://www.ago.gov.pg/images/Part_1_Report_2015.pdf)  
Part 2: National Government Departments and Agencies: On the Controls and on Transactions with or concerning the Public Monies and Properties of Papua New Guinea, dated 1 March 2019 <http://www.ago.gov.pg/docs/ReportoftheAuditorGeneralPartII20152014.pdf>  
Part 3: Accounts of Provincial and Local-level Governments and associated entities 2016, dated 29 July 2017. [http://www.ago.gov.pg/images/Annual\\_Reports/Part\\_3/Part-3-2016.pdf](http://www.ago.gov.pg/images/Annual_Reports/Part_3/Part-3-2016.pdf)  
Part 4: Statutory Authorities and State-Owned Enterprises, dated 10 December 2020 [http://www.ago.gov.pg/images/Part\\_4\\_Report\\_2019.pdf](http://www.ago.gov.pg/images/Part_4_Report_2019.pdf)

Comment:

Peer Reviewer

Opinion: Agree

Comments: This question starts "if the AR is published".... and the AR is deemed to be not published - so therefore (maybe) this should be left blank and the URL link put in the source and comments

Government Reviewer

Opinion: Agree

IBP Comment

The comment from the peer reviewer is well received. The general link to access here is removed from the box and added here as support for the answer: <http://www.ago.gov.pg/index.php/8-annual-reports>

AR-5. If the AR is published, are the numerical data contained in the AR available in a machine readable format?

*Material (data or content) is machine readable if it is in a format that can be easily processed by a computer, such as .csv, .xls/.xlsx, and .json. Numerical data found in PDFs, Word (.doc/.docx) and HTML files do not qualify as machine readable. See more at: <http://opendatahandbook.org/glossary/en/terms/machine-readable/>*

*Option "d" applies if the AR is not publicly available, therefore its machine readability cannot be assessed.*

Answer:

d. Not applicable

Source:

It is published only as a series of Pdf documents

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

AR-6a. If the AR is not publicly available, is it still produced?

*If the AR is not considered publicly available under the OBS methodology (and thus the answer to Question AR-2 was "d"), a government may nonetheless produce the document.*

*Option "a" applies if the document is produced and made available to the public online but not within the time frame specified in the OBS methodology (see Question AR-2).*

*Option "b" applies if the document is produced and made available to the public within the time frame specified by the OBS methodology but only in hard copy (and is not available online). Option "b" also applies if the document is made available to the public within the time frame specified by the OBS methodology in soft electronic copy but is not available online.*

*Option "c" applies if the document is produced for internal purposes only and so is not made available to the public.*

*Option "d" applies if the document is not produced at all.*

*Option "e" applies if the document is publicly available.*

*If a document is not released to the public, researchers may need to write to or visit the relevant government office in order to determine whether answer "c" or "d" applies.*

Answer:

d. Not produced at all

Source:

Part 1: Audit of the Public Account of PNG for 2015 dated, 1 March 2019: [http://www.ago.gov.pg/images/Part\\_1\\_Report\\_2015.pdf](http://www.ago.gov.pg/images/Part_1_Report_2015.pdf)

Part 2: National Government Departments and Agencies: On the Controls and on Transactions with or concerning the Public Monies and Properties of Papua New Guinea for 2014/15, dated 1 March 2019 <http://www.ago.gov.pg/docs/ReportoftheAuditorGeneralPartII20152014.pdf>

Part 3: Accounts of Provincial and Local-level Governments and

associated entities 2016, dated 29 July 2017. [http://www.ago.gov.pg/images/Annual\\_Reports/Part\\_3/Part-3-2016.pdf](http://www.ago.gov.pg/images/Annual_Reports/Part_3/Part-3-2016.pdf)

Part 4: Statutory Authorities and State-Owned Enterprises, dated 10 December 2020 [http://www.ago.gov.pg/images/Part\\_4\\_Report\\_2019.pdf](http://www.ago.gov.pg/images/Part_4_Report_2019.pdf)

Auditor General's Annual Report 2018 (although not for the latest year, highlights the backlog of audits the Auditor General's Office is working their way through) <http://www.ago.gov.pg/docs/AuditorGeneralOfficeAnnualReportUploadedJuly2019.pdf>

Comment:

The audits are not produced in a timely manner, and they are heavily qualified (the SA issues no opinion, as there are many gaps and other deficiencies in what's been submitted); however, audits are ongoing and some components, and audits of some institutions and special audits are up to date and publicly released.

Part 1 2015, which is the Audit of the Public Accounts was submitted by the SA to the Speaker of Parliament in March 2017 (as a highly qualified audit), but only tabled in Parliament and therefore released as a public document in 20.., but not posted online until the start of 20... The 201. audit report has been prepared and submitted, but it has not yet been released publicly. The 201. will be under preparation, but is not submitted or released.

Part 2, which is the audit of the Government Departments for 2014/15 was submitted by the SA to the Speaker of Parliament on 1st March 2019, although the report for 2016 and 2017 have been prepared and awaiting consideration by Parliament.

Part 3, which is the audit of the Provincial and other sub-national Governments for 2016, dated 29 July 2017,

Part 4, which is the audit of the 4, State-Owned Enterprises and public authorities for 2019, was submitted to the Speaker on 10 December 2020 and it was a public document during (although not published online until early 2021)

Peer Reviewer

Opinion: Agree

Comments: However, the comments need to be cleaned up for example: "...in 20.." "...start of 20..." "The 201 . audit report" etc.

Government Reviewer

Opinion: Agree

IBP Comment

The peer reviewer comments are well-received. Part 1: Audit of the Public Account of PNG for 2015 dated, 1 March 2019:

[http://www.ago.gov.pg/images/Part\\_1\\_Report\\_2015.pdf](http://www.ago.gov.pg/images/Part_1_Report_2015.pdf) Part 2: National Government Departments and Agencies: On the Controls and on Transactions with or concerning the Public Monies and Properties of Papua New Guinea, dated 1 March 2019

<http://www.ago.gov.pg/docs/ReportoftheAuditorGeneralPartII20152014.pdf> Part 3: Accounts of Provincial and Local-level Governments and

associated entities 2016, dated 29 July 2017. [http://www.ago.gov.pg/images/Annual\\_Reports/Part\\_3/Part-3-2016.pdf](http://www.ago.gov.pg/images/Annual_Reports/Part_3/Part-3-2016.pdf) Part 4: Statutory Authorities and State-Owned Enterprises, dated 10 December 2020 [http://www.ago.gov.pg/images/Part\\_4\\_Report\\_2019.pdf](http://www.ago.gov.pg/images/Part_4_Report_2019.pdf)

AR-6b. If you selected option "c" or "d" in question AR-6a, please specify how you determined whether the AR was produced for internal use only, versus not produced at all.

*If option "a","b," or "e" was selected in question AR-6a, researchers should mark this question "n/a."*



Answer:

As specified, the audit reports (parts 3 & 4) for the Subnational government and the State-owned enterprises and statutory authorities were submitted and publicly released in a timely (although far from comprehensive) manner, but Parts one and two, comprising the Audit of the Public Accounts, and the report on National Departments, were long overdue. However, it was known that some additional years of reports were already public documents in 2018 (notably Part 1 for 2104 and Part 4 for 2017) from online public documents from the Legislature, but the reports themselves were not available online. It is also known from meetings and other dialogue with the staff of the Supreme Audit that there were additional reports under preparation, or even submitted, but not yet tabled and deemed public documents. (in 2018 the SA experienced governance issues, and some ensuring staff changes, with further disrupted progress). (It may be noted that the IFMS has been hacked in 2021, exhibiting the risk and exposure of this now dated software and its accessibility via the web the multiple windows and users)

Source:

<http://www.ago.gov.pg/index.php/8-annual-reports>  
<http://www.parliament.gov.pg/uploads/daily-agenda/NP-10-20201216-136.pdf>

Comment:

Peer Reviewer

Opinion: Agree

Comments: Maybe Supreme Audit and SA could be clearer if it cited Supreme Audit Institution and SAI, which reflect international usage

Government Reviewer

Opinion: Agree

IBP Comment

The comment from the peer reviewer is well received.

AR-7. If the AR is produced, please write the full title of the AR.

*For example, a title for the Audit Report could be "Annual General Reports of the Controller and Auditor General." If the document is not produced at all, researchers should mark this question "n/a."*

Answer:

n/a- as the report is well outside the allowable deadline. The latest report at the end of 2020 of the Audit of the Public Account of Papua New Guinea (Part 1) was entitled "Report of the Auditor-General 2015 on the Public Accounts of Papua New Guinea- PART I Public Accounts of Papua New Guinea

Source:

Although the Core of the AR (notably, Part 1, the Audit of the Public Accounts) is unavailable within the required deadline, some components of the AR, notably Report 4 has been released in a timely manner (albeit not comprehensive, notably in view of disputes over authority of the SA over certain SOEs) The reports are entitled:

Part 1 - Public Accounts of Papua New Guinea

Part 2 - National Government Departments and Agencies

Part 3 - Provincial Governments and Local-level Governments

Part 4 - Public Bodies and their Subsidiaries, Government Owned Companies, National Government Shareholdings in Other Companies

<http://www.ago.gov.pg/index.php/8-annual-reports>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

AR-8. Is there a "citizens version" of the AR?

*While the Citizens Budget was initially conceived as a simplified version of the Executive's Budget Proposal or the Enacted Budget, good practice is now*

evolving and suggests that a "citizens" version of key budget documents should be produced during each of the four phases of the budget cycle. This would serve to inform citizens of the state of public financial management throughout the entire budget cycle. While it is recognized that it may be unreasonable to expect that a citizens version is produced for each and every one of those key documents, it seems acceptable to expect that according to good practice, the executive releases a citizens version of key budget documents for each of the four stages of the budget process to allow citizens to be aware of what is happening, in terms of public financial management, throughout the entire budget cycle. For more information on Citizens Budget see: <https://www.internationalbudget.org/publications/citizens-budgets/>.

Answer:

b. No

Source:

Comment:

There have been ongoing discussions between the government and civil society and the Auditor-General's office, under the Open Government Partnership National Action Plan 2018-20, approved by the Government in November 2018, it was planned to have CBs launched at least for components of the Budget in 2020, but this didn't materialise, notably because of the disruption from Covid-19. The Auditor General's office were also eager to have material on the audits more accessible to the public, although it was also recognised that the first task is to have the audit of the public accounts both up to date and accessible to the public in a timely manner, which for years continues to prove a big challenge .

Peer Reviewer

Opinion: Agree

Comments: No Citizens' version

Government Reviewer

Opinion: Agree

GQ-1a. Are there one or more websites or web portals for disseminating government fiscal information? If yes, please provide the necessary links in the comment/citation.

*GQ-1a asks the researcher to list any government websites or portals where fiscal information can be found. For example, in New Zealand the Treasury website (<http://www.treasury.govt.nz/>) hosts important budget-related information, including the Pre-Budget Statement, the Executive's Budget Proposal, the Citizens Budget, In-Year Reports, the Mid-Year Review, and the Year-End Report. In addition, New Zealand's Parliamentary Counsel Office (<http://www.legislation.govt.nz/>) posts the Enacted Budget while the Controller and Auditor-General website (<http://www.oag.govt.nz/>) publishes the annual Audit Report. The New Zealand researcher would provide the links to each of these sites. Other countries have developed portals that include fiscal information, though not in the "documents" format. For example, these portals have been created by Mexico (<https://www.transparenciapresupuestaria.gob.mx/>) and Brazil (<http://www.portaltransparencia.gov.br/>). Some countries have both a website and a portal. The Brazilian government, for example, apart from the Transparency Portal, has a dedicated website for the federal budget, where all key documents and other information can be found ([www.orcamentofederal.gov.br](http://www.orcamentofederal.gov.br/)). Researchers should include details about all of the relevant websites and/or portals that can be used to access budget information.*

Answer:

a. Yes

Source:

The Treasury: <http://www.treasury.gov.pg/>

The Department of Finance: <http://www.finance.gov.pg/>

Auditor-General's Office: <http://www.ago.gov.pg/index.php/8-annual-reports>

National Parliament of Papua New Guinea: <http://www.parliament.gov.pg/>

National Economic & Fiscal Commission (NEFC): <http://www.nefc.gov.pg/>

Bank of Papua New Guinea: <https://www.bankpng.gov.pg/>

Department of National Planning and Monitoring: <http://www.planning.gov.pg/>

Internal Revenue Commission: <https://irc.gov.pg/>

<http://customs.gov.pg/contact-us/customs-offices/>

Comment:

The Treasury provides the main website for fiscal documents, including draft Budget-related legislation (Bills).

The Auditor General provides the Audit reports.

The National Parliament provides dates and copies of the approved legislation and schedules and minutes of tabling of legislation.

The Bank of Papua New Guinea provides wide economic, including fiscal data in machine readable format, released on a quarterly basis, as well as regular updates on government financing.

The Department of National Planning website has plans and strategies, including the current Medium Term Development Plan 2018-22, which is meant to frame the annual Budget expenditure priorities during the period. The website also provides some (though currently limited) details on projects under the Public Investment Program

NEFC provides income and expenditure details at the sub-national level and for the functional grants and equalisation payments

The Finance Department website just provides some legislation (e.g. on the Public Money Management Regularisation Act 2017 etc), policy updates, progress on rolling out the Integrated Financial Management System  
Internal Revenue Commission and Customs Service provide past and current legislation and their application

Peer Reviewer

Opinion: Agree

Comments: Maybe just to clarify - but it's not happening currently - but Department of Finance is the website one would expect the publication of the audited public accounts (AFS) once things become up to date. So it might be worth mentioning that they have the responsibility to publish AFS but they have suffered from a severe backlog in production.

Government Reviewer

Opinion: Agree

Researcher Response

The Department of Finance manages the Integrated Financial management system, which has taken so many years to roll out across government institutions and is a powerful tool for the provision of timely data, but has suffered extensive problems over the years in its roll-out, partly related to its technical (including internet demands and safeguards), its sophistication and related staff training, but also software obsolescence. Practical updates should be constantly released at national and subnational levels, including for use for program management and oversight, by the government itself and the public. It's not necessarily the Finance Department's role to release the audited accounts, although the Finance Department website should point to the Auditor General's audit pages. It is, however, Finance Department's responsibility to release timely financial statements to the Auditor General for the latter to complete their audits in a more timely manner.

GQ-1b. On these websites/portals, can revenue and/or expenditure data for the current fiscal year be downloaded as a consolidated, machine readable file (or set of files)? If yes, please provide the necessary links in the comment/citation. For more information on machine readability, see: <http://opendatahandbook.org/glossary/en/terms/machine-readable/>.

*GQ-1b, GQ-1c, and GQ-1d ask about whether governments publish specific types of content on their websites/portals: (a) consolidated files that contain disaggregated revenue and/or expenditure information for the current fiscal year; (b) consolidated files that contain disaggregated revenue and/or expenditure information for multiple years in consistent formats; and (c) infographics/visualizations or other similar tools used to simplify data access and analysis. Researchers should provide the links to relevant webpages and some explanations of what they contain.*

Answer:

c. Yes, but only revenue data can be downloaded as a consolidated file

Source:

Bank of Papua New Guinea Quarterly Economic Bulletin - June 2020: Sn 7 page 30, Public Finance, and Tables S46-48 Government Operations Tables 7.1-7.5

<https://www.bankpng.gov.pg/publications-presentations/quarterly-economic-bulletin/>

<https://www.bankpng.gov.pg/statistics/quarterly-economic-bulletin-statistical-tables/>

Table 7.1 has only high-level expenditures (not by any expenditure classification), therefore they are not counted for the purpose of this question.

Revenues have sufficient detail within the Excel files and therefore are counted.

Comment:

Peer Reviewer

Opinion: Agree

Comments: As referenced above

Government Reviewer

Opinion: Agree

GQ-1c. On these websites/portals, can disaggregated revenue and/or expenditure data in consolidated, machine readable files be downloaded for multiple years in consistent formats? If yes, please provide the necessary links and details in the comment/citation. For more information on machine readability, see: <http://opendatahandbook.org/glossary/en/terms/machine-readable/>.

Answer:

c. Yes, but only revenue data can be downloaded for multiple years in consistent formats

Source:

<https://www.bankpng.gov.pg/statistics/quarterly-economic-bulletin-statistical-tables/>

On the Bank of Papua New Guinea (Central Bank) website, the fiscal tables are machine readable, and provide consolidated revenue and expenditure data for the previous 10 years, plus the current year's Budget forecast and year to data (with a 3 months lag)

Expenditure information is provided only in aggregate, and not even one level of classification, however there are details of revenues with sufficient details to count for this question.

Comment:

Peer Reviewer

Opinion: Agree

Comments: As referenced above

Government Reviewer

Opinion: Agree

GQ-1d. On these websites/portals, are infographics/visualizations or other similar tools used to simplify data access and analysis? If yes, please provide the necessary links and details in the comment/citation.

Answer:

b. No

Source:

There are graphics included in EBP (Volume 1, Chapter 1, Economic Developments and Outlook) on the Treasury website with respect to international economic conditions and key economic indicators, from GDB growth and forecasts by sector, employment and wages trends, inflation, money supply, balance of payments and international reserves, but only limited graphics provided (in the other Chapters) related to revenue and expenditure trends etc. The charts that are provided on fiscal aspects (notably in Chapter 2, Fiscal Strategy and Outlook, page 39) include charts on the forecast Budget deficit (page 46), forecast net borrowing (page 48) and the medium term fiscal outlook, including debt to GDP (page 49), and in Chapter 3 Revenue, on the medium term revenue flow (page 58) and the past and forecast revenue flows from the major (LNG) resource project.

No graphics are provided on expenditure, or between sectors, provinces etc, although the National Economic and Fiscal Commission (NEFC) does provided some charts on allocations and expenditure by province for various functions. (The NEFC data is used to influence inter-provincial equalisation allocations)

Comment:

National Budget 2021: Volume 1. ECONOMIC AND DEVELOPMENT POLICIES: Chapter 2: Fiscal Strategy and Outlook:

Chart 31, Deficit within and without arrears (p 46)

Chart 32, Net borrowing/GDP over the Medium term

Chart 33, Medium Term Fiscal Outlook

Chapter 3, Revenue

Chart 34 (page 58), past and projected inflows from the PNG-LNG project

Chart 35, (page 58): Medium Term revenue 2018-2025

[http://www.treasury.gov.pg/html/national\\_budget/files/2019/Volume%201.pdf](http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%201.pdf)

Peer Reviewer

Opinion: Agree

Comments: Although some graphs are presented in Budget Volume 1 - this is fairly limited, they are deeply embedded in the text and there are no quick, "at a glance" presentations of the key fiscal aggregates using infographics, which might draw readers' attention immediately to the key points.

Government Reviewer

Opinion: Agree

GQ-2. Are there laws in place guiding public financial management and/or auditing? If yes, please provide the necessary details and links in the comment/citation, and specify whether and where the law(s) contains specific provisions for budget transparency and/or participation.

GQ-2 asks about the existence of any national laws governing public financial management and auditing. These may include a public finance act, a section of the constitution, or an organic budget law. In some countries, fiscal responsibility legislation may also be relevant. For example, the Kenya researcher may include the link to its Public Finance Management Act, 2012 (<http://kenyalaw.org:8181/exist/kenyalex/actview.xql?actid=No.%2018%20of%202012>), and the Macedonian researcher may include a link to its State Audit Law (<https://www.finance.gov.mk/files/u11/Audit%20law.pdf>). Researchers should provide links to websites where such laws are published, if possible, or an electronic copy of the law itself. They should also indicate if and where (e.g. which article) these laws include specific provisions for budget transparency and citizen participation in budget processes.

Answer:

a. Yes

Source:

The Papua New Guinea Constitution, Public Finance Section, Part 8 (209-215)

Sn 215 on the Auditor General,

Sn 215 on the Public Accounts Committee,

Public Finances (Management) Act 2014 (amended), notably Sn 23 on the National Budget,

Sns 24-34 Budget Controls, Part 6 borrowing/loans etc...

Sn 63 on reporting and Financial Statements,

Part 10 Public Accounts Committee

Audit Act 1989,

Fiscal Responsibility Act 2006 (esp debt ceiling, requirements and timelessness of BPS, MYR and YER) PNG Planning and Monitoring Responsibility Act (linking budgeting and expenditure with the Medium Term Planning and service delivery framework)

Papua New Guinea Planning and Monitoring Responsibility Act, 2016, Sections 6 & 7 require an annual Budget framework published at least 4 months before the Budget is tabled and to provide guidance to the Budget Strategy Paper (PBS); and requires annual publishing of the outcomes of the Budget and its compliance and achievement of the Medium Term Development Plan.

Comment:

<http://www.parliament.gov.pg/constitution-of-the-independent-state-of-papua-new-guinea>

<http://www.nefc.gov.pg/documents/legislations/Public%20Finance%20Mgt%20Act%20FINAL.pdf>

[http://www.paclii.org/pg/legis/consol\\_act/aa198971/](http://www.paclii.org/pg/legis/consol_act/aa198971/)

[http://www.treasury.gov.pg/html/legislation/files/acts/PNGFRA\\_No\[1\].9-2006.pdf](http://www.treasury.gov.pg/html/legislation/files/acts/PNGFRA_No[1].9-2006.pdf)

<http://extwprlegs1.fao.org/docs/pdf/png162494.pdf>

[http://www.parliament.gov.pg/uploads/acts/16A\\_01.pdf](http://www.parliament.gov.pg/uploads/acts/16A_01.pdf)

Peer Reviewer

Opinion: Agree

Comments: Under the constitution Sn 214 not 215 relates to Functions of Auditor General

Government Reviewer

Opinion: Agree

IBP Comment

The peer reviewer's comment is well received.

GQ-3. Is there at least one additional law regulating: (1) access to information; (2) government transparency; or (3) citizens participation? If yes, please provide the necessary details and links in the comment/citation, and specify whether and where these laws contain specific provisions for budget transparency and/or participation.

*The third and last question asks researchers to list any additional laws regulating access to information, transparency, or citizens' participation that are relevant for the promotion of budget transparency and citizen participation in budget processes. These might include legislation related to access to information, to planning processes, or to public administration more generally. India's Right to Information Act of 2005 (<https://www.ncess.gov.in/facilities/central-public-information-officer/rti-act-details.html>) is an example of this type of law. More information on access to information legislation (constitutional provisions, laws, and regulations), including examples of model laws, can be found here: <http://www.right2info.org/laws/constitutional-provisions-laws-and-regulations#section-1>.*

Answer:

a. Yes

Source:

PNG Constitution -The Preamble of the National Constitution, Basic Rights:

d) freedom of conscience, of expression, of information and of assembly and association;

Sn 51 of PNG Constitution:

Section 51: Right to Freedom of Information: Every citizen has the right of reasonable access to official documents, subject only to the need for such secrecy as is reasonably justifiable in a democratic society in respect of— (a) matters relating to national security, defence or international relations of Papua New Guinea (including Papua New Guinea's relations with the Government of any other country or with any international organization); or

(b) records of meetings and decisions of the National Executive Council and of such executive bodies and elected governmental authorities as are prescribed by Organic Law or Act of the Parliament; or (c) trade secrets, and privileged or confidential commercial or financial information obtained from a person or body; or (d) parliamentary papers the subject of parliamentary privilege; or (e) reports, official registers and memoranda prepared by governmental authorities or authorities established by government, prior to completion; or (f) papers relating to lawful official activities for investigation and prosecution of crime; or (g) the prevention, investigation and prosecution of crime; or (h) the maintenance of personal privacy and security of the person; or (i) matters contained in or related to reports prepared by, on behalf of or for the use of a governmental authority responsible for the regulation or supervision of financial institutions; or (j) geological or geophysical information and data concerning wells and ore bodies. Section 38: 2(a) General qualifications on qualified rights: For the purposes of Subsection (1), a law must—(a) be expressed to be a law that is made for that purpose; This may regulate or restrict the right guaranteed by this section. (3) Provision shall be made by law to establish procedures by which citizens may obtain ready access to official information. (4) This section does not authorize— (a) withholding information or limiting the availability of records to the public except in accordance with its provisions; or (b) withholding information from the Parliament. 38. General qualifications on qualified rights. (1) For the purposes of this Subdivision, a law that complies with the requirements of this section is a law that is made and certified in accordance with Subsection (2), and that— (a) regulates or restricts the exercise of a right or freedom referred to in this Subdivision to the extent that the regulation or restriction is necessary— (i) taking account of the National Goals and Directive Principles and the Basic Social Obligations, for the purpose of giving effect to the public interest in— (A) defence; or (B) public safety; or (C) public order; or (D) public welfare; or (E) public health (including animal and plant health); or (F) the protection of children and persons under disability (whether legal or practical); or (G) the development of under-privileged or less advanced groups or areas; or (ii) in order to protect the exercise of the rights and freedoms of others; or (b) makes reasonable provision for cases where the exercise of one such right may conflict with the exercise of another, to the extent that the law is reasonably justifiable in a democratic society having a proper respect for the rights and dignity of mankind. (2) For the purposes of Subsection (1), a law must— (a) be expressed to be a law that is made for that purpose; and (b) specify the right or freedom that it regulates or restricts; and Page 24 (c) be made, and certified by the Speaker in his certificate under Section 110 (certification as to making of laws) to have been made, by an absolute majority. (3) The burden of showing that a law is a law that complies with the requirements of Subsection (1) is on the party relying on its validity.

**Comment:**

The National Constitution (basic rights) provides for freedom of information, subject to certain constraints, and the requirement that a law is made that specifies the procedures under which citizens may secure that information and the conditions under which certain information may be withheld. That enabling legislation has yet to be enacted (now 46 years after the Constitution became effective), but its preparation was authorised in November 2018 as part of the Open Government Partnership National Action Plan 2018-22. This Rights to Information Law was intended by the Government to be tabled in Parliament in 2020, but during the Covid-19 year various new legislation was deferred, and it is currently intended for introduction during 2021. .

**Peer Reviewer**

Opinion: Agree

Comments: I have agreed with the researcher as there is provision in the Constitution. However, I flag this item as without the enabling legislation, the Constitution is very high level, and the means for securing and ensuring access to allowable information is unclear.

**Government Reviewer**

Opinion: Agree

1. Does the Executive's Budget Proposal or any supporting budget documentation present expenditures for the budget year that are classified by administrative unit (that is, by ministry, department, or agency)?

**GUIDELINES:**

*Question 1 addresses the presentation of expenditure by administrative unit. This information indicates which government entity (ministry, department, or agency, or MDAs) will be responsible for spending the funds and, ultimately, held accountable for their use.*

*To answer "a," the Executive's Budget Proposal or its supporting documentation must present expenditures for all administrative units, accounting for all expenditures, in the budget year. To answer "b," the administrative units shown individually, in the Executive's Budget Proposal or its supporting documentation, must account for at least two-thirds of all expenditures in the budget year. In other words, the sum of the expenditures assigned to the individual MDAs (education, health, infrastructure, interior, defense, etc.) must account for at least two-thirds of the total expenditure budgeted for that particular year. A "c" answer applies if the Executive's Budget Proposal or its supporting documentation presents administrative units that account for less than two-thirds of expenditures. Answer "d" applies if expenditures are not presented by administrative unit.*

**Answer:**

a. Yes, administrative units accounting for all expenditures are presented.

**Source:**

VOLUME 2a 2021 BUDGET ESTIMATES OF REVENUE AND EXPENDITURE FOR NATIONAL GOVERNMENT DEPARTMENTS

Table 1 Sectoral Classification of Expenditure by Agency (pages 5-10)

Table 5 Expenditure of Affairs, Functions, and Main Programs (pages 18-26)

SECTION (III) DETAILS OF EXPENDITURE SUMMARY OF APPROPRIATION (pages 69-86)

SECTION (IV)– NATIONAL GOVERNMENT DEPARTMENTS (pages 87-1171)

VOLUME 2b 2021 BUDGET ESTIMATES OF REVENUE AND EXPENDITURE FOR NATIONAL GOVERNMENT DEPARTMENTS (continued from Vol 2a - pages 1-660)

VOLUME 2c 2021 BUDGET ESTIMATES OF REVENUE AND EXPENDITURE FOR NATIONAL GOVERNMENT DEPARTMENTS (continued from Vol 2b - pages 1-524)  
VOLUME 2d 2021 BUDGET ESTIMATES FOR STATUTORY AUTHORITIES PROVINCIAL GOVERNMENTS DEBT SERVICES AND TRUST ACCOUNTS (Statutory Authorities pages 1-596, Provincial Governments pages 566-595)  
Volume 3A - Public Investment Program for National Government Departments 2021-2025  
Volume 3B - Public Investment Program for Statutory Authorities and Provincial Governments 2021-2025  
VOLUME 3 PUBLIC INVESTMENT PROGRAM 2021 – 2025: Summary Table by Agency: Table 3 ( page 3-7, Details by Agency from page 8)

[http://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%202a.pdf](http://www.treasury.gov.pg/html/national_budget/files/2021/Volume%202a.pdf)  
[http://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%202b.pdf](http://www.treasury.gov.pg/html/national_budget/files/2021/Volume%202b.pdf)  
[www.treasury.gov.pg/html/national\\_budget/files/2019/Volume%202c.pdf](http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%202c.pdf)  
[http://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%202d.pdf](http://www.treasury.gov.pg/html/national_budget/files/2021/Volume%202d.pdf)  
[http://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%203A%20PIP.pdf](http://www.treasury.gov.pg/html/national_budget/files/2021/Volume%203A%20PIP.pdf)  
[http://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%203B%20PIP.pdf](http://www.treasury.gov.pg/html/national_budget/files/2021/Volume%203B%20PIP.pdf)

**Comment:**

All expenditure under the recurrent and development budget is broken down into administrative units in the Executive's Budget Proposal (Recurrent Estimates of Revenue and Expenditure, including the Public Investment Program prepared by the Department of National Planning and Monitoring).

**Peer Reviewer**

Opinion: Agree  
Comments: As referenced above

**Government Reviewer**

Opinion: Agree

2. Does the Executive's Budget Proposal or any supporting budget documentation present expenditures for the budget year by functional classification?

*GUIDELINES:*

*Question 2 addresses the presentation of expenditure by functional classification. This classification indicates the programmatic purpose, sector, or objective for which the funds will be used, such as health, education, or defense. Administrative units are not necessarily aligned with functional classifications. For instance, in one country all functions connected with water supply (which fall into the "Housing" function) may be undertaken by a single government agency, while in another country they may be distributed across the Ministries of Environment, Housing, and Industrial Development. In the latter case, three ministries have programs addressing water supply, so three ministries contribute to one function. Similarly, some administrative units may conduct activities that cut across more than one function. For instance, in the example above, some programs of the Ministry of Environment would also be classified in the "environmental protection" function.*

*To answer "a," the Executive's Budget Proposal or its supporting documentation must present expenditures for the budget year organized by functional classification.*

**Answer:**

a. Yes, expenditures are presented by functional classification.

**Source:**

2021 National Budget VOLUME 1 Economic and Development Policies, Chapter 5, Expenditure (page 67), e.g. Table 17 (page 70) 2021 Expenditure by Sector

Volume 2a 2021 Budget Estimates of Revenue and Expenditure for National Government Departments, Section (I) Summary Tables:

Table 3: Functional Classification of Expenditure, pages 13-15,

Table 4: Economic and Functional Cross-Classification of Expenditure, pages 16-17,

Table 5: Expenditure of Affairs, Functions and Main Programs, pages 18-36

(Volumes 2a-d) Budget Estimates of Revenue and Expenditure for National Government Departments and for Statutory Authorities, etc; detailed expenditure break up by agency, including by 'program structure', which is broadly consistent with functional classifications

[http://www.treasury.gov.pg/html/national\\_budget/files/2021/2021%20Budget%20Volume%201.pdf](http://www.treasury.gov.pg/html/national_budget/files/2021/2021%20Budget%20Volume%201.pdf)

[http://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%202a.pdf](http://www.treasury.gov.pg/html/national_budget/files/2021/Volume%202a.pdf)  
[http://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%202b.pdf](http://www.treasury.gov.pg/html/national_budget/files/2021/Volume%202b.pdf)  
[www.treasury.gov.pg/html/national\\_budget/files/2019/Volume%202c.pdf](http://www.treasury.gov.pg/html/national_budget/files/2019/Volume%202c.pdf)  
[http://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%202d.pdf](http://www.treasury.gov.pg/html/national_budget/files/2021/Volume%202d.pdf)

VOLUME 3a & b PUBLIC INVESTMENT PROGRAM 2021 – 2025: Summary Table by Agency and sector: Table 2, page 2, Public Investment Programme - Summary by Sector by Agency, Table 3 Page 3-8, Details by Agency from page 10

[http://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%203A%20PIP.pdf](http://www.treasury.gov.pg/html/national_budget/files/2021/Volume%203A%20PIP.pdf)  
[http://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%203B%20PIP.pdf](http://www.treasury.gov.pg/html/national_budget/files/2021/Volume%203B%20PIP.pdf)

Comment:

Volume one provides summary tables and text by broad sectoral categories. The Estimates of Expenditure for 2021 are provided in Volume 2a in summary form in a succession of tables, table 3, by function; table 4, by cross-classification with economic classifications and, in more detail, in table 5, by affairs, functions and main programs, but including multi-functional expenditure, (where there is no attempt to breakup functions of various transfers to provincial authorities etc.) Volume 3 provides summary tables by sector and details of the Public Investment Program.(PIP)

Peer Reviewer

Opinion: Agree

Comments: As referenced above

Government Reviewer

Opinion: Agree

3. If the Executive's Budget Proposal or any supporting budget documentation presents expenditures for the budget year by functional classification, is the functional classification compatible with international standards?

GUIDELINES:

*Question 3 asks whether a country's functional classification meets international standards. To answer "a," a country's functional classification must be aligned with the OECD and the UN's Classification of the Functions of Government (COFOG), or provide a cross-walk between the national functional presentation and COFOG.*

*The OECD Best Practices for Budget Transparency can be viewed at <http://www.oecd.org/gov/budgeting/Best%20Practices%20Budget%20Transparency%20-%20complete%20with%20cover%20page.pdf>*

*COFOG can be viewed at [https://unstats.un.org/unsd/publication/SeriesM/SeriesM\\_84E.pdf](https://unstats.un.org/unsd/publication/SeriesM/SeriesM_84E.pdf) or at <http://www.imf.org/external/pubs/ft/gfs/manual/pdf/ch6ann.pdf>.*

Answer:

b. No, the functional classification is not compatible with international standards, or expenditures are not presented by functional classification.

Source:

As stated in the 2019 Final Budget Outcome Report (section 1.6 Government Finance Statistics, page 32) "Since the 2016 Budget, the Government undertook a major reform to improve the reporting of its finances by moving to the updated international standard of reporting in GFS 2014. This has resulted in some re-categorisation of revenues and expenditures. Since then, the GFS 2014 framework has already been implemented in three (3) other successive annual budgets 33. namely 2017, 2018 and most recently, the 2019 Budget (Volume 1, Economic and Development Policies)" and the 2020 and 2021 Budgets. The new Classification of Functions of Government (COFOG) was introduced into the 2016 Budget, "the new Classification of Functions of Government (COFOG) shows the cross-economic functional classification of expenditure for the general government, detailing where government expenditure is directed by function. COFOG provides meaningful information that may be used to study the effectiveness of government programs in areas like health, education, economic affairs, social protection and general public services. There are ten major 34. functions. It is an internationally standardised table that allows cross-country comparisons of government priorities.". As stated in the report, in early 2020 "an audit was later carried out by the GFS awareness team over government financial books regarding its structure and made key points on how to improve government financial reporting in regards to the GFS framework. These key areas of improvement were highlighted in its GFS awareness mission report which the Department of Treasury has since taken note of and is now taking steps to improve its report structure. However, institutional classification remains a major hurdle in the GFS framework which will take time to complete."

2019 Final Budget Outcome Report: [http://www.treasury.gov.pg/html/national\\_budget/files/2013/budget\\_documents/2019%20FBO%20Report.pdf](http://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/2019%20FBO%20Report.pdf)

Volume 1 2021 National Budget VOLUME 1 Economic and Development Policies, Chapter 5, Expenditure (page 67)

[http://www.treasury.gov.pg/html/national\\_budget/files/2021/2021%20Budget%20Volume%201.pdf](http://www.treasury.gov.pg/html/national_budget/files/2021/2021%20Budget%20Volume%201.pdf)

Volume 2a 2021 Budget Estimates of Revenue and Expenditure for National Government Departments,

Section (I) Summary Tables:

Table 3: Functional Classification of Expenditure, pages 13-15,

Table 4: Economic and Functional Cross-Classification of Expenditure, pages 16-17,

Table 5: Expenditure of Affairs, Functions and Main Programs, pages 18-36

(Volumes 2a-d) Budget Estimates of Revenue and Expenditure for National Government Departments and for Statutory Authorities, etc; detailed expenditure break up by agency, including by 'program structure', which is broadly consistent with functional classifications

[http://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%202a.pdf](http://www.treasury.gov.pg/html/national_budget/files/2021/Volume%202a.pdf)

Comment:

The Budget for 2021 is subdivided in Volume 2a into several tables by different functions; according to the Year-End report for 2019 these have been made consistent with the International (COFOG) top and lower level classifications since 2016. This classification is provided in the summary tables



in volume 2a and in more detail in the full allocations by institution into classified programs (as well as administrative) functions; these transfers are now categorised by function. Positive progress has been made, including subdivide the provincial allocations by function, (as highlighted in the tables and charts in Table 5, pages 18-36), albeit that the major provincial expenditure is 'general public service'. The audit conducted in early 2020 raised various issues over implementation, but as the Treasury stated in 2020, "institutional classification remains a major hurdle in the GFS framework which will take time to complete". Given that there is a category for 'other multi-functional expenditures', has been reduced to 0.5% of the total 2021 budget (as per Table 5), it's proposed that the score for 2021 is nevertheless raise to 'a', even if there remains room for improvement.

Even if the category for 'other multi-functional expenditures', has been reduced to 0.5% of the total 2021 budget (as per Table 5), in consultation with IBP there is an agreement that while there has been improvement in the alignment for the COFOG, it still is not compatible with the international standard. There is the fact about the category for 'other multi-functional expenditures', but also category "not applicable"; moreover, category General Governmental Affairs doesn't align with COFOG, it has some similarities and incorporates various sub-categories, including National Defense, Health services, Education, Environmental protection, Recreational, Cultural and Community Relations Service, etc. which should be full categories in themselves

Peer Reviewer

Opinion: Agree

Comments: Functional classification noted - there is a gap between PNG functions and COFOG

Government Reviewer

Opinion: Agree

Comments: The classifications are not yet up to international standards, however work is currently progressing to improve presentation as well as classification using the GFS 2014 and update as an when to the latest GFS reporting requirements.

Researcher Response

There's agreement that while progress has been made in bringing the financial reporting more into alignment with international standards, there remains some way to go.

4. Does the Executive's Budget Proposal or any supporting budget documentation present expenditures for the budget year by economic classification?

*GUIDELINES:*

*Question 4 asks whether the Executive's Budget Proposal or its supporting documentation presents expenditures for the budget year organized by economic classification. Economic classification provides information on the nature of the expenditure, such as whether funds are being used to pay for wages and salaries, capital projects, or social assistance benefits. Please note that a presentation of expenditures by current and capital expenditures without additional disaggregation or detail will not qualify as an economic classification.*

*To answer "a," the Executive's Budget Proposal or its supporting documentation must present expenditures for the budget year organized by economic classification.*

Answer:

a. Yes, expenditures are presented by economic classification.

Source:

2021 Budget, VOLUME 1, ECONOMIC AND DEVELOPMENT POLICIES, Appendix 2,

Table 12: General Government Revenue by Economic Classification, page 159

Table 13A: General Government Expense by Economic Classification, page 160

Volume 2a Budget Estimates of Revenue and Expenditure for National Government Departments 2021 Summary Tables:

Table 2: Economic Classification of Expenditure, pages 11-12

Table 4, Economic and Functional Cross-Classification of Expenditure , pages 16-17

There's a breakup by implementing agency for the National Government Departments, by Recurrent and Development Expenditure: Volume 2a-2c

2021, Budget Estimates of Revenue and Expenditure for National Government Departments - Section IV: Details of Expenditure for National Government Departments

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/2021%20Budget%20Volume%201.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/2021%20Budget%20Volume%201.pdf)

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%202a.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%202a.pdf)

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%202b.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%202b.pdf)

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%202c.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%202c.pdf)

VOLUME 3a & b PUBLIC INVESTMENT PROGRAM 2021 – 2025: Summary Table by

Agency and sector: Table 1, page 8, Details by Agency from page 11

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%203A%20PIP.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%203A%20PIP.pdf)

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%203B%20PIP.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%203B%20PIP.pdf)

Comment:

There is a both a summary and a comprehensive breakdown of expenditure provided in the Budget Proposal by economic classification. The Trust Funds are not broken up by economic classification

Peer Reviewer

Opinion: Agree

Comments: Tables in budget show aggregate levels and Agency Budget Tables with break down by economic classification.

Government Reviewer

Opinion: Agree

5. If the Executive's Budget Proposal or any supporting budget documentation presents expenditures for the budget year by economic classification, is the economic classification compatible with international standards?

**GUIDELINES:**

*Question 5 asks whether a country's economic classification meets international standards. To answer "a," a country's economic classification must be consistent with the International Monetary Fund's (IMF) 2001 Government Finance Statistics (GFS). The GFS economic classification is presented here: <http://www.imf.org/external/pubs/ft/gfs/manual/pdf/app4.pdf>. To learn more about Government Finance Statistics also refer to the entire IMF 2001 GFS manual (<http://www.imf.org/external/pubs/ft/gfs/manual/pdf/all.pdf>).*

Answer:

a. Yes, the economic classification is compatible with international standards.

Source:

Budget, VOLUME 1, ECONOMIC AND DEVELOPMENT POLICIES, Appendix 2, Tables 13 A & 13B (pages 160 & 161 ) provide aggregates of general government expenditure by economic classification, and by economic classification and agency type

The economic classification used in the PNG Budget was upgraded from being based upon the IMF's Government Finance Statistics Manual (GFSM) 1996 to GFSM 2014 in 2016. As stated in the Year-End report for 2018, 'The classification of Expense by economic type under GFSM 2014 is broadly similar to the corresponding classification in the GFSM 1986 with primary exception being acquisitions of non-financial assets are not considered an expense and repayment of borrowing is regarded as transactions in assets in liabilities under GFSM 2014. Other differences include: Consumption of fixed capital which is an expense under GFSM 2014 was not included under the GFSM 1986 as it is a non-cash expense.

Transfer payments are classified by type of payment under GFSM 2014. Under the GFSM 1986 they were classified by the sector receiving the payment. The major types of transfer payments are subsidies, grants, and social benefits. The GFSM 2014 now includes all in-kind related payments where data is available".

Volume 2a, 2b, 2c, & 2d of the 2021 Budget Estimates: Section (I) , Details of Expenditure Table 2, (pages 11-12), and Section (III), Details of Expenditure, National Departments and Statutory Authorities; Each agency with a summary by economic classification and full break down by agency item (e.g from P 72).

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/2021%20Budget%20Volume%201.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/2021%20Budget%20Volume%201.pdf)

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%202a.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%202a.pdf)

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%202b.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%202b.pdf)

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%202c.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%202c.pdf)

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%202d.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%202d.pdf)

VOLUME 3a & b PUBLIC INVESTMENT PROGRAM 2021 – 2025: Summary Table by Agency and sector: Details by Agency from page 10

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%203A%20PIP.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%203A%20PIP.pdf)

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%203B%20PIP.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%203B%20PIP.pdf)

Comment:

The economic classifications have been aligned with IMF GFSM 2014 economic types and standards, with codes. Expenditure from the (substantial) Trust Funds, however, has not been broken down into economic types\_

Peer Reviewer

Opinion: Agree

Comments: As referenced above

Government Reviewer

Opinion: Agree

6. Does the Executive's Budget Proposal or any supporting budget documentation present expenditures for individual programs for the budget year?

**GUIDELINES:**

*Question 6 asks whether expenditures are presented by program. There is no standard definition for the term "program," and the meaning can vary from*

country to country. However, for the purposes of answering the questionnaire, researchers should treat the term "program" as meaning any level of detail below an administrative unit – that is, any programmatic grouping that is below the ministry, department, or agency level. For example, the Ministry of Health's budget could be broken down into several subgroups, such as "primary health care," "hospitals," or "administration." These subgroups should be considered programs even if they could be, but are not, broken down into smaller, more detailed units.

A note for francophone countries: "Program" level detail is sometimes referred to as *le plan comptable* or *le plan comptable detaillé*. (These data are typically coded in the financial management database, following the chart of budgetary accounts, so that they can be organized by administrative and functional classification.)

To answer "a," the Executive's Budget Proposal or its supporting documentation must present expenditures for all individual programs, accounting for all expenditures, in the budget year. To answer "b," the programs shown individually in the Executive's Budget Proposal or its supporting documentation must account for at least two-thirds of all expenditures in the budget year. A "c" answer applies if the Executive's Budget Proposal or its supporting documentation presents programs that account for less than two-thirds of expenditures. Answer "d" applies if expenditures are not presented by program.

Budget decisions for the upcoming year can also affect the parameters of future budgets. It is therefore useful to estimate revenues and expenditures for multi-year periods, understanding that these estimates might be revised as circumstances change. Sometimes referred to as a Medium Term Expenditure Framework (MTEF), a three-year period – that is, the budget year plus two more years – is generally considered an appropriate horizon for budgeting and planning.

Answer:

a. Yes, programs accounting for all expenditures are presented.

Source:

Volumes 2a, 2b & 2c 2021 Budget Estimates of Revenue and Expenditure for National Government Departments -Section IV. : From page 88, for each Department/Agency commencing with Summary of Agency Expenditure by Program Structure. Then providing details by program

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%202a.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%202a.pdf)

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%202b.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%202b.pdf)

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%202c.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%202c.pdf)

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%202d.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%202d.pdf)

and for the Statutory bodies, Provincial Government, Debt Servicing and Trust Accounts : [https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%202d.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%202d.pdf)

Details of the Capital Investment component of the Budget is broken down by program in Volume 3A PUBLIC INVESTMENT PROGRAM 2021 – 2025

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%203A%20PIP.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%203A%20PIP.pdf)

VOLUME 3a & b PUBLIC INVESTMENT PROGRAM 2021 – 2025: Summary Table by Agency and sector: Details by Agency from page 10

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%203A%20PIP.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%203A%20PIP.pdf)

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%203B%20PIP.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%203B%20PIP.pdf)

Comment:

Since 2014 the Budget has been merged to embrace both the former Recurrent and Development components, although the Capital Investment component (PIP) is spelt out in more detail in Volume 3, including development assistance

Peer Reviewer

Opinion: Agree

Comments: As referenced above

Government Reviewer

Opinion: Agree

7. Does the Executive's Budget Proposal or any supporting budget documentation present expenditure estimates for a multi-year period (at least two-years beyond the budget year) by any of the three expenditure classifications (by administrative, economic, or functional classification)?

**GUIDELINES:**

Question 7 asks if multi-year expenditure estimates are presented by any one of the three expenditure classifications – by administrative, economic, and functional classifications – which were addressed in Questions 1-5 above. Each of the classifications answers a different question: administrative unit

indicates who spends the money; functional classification shows for what purpose is the money spent; and economic classification displays what the money is spent on.

To answer "a," the Executive's Budget Proposal or its supporting documentation must present expenditure estimates by all three of the expenditure classifications for at least two years beyond the budget year. To answer "b," multi-year expenditure estimates must be presented by two of these three classifications. A "c" answer applies if multi-year expenditure estimates are presented by one of the three classifications. Answer "d" applies if multi-year expenditure estimates are not presented by any of the three classifications.

Answer:

a. Yes, multi-year expenditure estimates are presented by all three expenditure classifications (by administrative, economic, and functional classification).

Source:

2021 Budget, Volumes 1 Economic and Development Policies, Appendix 2, (Aggregated) Tables 13A and 13 B, Volumes 2a, 2b & 2c 2021 Budget Estimates of Revenue and Expenditure for National Government Departments -(Summary) Tables 1,2,3, and 5, and Section (IV) . : from page 88, for each Department/Agency commencing with Summary of Agency Expenditure by Program Structure. Then providing details by program

Volume 2d for the Statutory bodies, Provincial Government, Debt Servicing (no figures for the Trust Accounts):

Details of the Capital Investment component of the Budget is broken down by program in Volume 3a and 3b PUBLIC INVESTMENT PROGRAM 2021 – 2025

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/2021%20Budget%20Volume%201.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/2021%20Budget%20Volume%201.pdf)

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%202a.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%202a.pdf)

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%202b.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%202b.pdf)

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%202c.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%202c.pdf)

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%203A%20PIP.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%203A%20PIP.pdf)

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%203B%20PIP.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%203B%20PIP.pdf)

VOLUME 3a & b PUBLIC INVESTMENT PROGRAM 2021 – 2025: Summary Table by Agency and sector: Details by Agency from page 10

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%203A%20PIP.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%203A%20PIP.pdf)

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%203B%20PIP.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%203B%20PIP.pdf)

Comment:

The aggregated Budget estimates and the summary estimates for each agency by program structure and economic classification cover a multi-year period for 2021, and 3 years beyond the Budget year (i.e. 2022-2025) Since 2014 the Budget has been merged to embrace both the former Recurrent and Development components, although the Capital Investment component (PIP) is spelt out in more detail in Volume 3, including development assistance covering the period 2021-2025

Peer Reviewer

Opinion: Agree

Comments: Evident in the budget documents with separate tables of aggregation by each classification with multi-year framework. The narrative should state 3 years beyond budget year (i.e. 2022-2024 not 2025), as in 2022, 2023 and 2024 being the 3 outer years - the aggregate tables (Volume 1) show 4 outer years to 2025

Government Reviewer

Opinion: Agree

Researcher Response

I agree that for the aggregated tables in Volume 1 (tables 10,13A and 13B) it should read 4 years beyond the Budget year (i.e. 2022-2025). For the summary tables for each agency in Volumes 2A-D, it covers 3 years beyond the Budget year (i.e. 2022-2024)

IBP Comment

The comments from the peer reviewer are well-received. The current response of "A" is maintained.

7b. Based on the response to Question 7, check the box(es) to identify which expenditure classifications have estimates for a multi-year period in the Executive's Budget Proposal?

Answer:

Administrative classification

Economic classification

Functional classification

Source:  
VOLUME 3a & b PUBLIC INVESTMENT PROGRAM 2021 – 2025: Summary Table by  
Agency and sector: Details by Agency from page 10

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/2021%20Budget%20Volume%201.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/2021%20Budget%20Volume%201.pdf)  
[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%202a.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%202a.pdf)  
[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%202b.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%202b.pdf)  
[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%202c.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%202c.pdf)

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%203A%20PIP.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%203A%20PIP.pdf)  
[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%203B%20PIP.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%203B%20PIP.pdf)

Comment:

The Aggregated tables in Vol 1 and the Summary tables in Vol 2a provide multi-year estimates by all three classifications (2021-2025), and summary tables for each agency also details by program, classified by functions and by economic classification. Volume 3 divides the capital budget by administrative unit by economic classification for 2021-2025.

Peer Reviewer

Opinion: Agree

Comments: as clarified in the previous question

Government Reviewer

Opinion: Agree

Researcher Response

For some reason the other volumes(1 and 2A-D), referred to in the Comment (above), are not listed under Source (above), as they were in question 7

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/2021%20Budget%20Volume%201.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/2021%20Budget%20Volume%201.pdf)

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%202a.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%202a.pdf)

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%202b.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%202b.pdf)

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%202c.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%202c.pdf)

[http://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%202d.pdf](http://www.treasury.gov.pg/html/national_budget/files/2021/Volume%202d.pdf) Volume 1 covers 4 years beyond the Budget Year and Volumes 2A-D cover 3 years beyond the Budget year. Volumes 3A & B, comprising the Public Investment Program, also covers 4 years beyond Budget year

8. Does the Executive's Budget Proposal or any supporting budget documentation present expenditure estimates for a multi-year period (at least two-years beyond the budget year) by program?

**GUIDELINES:**

*Question 8 asks if multi-year expenditure estimates are presented by program. There is no standard definition for the term "program," and the meaning can vary from country to country. However, for the purposes of answering the questionnaire, researchers should understand the term "program" to mean any level of detail below an administrative unit, such as a ministry or department. For example, the Ministry of Health's budget could be broken down into several subgroups, such as "primary health care," "hospitals," or "administration." These subgroups should be considered programs even if they could be, but are not, broken down into smaller, more detailed units.*

*A note for francophone countries: "Program" level detail is sometimes referred to as le plan comptable or le plan comptable detaillé. (These data are typically coded in the financial management database, following the chart of budgetary accounts, so that they can be organized by administrative and functional classification.)*

*To answer "a," the Executive's Budget Proposal or its supporting documentation must present expenditures for all individual programs, accounting for all expenditures, for at least two years beyond the budget year. To answer "b," the programs shown individually in the Executive's Budget Proposal or its supporting documentation must account for at least two-thirds of all expenditures over the multi-year period. A "c" answer applies if the Executive's Budget Proposal or its supporting documentation presents multi-year estimates for programs that account for less than two-thirds of expenditures. Answer "d" applies if multi-year estimates are not presented by program.*

*Revenues generally are separated into two major categories: "tax" and "non-tax" revenues. Taxes are compulsory transfers that result from government exercising its sovereign power. The largest sources of tax revenue in some countries are taxes on personal and business income and taxes on goods and services, such as sales or value-added taxes. The category of non-tax revenues is more diverse, ranging from grants from international institutions and foreign governments to funds raised through the sale of government-provided goods and services. Note that some forms of revenue, such as contributions to social security funds, can be considered either a tax or non-tax revenue depending on the nature of the approach to these contributions. Particularly because different revenues have different characteristics, including who bears the burden of paying the tax and how collections are affected by economic conditions, it is helpful when estimates for revenues are disaggregated and displayed based on their sources.*

*For more information, please refer to the 2001 GFS manual, in particular Appendix 4 (<http://www.imf.org/external/pubs/ft/gfs/manual/pdf/app4.pdf>).*

Answer:

a. Yes, multi-year estimates for programs accounting for all expenditures are presented.

Source:

Volume 1, 2021 Budget. Economic and Development Policies, Chapter 5, pages 69 provides a break up, by sector mostly in text form on programs for 2021 in the context of the priorities of the MTDP 3, 2018-22, for the entire Budget, except the Trust Funds; the multi-year tables are not provided, but the chapter is to be read together with the Medium Term Development Plan 3 (MTDP3 2018-2022), launched in October 2018 and the Medium Term Fiscal Plan (MTFP 2018-22)

Volumes 2a, b, c, and d, 2021 BUDGET ESTIMATES OF REVENUE AND EXPENDITURE FOR NATIONAL GOVERNMENT DEPARTMENTS, and for Statutory Authorities, Provincial Governments, Debt Servicing and Trust Account, and Volume 3 (Public Investment Program), all provide expenditure forecasts for 3 years beyond the budget year, by program

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%202a.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%202a.pdf)

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%202b.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%202b.pdf)

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%202c.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%202c.pdf)

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%202d.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%202d.pdf)

VOLUME 3a & b PUBLIC INVESTMENT PROGRAM 2021 – 2025: Summary Table by Agency and sector: Details by Agency from page 10

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%203A%20PIP.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%203A%20PIP.pdf)

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%203B%20PIP.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%203B%20PIP.pdf)

Medium Term Development Plan 2018-22 Volumes 1 & 2 (Dept of National Planning and Monitoring)

[http://www.planning.gov.pg/images/dnpm/pdf/latest\\_pub/MTDP%20III%20Vol1-%20Web-compressed.pdf](http://www.planning.gov.pg/images/dnpm/pdf/latest_pub/MTDP%20III%20Vol1-%20Web-compressed.pdf) (if and when the website is back online!)

[http://www.planning.gov.pg/images/dnpm/pdf/latest\\_pub/MTDP%20III%20Book%202\\_Final%20Proof \(Web\) \\_compressed.pdf](http://www.planning.gov.pg/images/dnpm/pdf/latest_pub/MTDP%20III%20Book%202_Final%20Proof%20(Web)_compressed.pdf)

Comment:

Summary forecasts for all programs are provided for 3 years beyond the Budget year (2021), and in aggregate form for 4 years beyond. Volume 1 provides little further detail of program expenditure forecasts in subsequent years, but is intended to be read together with the MTF3 (2021-25) and the MTDP3 (2018-22). Progress is made in providing greater detail over recent years in this regard.

Peer Reviewer

Opinion: Agree

Comments: As evidenced in the budget books as per above

Government Reviewer

Opinion: Agree

9. Does the Executive's Budget Proposal or any supporting budget documentation present the individual sources of tax revenue (such as income tax or VAT) for the budget year?

**GUIDELINES:**

*Question 9 assesses the degree to which the individual sources of "tax" revenue are disaggregated in the budget. The largest sources of tax revenue in some countries are taxes on personal and business income and taxes on goods and services, such as sales or value-added taxes.*

*To answer "a," the Executive's Budget Proposal or its supporting documentation must present all individual sources of tax revenue for the budget year, and "other" or "miscellaneous" revenue must account for three percent or less of all tax revenue. To answer "b," the Executive's Budget Proposal or its supporting documentation must present individual sources of tax revenue that when combined account for at least two-thirds of all tax revenue, but not all revenue. A "c" answer applies if the Executive's Budget Proposal or its supporting documentation presents individual sources of tax revenue that account for less than two-thirds of tax revenues. Answer "d" applies if individual sources of tax revenue are not presented.*

Answer:

a. Yes, individual sources of tax revenue accounting for all tax revenue are presented.

Source:

2021 Budget, Volume 1, Economic and Development Policies, Chapter 3, Revenue, 3.2 Tax Revenue (pages 51-55); Appendix 2, Tables on Economic and Fiscal Data, Table 12, Central Government Revenue 2014 GFS Economic Classification (page 159)

Volume 2a 2021 Budget Estimates of Revenue and Expenditure for National Government Departments, Section (II) Details of Revenue Grants and Loans, General Revenue (pages 57) Tax and Customs revenue

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/2021%20Budget%20Volume%201.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/2021%20Budget%20Volume%201.pdf)

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%202a.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%202a.pdf)

Comment:

The composition of tax revenue estimates are provided in aggregated form in Volume 1, Chapter 3 (in tables and text) and in Table 12, of Appendix 2, as well as in detail in Volume 2 A. All revenues shown are classified according to a revenue source, therefore there are no other revenue categories, which justifies an A answer.

Peer Reviewer

Opinion: Agree

Comments: As evidenced above and per Budget Volumes referenced

Government Reviewer

Opinion: Agree

10. Does the Executive's Budget Proposal or any supporting budget documentation present the individual sources of non-tax revenue (such as grants, property income, and sales of government-produced goods and services) for the budget year?

**GUIDELINES:**

*Question 10 assesses the degree to which the individual sources of "non-tax" revenue are disaggregated in the budget. The category of non-tax revenues is diverse, and can include revenue ranging from grants from international institutions and foreign governments to funds raised through the sale of government-provided goods and services.*

*To answer "a," the Executive's Budget Proposal or its supporting documentation must present all individual sources of non-tax revenue for the budget year, and "other" or "miscellaneous" revenue must account for three percent or less of all non-tax revenue. To answer "b," the Executive's Budget Proposal or its supporting documentation must present individual sources of non-tax revenue that when combined account for at least two-thirds of all non-tax revenue, but not all revenue. A "c" answer applies if the Executive's Budget Proposal or its supporting documentation presents individual sources of non-tax revenue that account for less than two-thirds of non-tax revenues. Answer "d" applies if individual sources of non-tax revenue are not presented.*

Answer:

a. Yes, individual sources of non-tax revenue accounting for all non-tax revenue are presented.

Source:

2021 Budget, Volume 1, Economic and Development Policies, Chapter 3 (page 50), summarises non-tax revenue in section 3.3, Other Revenue (pages 55) and section 3.4. for grants (page 56), and Appendix 2, Table 12, Central Government Revenue 2014 GFS Economic Classifications, (page 159) Volume 2a, 2021 Budget Estimates of Revenue and Expenditure for National Government Departments, Section (II) Details of Revenue, Grants and Loan Estimates, Departmental Revenue (Page 52) and General Revenue (page 57) and Grants (p 61)

Volume 2d, Budget Estimates for Statutory Authorities, Provincial Governments, Debt Services and Trust Account, Section IV Details of Trust Accounts, (page 636)

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/2021%20Budget%20Volume%201.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/2021%20Budget%20Volume%201.pdf)

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%202a.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%202a.pdf)

[http://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%202d.pdf](http://www.treasury.gov.pg/html/national_budget/files/2021/Volume%202d.pdf)

Comment:

Summary of sources of non-tax revenue, including Departmental and general revenue and grants are provided in summary form in Volume 1 in both the text (Ch 3) and tables (Table 12), and in Part 2a in summary and some more detail; estimates of receipts into Trust funds are also provided in Volume 2d under Trust Accounts.

In Table 12, the level of unclassified revenues is below 1%, which justifies an A score.

Comment:

Summary of sources of non-tax revenue, including Departmental and general revenue and grants are provided in summary form in Volume 1 in both the text (Ch 3) and tables (Table 12), and in Part 2a in summary and some more detail; estimates of receipts into Trust funds are also provided in Volume 2d under Trust Accounts.

In Table 12 (page 159), the level of unclassified revenues is below 1%, which justifies an A score.

Peer Reviewer

Opinion: Agree

Comments: I agree with the rating as all the revenues seem to be disclosed and broken down well> However, it is not clear to me what figures are being taken to determine the <1% unclassified. Maybe the reference should be more explicit

Government Reviewer

Opinion: Agree

IBP Comment

To respond "a," in this question, the Executive's Budget Proposal or its supporting documentation must present all individual sources of non-tax revenue for the budget year, and "other" or "miscellaneous" revenue must account for three percent or less of all non-tax revenue. As the level of "unclassified" or "other" revenues is below percent this answer A is granted.

11. Does the Executive's Budget Proposal or any supporting budget documentation present revenue estimates by category (such as tax and non-tax) for a multi-year period (at least two-years beyond the budget year)?

**GUIDELINES:**

*Question 11 evaluates whether revenue estimates are presented for a multi-year period (at least two years beyond the budget year) by "category," that is, whether tax and non-tax sources of revenue are shown separately.*

*To answer "a," the Executive's Budget Proposal or its supporting documentation must present multi-year estimates of revenues classified by category for at least two years following the budget year in question.*

Answer:

a. Yes, multi-year estimates of revenue are presented by category.

Source:

2021 Budget, Volume 1, Economic and Development Policies, Chapter 3, Medium Term Revenue Forecasts provides graphs of revenue from different sources and grant receipts to 2023, and forecasts from a major resource project to 2040 (page 58); Appendix 2, Tables on Economic and Fiscal Data, Table 10 (page 157), summary, Table 12 (page 159): General Government Revenue by Economic Classification, provides estimates for 2021 and forecasts for the subsequent 4 years.

VOLUME 2a 2021 BUDGET ESTIMATES OF REVENUE AND EXPENDITURE FOR NATIONAL GOVERNMENT DEPARTMENTS, Section (II) DETAILS OF REVENUE, GRANTS AND LOAN ESTIMATES (pages 51-64) provides largely blank tables for more detailed revenue and grants beyond 2021, but no estimates provided for subsequent years

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/2021%20Budget%20Volume%201.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/2021%20Budget%20Volume%201.pdf)

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%202b.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%202b.pdf)

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%202c.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%202c.pdf)

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%202a.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%202a.pdf)

Comment:

Table 12 in Appendix 2 of Volume 1 provides 5 year aggregate projections (2021-2025) by category of tax and non-tax revenue; Table 2A of Section (II) in Volume 2a provides tables for those years in greater detail, but no details have been filled out beyond 2021.

Peer Reviewer

Opinion: Agree

Comments: Can be found in that Table

Government Reviewer

Opinion: Agree

12. Does the Executive's Budget Proposal or any supporting budget documentation present estimates for individual sources of revenue presented for a multi-year period (at least two-years beyond the budget year)?

**GUIDELINES:**

*Question 12 evaluates whether revenue estimates for individual sources of revenue are presented for a multi-year period (at least two years beyond the budget year). The question applies to both tax and non-tax revenue.*

*To answer "a," the Executive's Budget Proposal or its supporting documentation must present multi-year estimates of all sources of revenue individually, accounting for all revenue, and "other" or "miscellaneous" revenue must account for three percent or less of all revenue. To answer "b," the Executive's Budget Proposal or its supporting documentation must present multi-year estimates of individual sources of revenue that when combined account for at least two-thirds of all revenue, but not all revenue. A "c" answer applies if the Executive's Budget Proposal or its supporting documentation presents multi-year estimates of individual revenue sources that account for less than two-thirds of revenue. Answer "d" applies if individual sources of revenue are not presented for a multi-year period.*

Answer:



a. Yes, multi-year estimates for individual sources of revenue accounting for all revenue are presented.

Source:

2021 Budget, Volume 1, Economic and Development Policies, Appendix 2, Tables on Economic and Fiscal Data, Table 12 (page 159): General Government Revenue by Economic Classification, provides estimates for 2021 and forecasts for the subsequent 4 years.

VOLUME 2a 2021 BUDGET ESTIMATES OF REVENUE AND EXPENDITURE FOR NATIONAL GOVERNMENT DEPARTMENTS, Section (II) DETAILS OF REVENUE, GRANTS AND LOAN ESTIMATES (pages 52-64) provides blank tables for more detailed revenue and grants beyond 2021.

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/2021%20Budget%20Volume%201.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/2021%20Budget%20Volume%201.pdf)

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%202a.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%202a.pdf)

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%202b.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%202b.pdf)

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%202c.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%202c.pdf)

Comment:

Table 12 in Appendix 2 of Volume 1 provides 5 year aggregate projections (2021-2025) by category of tax and non-tax revenue, but in Volume 2a, Section (II) (page 52-64) the estimates for revenue from specific sources listed for the years beyond the Budget year (2021) have not been provided. However, since Table 12 provides sufficient detail to be considered individual sources, and the level of unclassified revenues is below 1%, this justifies an A score.

Peer Reviewer

Opinion: Agree

Comments: As per table 12

Government Reviewer

Opinion: Agree

13. Does the Executive's Budget Proposal or any supporting budget documentation present three estimates related to government borrowing and debt: the amount of net new borrowing required during the budget year; the total debt outstanding at the end of the budget year; and interest payments on the debt for the budget year?

**GUIDELINES:**

*Question 13 asks about three key estimates related to borrowing and debt that the budget should include:*

- *the amount of net new borrowing required during the budget year;*
- *the central government's total debt burden at the end of the budget year; and*
- *the interest payments on the outstanding debt for the budget year.*

*Debt is the accumulated amount of money that the government borrows. The government can borrow from its citizens and banks and businesses within the country (domestic debt) or from creditors outside the country (external debt). External debt is typically owed to private commercial banks, other governments, or international financial institutions such as the World Bank and the IMF.*

*Net new borrowing is the additional amount of new borrowing that is required for the budget year to finance expenditures in the budget that exceed available revenues. Net new borrowing adds to the accumulated debt. It is distinct from gross borrowing, which also includes borrowing needed to repay existing debt that matured during the budget year; debt that is replaced (or rolled over) does not add to the total of accumulated debt. For the purposes of this question, the deficit may be accepted as a proxy for net new borrowing.*

*Interest payments on the debt (or debt service costs) are typically made at regular intervals, and these payments must be made on a timely basis in order to avoid defaulting on the debt obligation. Interest payments are separate from the repayment of principal, which occurs only when the loan has matured and must be paid back in full.*

*To answer "a," the Executive's Budget Proposal or its supporting documentation must present all three estimates of borrowing and debt. For a "b" answer, the Executive's Budget Proposal or its supporting documentation must present two of those three estimates. For a "c" answer, the Executive's Budget Proposal or its supporting documentation must present one of the three estimates. Answer "d" applies no information on borrowing and debt is presented for the budget year.*

Answer:

a. Yes, all three estimates related to government borrowing and debt are presented.

Source:

2021 Budget, Volume 1, Economic and Development Policies, Chapter 7, (pages 106-115), Financing and Debt Management Strategy (providing more details and explanation on the status, composition and policies with respect to debt management), Table 24, Deficit Financing Projections by Instrument and Debt Outstanding 2019-2025, Table 27 Debt Stock as Share of GDP 2019-2023;

Appendix 2, Tables on Economic and Fiscal Data, Table 13A (Page 160) General Government Expenses by Economic Classification (on forecast

interest payments 2021-2025), Table 13B, (page 161), General Government Expenses by Agency Type, Table 14 (page 162) Transactions in Assets and Liabilities for Central Government (on forecast of net domestic and international liabilities), and Table 15 (page 163), Stocks in General Government Debt (on current and forecast debt levels).

Volume 2D, Budget Estimates for Statutory Authorities, Provincial Governments, Debt Services and Trust Accounts, Section (III), (pages 597-635), Details of Debt Services, including summary table (page 598) with 3 year forecasts beyond the Budget year (2021)

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/2021%20Budget%20Volume%201.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/2021%20Budget%20Volume%201.pdf)

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%202a.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%202a.pdf)

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%202d.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%202d.pdf)

**Comment:**

This covers all the current and forecast State borrowings, other than those related to State-owned enterprises, superannuation funds and some contingent liabilities but does not include guarantees.

Data is also provided in the Central Bank's (Bank of Papua New Guinea's) Quarterly Economic Bulletin and the Governor's 6 monthly Monetary Policy Statement (notably as BPNG manages most of the domestic debt - notably Treasury Bills and Inscribed Stock) for the Government

**Peer Reviewer**

Opinion: Agree

Comments: All 3 can be found in volume 1 as referenced above

**Government Reviewer**

Opinion: Agree

13b. Based on the response to Question 13, check the box(es) below to identify which estimates of government borrowing and debt are presented in the Executive's Budget Proposal:

**Answer:**

The amount of net new borrowing required during the budget year

The central government's total debt burden at the end of the budget year

The interest payments on outstanding debt for the budget year

**Source:**

Estimates of New borrowings for 2021 and forecasts for 2021-25 provided in Vol 1, Chapter 7, Section 7.2 Financing Requirements, as set out in the Fiscal and Debt Strategies (page 107); Appendix 2, Tables 14 (p162); Total debt in Table 15 (p163). Total interest servicing costs in Tables 13A and 13B (pages 160 & 161) and Details of Public Debt charges in Vol 2D Section III, (page 598-634) with summary by lending institution on pages 598), summary on page of domestic and overseas debt charges (page 600) and details of foreign interest payments and charges (pages 601-622) and domestic interest payments, charges and principal repayment by instrument (from page 623-633)

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/2021%20Budget%20Volume%201.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/2021%20Budget%20Volume%201.pdf)

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%202a.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%202a.pdf)

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%202d.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%202d.pdf)

**Comment:**

**Peer Reviewer**

Opinion: Agree

Comments: As stated in previous question - Volume 1 covers all 3 data requirements

**Government Reviewer**

Opinion: Agree

14. "Does the Executive's Budget Proposal or any supporting budget documentation present information related to the composition of the total debt outstanding at the end of the budget year?"

(The core information must include interest rates on the debt instruments; maturity profile of the debt; and whether it is domestic or external debt.)"

**GUIDELINES:**

Question 14 focuses on the composition of government debt at the end of the budget year, asking whether "core" information related to its composition is presented. These core components include:

- interest rates on the debt;
- maturity profile of the debt; and
- whether the debt is domestic or external.

The interest rates affect the amount of interest that must be paid to creditors. The maturity profile indicates the final payment date of the loan, at which point the principal (and all remaining interest) is due to be paid; government borrowing typically includes a mix of short-term and long-term debt. As discussed in Question 13, domestic debt is held by a country's citizens, banks, and businesses, while external debt is held by foreigners. These factors related to the composition of the debt give an indication of the potential vulnerability of the country's debt position, and ultimately whether the cost of servicing the accumulated debt is affordable.

Beyond these core elements, a government may also provide additional information related to the composition of its debt, including for instance: whether interest rates are fixed or variable; whether debt is callable; the currency of the debt; a profile of the creditors (bilateral institutions, multilateral institutions, commercial banks, Central Bank, etc.); an analysis of the risk associated with the debt; and where appropriate, what the debt is being used to finance.

To answer "a," the Executive's Budget Proposal or supporting documentation must present all of the core information related to the composition of government debt at the end of the budget year as well as some additional information beyond the core elements. To answer "b," the Executive's Budget Proposal or supporting documentation must present all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to the composition of government debt is presented, but some of the core pieces of information are not included. Answer "d" applies if no information is presented on the composition of the debt outstanding at the end of the budget year.

Answer:

c. Yes, information is presented, but it excludes some core elements.

Source:

2021 Budget, Volume 1, Economic and Development Policies, Appendix 2, Tables on Economic and Fiscal Data, Table 15, (page 163), Stocks in General Government Debt (provides a breakdown between domestic and overseas debt, broken up into more detailed sources)

2021 Budget, Volume 1, Economic and Development Policies, Chapter 7, Sn 7.2 and 7.4 notably Table 24, Debt Financing by Instrument and Debt Outstanding, and Table 2.7 Debt Stock, and prior paragraphs of text (pages 108-113), provides summary of debt and basic composition, but also average interest rate for domestic and external debt, but neither Volume 1, nor Section III of Volume 2D (Detail of Debt services, pages 598-635) provide a breakdown of the actual interest rates on the respective instruments, nor the maturity dates (only the average maturity of domestic debt in Table 30, page 134). (Details on the past and current Treasury Bill and Inscribed Stock interest rates, amounts auctioned and issued, are available from the Bank of Papua New Guinea (Central Bank) website: - <https://www.bankpng.gov.pg/financial-markets/domestic-money-and-bond-market-operations-and-development/treasury-bills/tbillsweekly-auction-announcement/> <https://www.bankpng.gov.pg/financialmarkets/domestic-money-and-bond-market-operations-and-development/treasury-bills/bills-weekly-auction-results/> <https://www.bankpng.gov.pg/financial-markets/domestic-money-and-bondmarket-operations-and-development/government-inscribed-stock/announcement-of-tender-results/>

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/2021%20Budget%20Volume%201.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/2021%20Budget%20Volume%201.pdf)

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%202d.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%202d.pdf)

Comment:

The aggregate debt figures are provided, broken into the various components (overseas - multilateral, bilateral, commercial and Sovereign Bond, and domestic, including Treasury Bonds and Inscribed Stock), with some discussion on debt policy (in Chapter 7, Vol1), the challenges of securing take up of instruments issued, the risks of excessive foreign borrowing and the level of debt by SOEs and contingent liabilities.

While there's a detailed break up of debt servicing and forecast debt servicing costs in Volume 2d, Sn (III), and composition of debt from different sources, there's no details of maturity or related interest rates and charges (except briefly in 7.5 Managing Portfolio Risk, including the average maturity on domestic debt instruments) .

Peer Reviewer

Opinion: Agree

Comments: Agree - just the one detailed item in the main budget volumes - no further clarification in the year end budget report and dedicated debt reports under the debt department menu on Treasury website ceased in 2018

Government Reviewer

Opinion: Agree

14b. Based on the response to Question 14, check the box(es) to identify which elements of the composition of the total debt outstanding are presented in the Executive's Budget Proposal:

**Answer:**

Whether the debt is domestic or external  
Information beyond the core elements (please specify)

**Source:**

Volume 1, Section 7.2 of Chapter 7, Financing and Debt Management Strategy, on page 108-115.  
Appendix 2, Table 15, Stocks in General Government Debt (p163)  
[https://www.treasury.gov.pg/html/national\\_budget/files/2021/2021%20Budget%20Volume%201.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/2021%20Budget%20Volume%201.pdf)  
[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%202d.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%202d.pdf)

**Comment:**

There's a break up of the composition of the debt (in Table 15, Appendix 2 Vol 1 and in Chapter 7), including by type and source, only averages interest rates for domestic and external debt and average domestic maturities are provided, including the sovereign bond, and some discussion on options for future more transparent, affordable domestic and overseas commercial borrowing, risks and balance.

**Peer Reviewer**

Opinion: Agree  
Comments: as flagged here

**Government Reviewer**

Opinion: Agree

15. "Does the Executive's Budget Proposal or any supporting budget documentation present information on the macroeconomic forecast upon which the budget projections are based?"

(The core information must include a discussion of the economic outlook with estimates of nominal GDP level, inflation rate, real GDP growth, and interest rates.)"

**GUIDELINES:**

*Question 15 focuses on the macroeconomic forecast that underlies the budget's revenue and expenditure estimates, asking whether "core" information related to the economic assumptions is presented. These core components include a discussion of the economic outlook as well as estimates of the following:*

- *nominal GDP level;*
- *inflation rate;*
- *real GDP growth; and*
- *interest rates.*

*While the core macroeconomic information should be a standard feature of the Executive's Budget Proposal, the importance of some types of macroeconomic assumptions may vary from country to country. For example, the budget estimates of some countries are particularly affected by changes in the price of oil and other commodities.*

*Beyond these core elements, some governments also provide additional information related to the economic outlook, including for instance: short and long-term interest rates; rate of employment and unemployment; GDP deflator; price of oil and other commodities; current account; exchange rate; and composition of GDP growth.*

*To answer "a," the Executive's Budget Proposal or supporting documentation must present all of the core information related to the macroeconomic forecast as well as some additional information beyond the core elements. To answer "b," the Executive's Budget Proposal or supporting documentation must present all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to the macroeconomic forecast is presented, but some of the core pieces of information are not included. Answer "d" applies if no information on the macroeconomic forecast is presented.*

**Answer:**

a. Yes, information beyond the core elements is presented for the macroeconomic forecast.

**Source:**

Volume 1, Economic and Development Policies, Chapter 1 (page 7-35)- Sn 1.1 World Economic Growth and Outlook, Sn 1.3 Domestic Economic Developments and Outlook (page 18) including forecast real Economic Growth rate (Chart 16 page 20), Sn 1.7 page 30 "Consumer Price Index" including 2021 inflation outlook, discussion and analysis.

Appendix 2, Table 1 (page 148) GROSS DOMESTIC PRODUCT BY ECONOMIC ACTIVITY AT CURRENT AND CONSTANT PRICES; for current and forecast inflation and interest rates: Table 9 (page 156), Major Assumptions Underlying the Budget

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/2021%20Budget%20Volume%201.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/2021%20Budget%20Volume%201.pdf)

Comment:

There is extensive discussion of the macroeconomic forecast and key assumptions (for such factors as inflation, real GDP growth, employment rate, and interest rates) stated in Volume 1, Chapter 1 of the budget documents, together with the tables.

There are more details of strategies and longer term conditions provided in other chapters of Volume 1. There is explanation of the forecasts (based upon external and domestic determinants) and some assessments of the risks experienced and likely to be encountered from external factors, such as changing commodity prices (and the impact of Covid-19) and inflationary pressures etc, or domestic, including seasonal conditions, but also government actions, such as issuing (further) tax concessions. Although exchange and interest rates have been relatively stable, the rigid figures provided poorly demonstrate market conditions

Peer Reviewer

Opinion: Agree

Comments: Covers all the core elements and more as discussed above

Government Reviewer

Opinion: Agree

15b. Based on the response to Question 15, check the box(es) to identify which elements of the macroeconomic forecast are included in the Executive's Budget Proposal:

Answer:

Nominal GDP level

Inflation rate

Real GDP growth

Interest rates

Information beyond the core elements (please specify)

Source:

Tables 1 & 9 in Appendix 2 of Volume 1 pages 148 & 156, and Chapter 1 (p 7-35), Economic Developments and Outlook

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/2021%20Budget%20Volume%201.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/2021%20Budget%20Volume%201.pdf)

<https://www.bankpng.gov.pg/monetary-policy/bi-annual-statements/>

Comment:

These details are provided in tables (notably extensive additional macro-economic information and discussion is provided including on employment, although some components are relatively light, with limited information provided, notably on interest rates, More information on interest rates and other monetary aspects is provided by the Bank of Papua New Guinea, as the legally mandated independent Monetary Authority (notably from its Quarterly Economic Bulletin, Statistical Tables and 6 Monthly Monetary Policy Statements)

Peer Reviewer

Opinion: Agree

Comments: Maybe the researcher could bring out specifics of items beyond the basics, such as commodity prices, discussion on employment and wage progression in nominal and real terms over years

Government Reviewer

Opinion: Agree

IBP Comment

The peer reviewer's comment is well-noted. The researcher's narrative regarding the information beyond the core elements can be found in question 15.

16. "Does the Executive's Budget Proposal or any supporting budget documentation show the impact of different macroeconomic assumptions (i.e., sensitivity analysis) on the budget?"

(The core information must include estimates of the impact on expenditures, revenue, and debt of different assumptions for the inflation rate, real GDP growth, and interest rates.)"

*GUIDELINES:*

Question 16 focuses on the issue of whether the Executive's Budget Proposal shows how different macroeconomic assumptions affect the budget estimates (known as a "sensitivity analysis"). It asks whether "core" information related to a sensitivity analysis is presented, estimating the impact on expenditures, revenue, and debt of different assumptions for:

- inflation rate;
- real GDP growth; and
- interest rates.

A sensitivity analysis shows the effect on the budget of possible changes in some macroeconomic assumptions, and is important for understanding the impact of the economy on the budget; for instance, what would happen to revenue collections if GDP growth were slower than what is assumed in the budget proposal? Or what would happen to expenditure if inflation were higher than estimated? Or how will revenue be affected by a decrease in the price of oil?

As noted for Question 15, changes in certain macroeconomic assumptions, such as the price of oil and other commodities, can have a significant impact on the budget estimates. As a result, some sensitivity analyses may also examine the impact on the budget estimates of changes in assumptions such as the price of oil that are beyond the core elements of the inflation rate, real GDP growth, and interest rates.

To answer "a," the Executive's Budget Proposal or supporting documentation must present all of the core information related to a "sensitivity analysis" as well as some additional information beyond the core elements. To answer "b," the Executive's Budget Proposal or supporting documentation must present all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to a "sensitivity analysis" is presented, but some of the core pieces of information are not included. Answer "d" applies if no information on "sensitivity analysis" is presented.

Answer:

d. No, information related to different macroeconomic assumptions is not presented.

Source:

2021 Volume 1, Economic and Development Policies, Chapter 1 - Economic Developments and Outlook, including Section 2.9 (page 36-38) Risks to Macroeconomic Stability; Chapter 7 on financing and debt management strategy  
[https://www.treasury.gov.pg/html/national\\_budget/files/2021/2021%20Budget%20Volume%201.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/2021%20Budget%20Volume%201.pdf)

Comment:

Volume 1 (notably Chapter 1, and other chapters, such as Ch 7, page 109, on financing and debt management) provides details of market conditions and forecasts, and a section on risks to macro-economic stability, particularly in the light of the uncertainty surrounding the Covid-19 pandemic), but there's limited explanation for forecasts used and limited specification of the implications of those risks (or improved outlook) on economic conditions, without any sensitivity analysis provided.

Peer Reviewer

Opinion: Agree

Comments: Agree no sensitivity analysis or fan charts

Government Reviewer

Opinion: Agree

17. Does the Executive's Budget Proposal or any supporting budget documentation present information for at least the budget year that shows how new policy proposals, as distinct from existing policies, affect expenditures?

**GUIDELINES:**

Questions 17 and 18 ask about new policy proposals in the budget. In any given year, most of the expenditures and revenues in the budget reflect the continuation of existing policies. However, much of the attention during the budget debate is focused on new proposals – whether they call for eliminating an existing program, introducing a new one, or changing an existing program at the margins. Typically, these new proposals are accompanied by an increase, a decrease, or a shift in expenditures or revenues. Because these changes may have different impacts on people's lives, the budget proposal should present sufficient detail about new policies and their budgetary impact.

Question 17 asks about new expenditure policies, and Question 18 asks about new revenue policies. To answer "a," the Executive's Budget Proposal or supporting documentation must present both estimates of how all new policy proposals affect expenditures (for Question 17) or revenues (for Question 18) and a narrative discussion of the impact of these new policies. To answer "b" for either question, the Executive's Budget Proposal or supporting documentation must present estimates that show the impact of all new policy proposals, but no narrative discussion is included. A "c" response applies if the presentation includes only a narrative discussion, or if it includes estimates that show the impact of only some, but not all, policy proposals (regardless of whether it also includes a narrative discussion). Answer "d" applies if no information is presented on the impact of new policy proposals.

Answer:

c. Yes, information that shows how some but not all new policy proposals affect expenditure is presented.

Source:

Volume 2021: Volume 1 Economic and Development Policies, Chapter 2 Fiscal Strategy and Outlook, 2.3 The 2021 Budget Strategy, (page 43) provides the fiscal and policy setting, including Table 5, (page 44-45) 2021 and Medium Term Expenditure Estimates with key measures included in the Medium Term Expenditure Strategy 2021-2025; Chapter 5 (page 67) - 'Expenditure', including 2.1 2021 Aggregate Expenditure on notable expenditure adjustments and intentions, and 5.3 (p 69) Sector Expenditure with policy and related expenditure details (with subjective indications of impacts from programs). More details on longer term strategies are provided in Chapter 8 (page 116)(National Reform Agenda), notably on decentralisation, amalgamation of public sector institutions, competition and ICT investment and reform; and Chapter 9 (page 129) Enhancing State's Investments.

The details of allocations by program, including past years expenditures are in Volumes 2 and 3 of the budget document.

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/2021%20Budget%20Volume%201.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/2021%20Budget%20Volume%201.pdf)

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%202a.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%202a.pdf)

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%203A%20PIP.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%203A%20PIP.pdf)

Comment:

The broad policy setting is provided in Chapter 2, of Volume 1, including the tight current fiscal conditions, the 2021 Budget strategy and its compliance with the strategic objectives in the Medium Terms Fiscal Strategy (2021-25), including the Expenditure Strategy and the linkage with the revenue strategy and forecasts, and the debt strategy, including implications if the latter fails to be fully implemented. Narrative and expenditure details are provided in Chapter 5 (including association with the Medium Term Development Plans 3) including some link between program allocations and both longer term and more immediate Planning and Fiscal plans and strategies. Later chapters (8 & 9) are about reforms and improved performance, including through institutional reforms, amalgamation and some public investment. Although the details of the actual budget allocations program by program are provided in Sections (IV) of Budget volumes 2a-2c for National Departments and Section (I-III) of Volume 2d for Statutory Authorities and Provincial Governments, and Volume 3 for the Capital Investment component of the Budget, there is virtually no reference to planning, program or allocation changes in the text provided

Peer Reviewer

Opinion: Agree

Comments: Much of the discussion appears to be qualitative without quantifying the baseline of existing policies to give a full indication of costs on new policy areas.

Government Reviewer

Opinion: Agree

18. Does the Executive's Budget Proposal or any supporting budget documentation present information for at least the budget year that shows how new policy proposals, as distinct from existing policies, affect revenues?

**GUIDELINES:**

*Questions 17 and 18 ask about new policy proposals in the budget. In any given year, most of the expenditures and revenues in the budget reflect the continuation of existing policies. However, much of the attention during the budget debate is focused on new proposals – whether they call for eliminating an existing program, introducing a new one, or changing an existing program at the margins. Typically, these new proposals are accompanied by an increase, a decrease, or a shift in expenditures or revenues. Because these changes may have different impacts on people's lives, the budget proposal should present sufficient detail about new policies and their budgetary impact.*

*Question 17 asks about new expenditure policies, and Question 18 asks about new revenue policies. To answer "a," the Executive's Budget Proposal or supporting documentation must present both estimates of how all new policy proposals affect expenditures (for Question 17) or revenues (for Question 18) and a narrative discussion of the impact of these new policies. To answer "b" for either question, the Executive's Budget Proposal or supporting documentation must present estimates that show the impact of all new policy proposals, but no narrative discussion is included. A "c" response applies if the presentation includes only a narrative discussion, or if it includes estimates that show the impact of only some, but not all, policy proposals (regardless of whether it also includes a narrative discussion). Answer "d" applies if no information is presented on the impact of new policy proposals.*

*Prior-year information constitutes an important benchmark for assessing the proposals for the upcoming budget year. Estimates of prior years should be presented in the same formats (in terms of classification) as the budget year to ensure that year-to-year comparisons are meaningful. For example, if the budget proposes shifting responsibility for a particular program from one administrative unit to another – such as shifting responsibility for the training of nurses from the health department to the education department – the prior-year figures must be adjusted before year-to-year comparisons of administrative budgets can be made.*

*Typically, when the budget proposal is submitted, the year prior to the budget year (BY-1), also known as the current year, has not ended, so the executive will provide estimates of the anticipated outcome for BY-1. The soundness of these estimates is directly related to the degree to which they have been updated to reflect actual expenditures to date, legislative changes that have occurred, and anticipated changes in macroeconomic, caseload, and other relevant factors for the remainder of the year.*

*The first year that can reflect actual outcomes, therefore, is generally two years before the budget year (BY-2). Thus the OECD recommends that data covering at least two years before the budget year (along with two years of projections beyond the budget year) are provided in order to assess fully the trends in the budget.*

Answer:

c. Yes, information that shows how some but not all new policy proposals affect revenues are presented.

Source:

2021 Volume 1 Economic and Development Policies, Chapter 2 Fiscal Strategy and Outlook Section 2.3 (page 42-43 and table 4 page 44) the 2021 Budget Strategy and the context set in the Medium Term Fiscal Strategy, including the key reforms in the Medium Term fiscal framework 2021-25 (page 47);

Chapter 3 Revenue (page 50) is largely reporting and forecasting revenue outcomes from changing economic and market conditions, rather than new policies, but particularly Chapter 4 (page 60), Tax and Non-Tax Measures and Developments details the Tax Measures for 2021 (in summary p.60 and in detail p.61 onwards, consistent with the MTRS 2021-25, provided some indicated revenue implication of each reform measure; The previous years' revenue and estimates for 2021 are detailed in Volume 2a - Revenues and Estimates (pages 51-58),

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/2021%20Budget%20Volume%201.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/2021%20Budget%20Volume%201.pdf)

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%202a.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%202a.pdf)

Comment:

The information that is presented does highlight, or at least indicate the expected impact of key policy proposals on revenues provided in Chapter 3 and 4 of Volume 1, notably associated with the Medium Term Revenue Strategy (2021-25) and more specific for 2021, Indications of the outcome, notably in terms of raised or adjusted revenue, rather than the specific calculations to reach those conclusions, are provided.

Peer Reviewer

Opinion: Agree

Comments: Some good discussion explaining planned increases in revenues and the means by which they will be achieved but still somewhat qualitative without tabulating the expected increases from new revenue collection measures

Government Reviewer

Opinion: Agree

19. Does the Executive's Budget Proposal or any supporting budget documentation present expenditures for the year preceding the budget year (BY-1) by any of the three expenditure classifications (by administrative, economic, or functional classification)?

*GUIDELINES:*

*Question 19 asks if expenditure estimates for the year prior to the budget year (BY-1) are presented by one of the three expenditure classifications – by administrative, economic, and functional classifications. Each of the classifications answers a different question: administrative unit indicates who spends the money; functional classification shows for what purpose is the money spent; and economic classification displays what the money is spent on. (See Questions 1-5 above.)*

*To answer "a," the Executive's Budget Proposal or its supporting documentation must present expenditure estimates for BY-1 by all three of the expenditure classifications. To answer "b," expenditure estimates for BY-1 must be presented by two of these three classifications. A "c" answer applies if expenditure estimates for BY-1 are presented by one of the three classifications. Answer "d" applies if expenditure estimates for BY-1 are not presented by any of the three classifications.*

Answer:

a. Yes, expenditure estimates for BY-1 are presented by all three expenditure classifications (by administrative, economic, and functional classification).

Source:

Volume 1, Economic and Development Policies, Chapter 2 Fiscal Strategy and Outlook, 2.2. Supplementary Budget and 2.3 2021 Budget Strategy, provides an expenditure summary estimates as of September Y-1. Chapter 5, Expenditure (Table 16, 2021 Aggregate Expenditure, page 69) provides BY-1 summary figures by economic classification, and for BY-1 (to BY-3) in summary form in Appendix 2, Tables 13A & 13B, BUDGETARY GOVERNMENT EXPENSE BY ECONOMIC CLASSIFICATION (page 160) and by summary Administrative classification AGENCY TYPE (p 161).

Volume 2A 2021 Budget Estimates of Revenue and Expenditure of National Governments

Departments, Section I Summary Tables, Table 1 (page 5) Sectoral Classification of Expenditure by Agency provides actual expenditure for Y-2, but only the Budget appropriation for Y-1. Table 2 (page 11) Economic Classification of Expenditure, also provides actual expenditure for Y-2 and but only the appropriation for Y-1; Table 3 (page 13)

Functional Classification of Expenditure, Table 5 (page 18) Expenditure of Affairs, Functions, and Main Programs, likewise provides Y-2 as actuals but only the original appropriation for Y-1.

SECTION (III) DETAILS OF EXPENDITURE, SUMMARY OF APPROPRIATION (page 69) and Details of the Expenditure (page 70) provides detailed expenditure (revised estimates) for BY-1 (and actual for BY-2) for National Departments; (page 67) for Statutory Authorities and (page 85) for Provincial Governments.

SECTION (IV) NATIONAL GOVERNMENT DEPARTMENTS (page 88 onwards, continuing Volumes 2B, 2C) and Volume 2D 2021 BUDGET ESTIMATES



FOR STATUTORY AUTHORITIES PROVINCIAL GOVERNMENTS, DEBT SERVICES AND TRUST ACCOUNTS, provides detailed Budget appropriations for BY-1 (and actual for BY-2) for Provincial Governments and Statutory Authorities

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/2021%20Budget%20Volume%201.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/2021%20Budget%20Volume%201.pdf)

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%202a.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%202a.pdf)

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%202b.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%202b.pdf)

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%202c.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%202c.pdf)

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%202d.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%202d.pdf)

**Comment:**

All BY-1 data in some of the summary tables comprise data as revised in the Supplementary Budget (of September 2020, tabled simultaneously) and not actuals. The actuals available are for BY-2. The detailed break up is classified by administrative units for national, provincial and statutory bodies and the Trust Accounts and only provides BY-2 and the Y-1 appropriation. The provincial expenditure details are not broken up functionally. tabled simultaneously with the 2021 Budget) and not actuals. The actuals available are for BY-2. The detailed break up is classified by administrative units for national, provincial and statutory bodies and the Trust Accounts are not broken down. The provincial expenditure details are not broken up functionally.

**Peer Reviewer**

Opinion: Agree

Comments: included in tables with budget and outer years

**Government Reviewer**

Opinion: Agree

20. Does the Executive's Budget Proposal or any supporting budget documentation present expenditures for individual programs for the year preceding the budget year (BY-1)?

**GUIDELINES:**

*Question 20 asks if expenditure estimates for the year before the budget year (BY-1) are presented by program. There is no standard definition for the term "program," and the meaning can vary from country to country. However, for the purposes of answering the questionnaire, researchers should understand the term "program" to mean any level of detail below an administrative unit, such as a ministry or department. For example, the Ministry of Health's budget could be broken down into several subgroups, such as "primary health care," "hospitals," or "administration." These subgroups should be considered programs even if they could be, but are not, broken down into smaller, more detailed units.*

*A note for francophone countries: "Program" level detail is sometimes referred to as le plan comptable or le plan comptable detaillé. (These data are typically coded in the financial management database, following the chart of budgetary accounts, so that they can be organized by administrative and functional classification.)*

*To answer "a," the Executive's Budget Proposal or its supporting documentation must present expenditures for all individual programs, accounting for all expenditures, for BY-1. To answer "b," the programs shown individually in the Executive's Budget Proposal or its supporting documentation must account for at least two-thirds of all expenditures for BY-1. A "c" answer applies if the Executive's Budget Proposal or its supporting documentation presents programs that account for only less than two-thirds of expenditures. Answer "d" applies if expenditures are not presented by program.*

**Answer:**

a. Yes, programs accounting for all expenditures are presented for BY-1.

**Source:**

Volume 2A-2C 2021 BUDGET ESTIMATES OF REVENUE AND EXPENDITURE FOR NATIONAL GOVERNMENT DEPARTMENTS Section (IV)(page 88 onwards) National Government Departments, provides Appropriation details by program for BY-1 (and actual for BY-2) for National Departments; Volume 2d 2021 BUDGET ESTIMATES FOR STATUTORY AUTHORITIES PROVINCIAL GOVERNMENTS, DEBT SERVICES AND TRUST ACCOUNTS, provides Appropriation details by program for BY-1 (and actual for BY-2) for Provincial Governments and Statutory Authorities. VOLUME 3A & 3 B PUBLIC INVESTMENT PROGRAM, Capital Budget, by Department and Agency, by Project, but does not provide Y-1.

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/2021%20Budget%20Volume%201.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/2021%20Budget%20Volume%201.pdf)

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%202a.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%202a.pdf)

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%203A%20PIP.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%203A%20PIP.pdf)

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%203B%20PIP.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%203B%20PIP.pdf)

**Comment:**

All BY-1 data comprises only appropriations as revised and not actuals. The actuals available are for BY-2. The detailed break up into programs and administrative units for national, provincial and statutory bodies and the Trust Accounts are not broken down. (Volume 3 on the Capital Budget does not provide past details)

data comprises only appropriations as revised and not actuals. The actuals available are for BY-2. The detailed break up into programs and administrative units for national, provincial and statutory bodies and the Trust Accounts are not broken down.

Peer Reviewer

Opinion: Agree

Comments: As with budget year and outer years

Government Reviewer

Opinion: Agree

21. In the Executive's Budget Proposal or any supporting budget documentation, have expenditure estimates of the year prior to the budget year (BY-1) been updated from the original enacted levels to reflect actual expenditures?

*GUIDELINES:*

*Question 21 asks whether the expenditure estimates for the year before the budget year (BY-1) have been updated from the original enacted levels. Updates can reflect actual experience to date; revised estimates due to shifting of funds by the executive, as permitted under the law; enactment of supplemental budgets; and revised assumptions regarding macroeconomic conditions, caseload, and other relevant factors for the remainder of the year.*

*Answer "a" applies if the estimates have been updated; answer "b" applies if the original estimates are still being used.*

Answer:

a. Yes, expenditure estimates for BY-1 have been updated from the original enacted levels.

Source:

The 2021 Budget documents used the BY-1 Appropriation figures, as revised by the Supplementary Budget of September 2020; Volume 1, Economic and Development Policies, Chapter 2, Fiscal Strategy and Outlook Sn 3.2 2021 Supplementary Budget (page 41) provides some details on the over-expenditure and remedial action required, Chapter 5, Expenditure, provides some detail under 5.2 on the Supplementary Budget adjustments to the 2020 Budget in the face of the Covid-19 crisis, and some further background in the text on sectors, with Section 5.7 (page 89), Status of Trust Accounts, providing details of Trust Account balances at 30 September Y-1; Appendix 2, Table 13A & 13B, (pages 160 & 161), BUDGETARY GOVERNMENT EXPENSE BY ECONOMIC CLASSIFICATION and by AGENCY TYPE, Volume A2 Section (I) (page 2-49) the Summary Tables, Section (III) (page 70-86) Details of Expenditure, Summary of Expenditure and Section (IV) National Government Department (from page 88 and continued in Volume 2B & 2C) provides revised estimates for Y-1, Volume 2D 2021 BUDGET ESTIMATES FOR STATUTORY AUTHORITIES PROVINCIAL GOVERNMENTS DEBT SERVICES AND TRUST ACCOUNTS

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/2021%20Budget%20Volume%201.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/2021%20Budget%20Volume%201.pdf)

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%202a.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%202a.pdf)

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%202b.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%202b.pdf)

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%202c.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%202c.pdf)

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%202d.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%202d.pdf)

Comment:

All expenditure estimates for BY-1 have been revised from the original 2020 appropriations, notably with the Supplementary Budget in September 2020 and revised estimates on 30 September Y-1 expenditure estimates for BY-1 have been revised from the original 2020 appropriations, notably following the Mid-Year Economic and Fiscal Outlook report, and for the 2020 Supplementary Budget in November 2020

Peer Reviewer

Opinion: Agree

Comments: Tables in Volume 1 include presentation of original and revised expenditure budgets. Other Volumes present the revised budget in BY-1 for comparison with BY. So agree with researcher

Government Reviewer

Opinion: Agree

22. Does the Executive's Budget Proposal or any supporting budget documentation present estimates of expenditure for more than one year prior to the budget year (that is, BY-2 and prior years) by any of the three expenditure classifications (by administrative, economic, or functional classification)?

**GUIDELINES:**

Question 22 asks if expenditure estimates for more than one year prior to the budget year (BY-2 and prior years) are presented by any of the three expenditure classifications – by administrative, economic, and functional classifications. Each of the classifications answers a different question: administrative unit indicates who spends the money; functional classification shows for what purpose is the money spent; and economic classification displays what the money is spent on. (See Questions 1-5 above.)

To answer "a," the Executive's Budget Proposal or its supporting documentation must present expenditure estimates for BY-2 and prior years by all three of the expenditure classifications. To answer "b," expenditure estimates for BY-2 and prior years must be presented by two of these three classifications. A "c" answer applies if expenditure estimates for BY-2 and prior years are presented by one of the three classifications. Answer "d" applies if expenditure estimates for BY-2 and prior years are not presented by any of the three classifications

**Answer:**

a. Yes, expenditure estimates for BY-2 and prior years are presented by all three expenditure classifications (by administrative, economic, and functional classification).

**Source:**

Volume 1, Economic and Development Policies, Appendix 2, Tables 13A & 13B (pages 160 & 161) BUDGETARY GOVERNMENT EXPENSE BY ECONOMIC CLASSIFICATION and BY AGENCY TYPE (provides BY-2 and BY-3).  
Volume 2A 2021 Budget Estimates of Revenue and Expenditure of National Governments Departments, Sn (I) Summary Tables 1-5 (pages 5-36) provide Expenditure by administrative, economic, and functional classifications for BY-2, (but not BY-3). Section (III) (page 70 onwards) Details of the Expenditure, Summary of Appropriation includes BY-2 for all Administrative unit; Section (IV)(page 88 and continuing in Volumes 2B & 2C) National Government Departments, provides detailed expenditure for BY-2 for National Departments;  
Volume 2D 2021 BUDGET ESTIMATES FOR STATUTORY AUTHORITIES PROVINCIAL GOVERNMENTS, DEBT SERVICES AND TRUST ACCOUNTS, provides detailed expenditure for BY-2 (actual) for Provincial Governments and Statutory Authorities, plus Debt Servicing and Trust Funds.  
[https://www.treasury.gov.pg/html/national\\_budget/files/2021/2021%20Budget%20Volume%201.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/2021%20Budget%20Volume%201.pdf)  
[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%202a.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%202a.pdf)  
[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%202b.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%202b.pdf)  
[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%202c.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%202c.pdf)  
[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%202d.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%202d.pdf)

**Comment:**

The aggregate 'actuals' are provided for BY – 2 and BY-3 as shown in Table 13A & B, and in the Summary tables derived from the expenditure classifications by programs and functional classifications and are shown in more detail for BY-3 in the summary tables of Volume 2A by economic, functional and administrative classifications. The detailed break up for Y-2 is classified by administrative units and programs for national, provincial and statutory bodies and the Trust Accounts (which are not broken down).

The expenditure classifications by programs and functional classifications and are shown in more detail in the summary tables of Volume 2A by economic, functional and administrative classifications. The detailed break up is classified by administrative units and programs for national, provincial and statutory bodies and the Trust Accounts (which are not broken down).

**Peer Reviewer**

Opinion: Agree

Comments: Standard tables presenting: BY-2, BY-1, BY, BY+1, BY+2, BY+3 (and in some instances BY+4)

**Government Reviewer**

Opinion: Agree

22b. Based on the response to Question 22, check the box(es) to identify which expenditure classifications have estimates for more than one year prior to the budget year in the Executive Budget Proposal:

**Answer:**

Administrative classification

Economic classification

Functional classification

**Source:**

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%202a.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%202a.pdf)  
[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%202b.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%202b.pdf)  
[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%202c.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%202c.pdf)  
[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%202d.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%202d.pdf)

**Comment:**

The aggregate 'actuals' are provided for BY – 2 and BY-3 as shown in Table 13A & B in Volume 1, and in the Summary tables derived from the

expenditure classifications by programs and functional classifications and are shown in more detail for BY-3 in the summary tables of Volume 2A by economic, functional and administrative classifications. The detailed break up is only shown for Y-2, classified by administrative units and programs for national, provincial and statutory bodies and the Trust Accounts (which are not broken down).

Peer Reviewer

Opinion: Agree

Comments: As discussed in earlier questions for BY and also considering Standard tables presenting: BY-2, BY-1, BY, BY+1, BY+2, BY+3 (and in some instances BY+4)

Government Reviewer

Opinion: Agree

23. Does the Executive's Budget Proposal or any supporting budget documentation present expenditures for individual programs for more than one year preceding the budget year (that is, BY-2 and prior years)?

**GUIDELINES:**

*Question 23 asks if expenditure estimates for more than one year before the budget year (BY-2 and prior years) are presented by program. There is no standard definition for the term "program," and the meaning can vary from country to country. However, for the purposes of answering the questionnaire, researchers should understand the term "program" to mean any level of detail below an administrative unit, such as a ministry or department. For example, the Ministry of Health's budget could be broken down into several subgroups, such as "primary health care," "hospitals," or "administration." These subgroups should be considered programs even if they could be, but are not, broken down into smaller, more detailed units.*

*A note for francophone countries: "Program" level detail is sometimes referred to as le plan comptable or le plan comptable detaillé. (These data are typically coded in the financial management database, following the chart of budgetary accounts, so that they can be organized by administrative and functional classification.)*

*To answer "a," the Executive's Budget Proposal or its supporting documentation must present expenditures for all individual programs, accounting for all expenditures, for BY-2 and prior years. To answer "b," the programs shown individually in the Executive's Budget Proposal or its supporting documentation must account for at least two-thirds of all expenditures for BY-2 and prior years. A "c" answer applies if the Executive's Budget Proposal or its supporting documentation presents programs that account for only less than two-thirds of expenditures. Answer "d" applies if expenditures are not presented by program.*

Answer:

a. Yes, programs accounting for all expenditures are presented for BY-2 and prior years.

Source:

Volume 2A-2C, 2021 BUDGET ESTIMATES OF REVENUE AND EXPENDITURE FOR NATIONAL GOVERNMENT DEPARTMENTS Section 1 (Summary Tables) Table 5 (page 19-36), provides the main programs and Section (IV)(page 88 onwards) National Government Departments, provides detailed expenditure for BY-2 for National Departments by program;

Volume 2D 2021 (Sections 1-4) BUDGET ESTIMATES FOR STATUTORY AUTHORITIES PROVINCIAL GOVERNMENTS, DEBT SERVICES AND TRUST ACCOUNTS, provides detailed expenditure for BY-2 for Provincial Governments, Statutory Authorities and Debt Servicing (notably in the initial summary table by program for each department/agency and then program by program)

VOLUME 3A & 3B PUBLIC INVESTMENT PROGRAM FOR STATUTORY AUTHORITIES AND PROVINCIAL GOVERNMENTS 2021 – 2025

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/2021%20Budget%20Volume%201.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/2021%20Budget%20Volume%201.pdf)

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%202a.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%202a.pdf)

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%202b.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%202b.pdf)

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%202c.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%202c.pdf)

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%202d.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%202d.pdf)

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%203A%20PIP.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%203A%20PIP.pdf)

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%203B%20PIP.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%203B%20PIP.pdf)

Comment:

Expenditures for individual programs are presented for revised estimates for BY-2 only. The main programs are provided in the summary section (Section 1, Table 5 of Volume 2A), and in full detail in the main expenditure sections (of Vol 2A Section 4, 2B, 2C, Sections 1-4 of 2D) and in the Development Program by agency and project in Volume 3A and 3B

Peer Reviewer

Opinion: Agree

Comments: As discussed in earlier questions for BY and also considering Standard tables presenting: BY-2, BY-1, BY, BY+1, BY+2, BY+3 (and in some instances BY+4)

Government Reviewer

Opinion: Agree

24. In the Executive's Budget Proposal or any supporting budget documentation, what is the most recent year presented for which all expenditures reflect actual outcomes?

**GUIDELINES:**

*Question 24 asks for which year the actual outcomes for expenditures are shown. In most cases, the most recent year for which budget data on actual outcomes are available will be BY-2, as BY-1 is generally not yet finished when the budget proposal is drafted. So a government that has updated all its expenditure data for BY-2 to reflect what actually occurred, as opposed to estimating the outcome for that year, shows good public financial management practice.*

*For an "a" answer, a country must meet the good practice of having the figures for BY-2 reflect actual outcomes.*

**Answer:**

a. Two years prior to the budget year (BY-2).

**Source:**

Volume 1, Economic and Development Policies, Appendix 2, Table 13A & 13B (p.160-161) GENERAL GOVERNMENT EXPENSE BY ECONOMIC CLASSIFICATION and BY AGENCY TYPE, has BY-2 as the most recent year using actuals 2021 Budget Estimates of Revenue and Expenditure of National Government Department Volume 2A, Summary Tables on Expenditure Sections (I) Table 1- 5 (pages 5-36) Section (III), Details of Expenditure (page 70) and Section (IV) (Volumes 2A-2C) Details of Expenditure, National Government Departments shows BY-2 as the most recent year using actuals Volume 2D (Sections I-IV) for Statutory Authorities, Provincial Governments and Debt Servicing  
[https://www.treasury.gov.pg/html/national\\_budget/files/2021/2021%20Budget%20Volume%201.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/2021%20Budget%20Volume%201.pdf)  
[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%202a.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%202a.pdf)  
[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%202b.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%202b.pdf)  
[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%202c.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%202c.pdf)  
[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%202d.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%202d.pdf)  
[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%203A%20PIP.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%203A%20PIP.pdf)  
[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%203B%20PIP.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%203B%20PIP.pdf)

**Comment:**

The B-Y2 (unaudited) actuals are presented in the 2021 National Budget documents, in aggregate in volume 1 and in summary and full in volumes 2A-D and Volumes 3 A & 3 B

**Peer Reviewer**

Opinion: Agree

Comments: As referenced above

**Government Reviewer**

Opinion: Agree

25. Does the Executive's Budget Proposal or any supporting budget documentation present revenue by category (such as tax and non-tax) for the year preceding the budget year (BY-1)?

**GUIDELINES:**

*Questions 25 through 30 cover the same topics about prior-year information as the previous six questions, only they ask about information provided for revenues rather than expenditures.*

**Answer:**

a. Yes, revenue estimates for BY-1 are presented by category.

**Source:**

2021 Volume 1 Economic and Development Policies, Chapter 3, Revenue (page 50), Tables 9-15 (pages 50-56); Appendix 2, Economic and Fiscal Data Tables, Table 12 (page 159) GENERAL GOVERNMENT REVENUE 2014 GFS ECONOMIC CLASSIFICATION shows the break up for BY-1. VOLUME 2A, 2021 BUDGET ESTIMATES OF REVENUE AND EXPENDITURE FOR NATIONAL GOVERNMENT DEPARTMENTS: SECTION (II) DETAILS OF REVENUE, GRANTS AND LOAN ESTIMATES (Page 52-64) for revenue and grants for Y-1 Volume 2 D Section IV, Details of Trust Accounts (pages 638-652)

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/2021%20Budget%20Volume%201.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/2021%20Budget%20Volume%201.pdf)

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%202a.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%202a.pdf)

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%202d.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%202d.pdf)

**Comment:**

The estimates of revenue categories (as estimated in September with the Supplementary Budget) for BY-1 is broken up in Appendix 2, Table 12 (page 159) (and subsequent tables) of Volume 1, into Tax, Grants and other revenue, and in Chapter 3 Revenue, with tables and text (pages 50-56 and Tables 9-15) further detailing the revenue into Income and Profits, Personal Income tax, Company tax, and other direct taxes etc, Taxes on Goods and Services, Taxes on International Trade, Property Income, Value Added Tax (VAT) Mining Levies, Import and Export Duty and grants. Chart 35 provides a summary visual break up by category. More details are provided in table 12 in Appendix 2, and Section II of Volume 2A and Volume 2D for Trust Funds.

Peer Reviewer

Opinion: Agree

Comments: As discussed in earlier questions for BY and also considering Standard tables presenting: BY-2, BY-1, BY, BY+1, BY+2, BY+3 (and in some instances BY+4)

Government Reviewer

Opinion: Agree

26. Does the Executive's Budget Proposal or any supporting budget documentation present individual sources of revenue for the year preceding the budget year (BY-1)?

**GUIDELINES:**

*Questions 25 through 30 cover the same topics about prior-year information as the previous six questions, only they ask about information provided for revenues rather than expenditures.*

Answer:

a. Yes, individual sources of revenue accounting for all revenue are presented for BY-1.

Source:

2021 Volume 1 Economic and Development Policies, Chapter 3, Revenue, tables 9-15 (pages 50-56) for tax and non-tax revenue and grants for BY 1, and associated text, and Appendix 2, Table 12, (page 159) General Government Revenue provide a revenue breakdown into sources for BY-1. Volume 2A, Budget Estimates of Revenue and Expenditure..., Section (II) Details of Revenue, Grants and Loan Estimates (page 52-64 for revenue and grants), provide summary and more detailed breakdowns for BY-1. Volume 2D Section IV Details of Trust Accounts, including receipts -

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/2021%20Budget%20Volume%201.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/2021%20Budget%20Volume%201.pdf)

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%202a.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%202a.pdf)

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%202d.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%202d.pdf)

Comment:

The estimates of revenue by individual sources (as of September with the Supplementary Budget) for BY-1 is broken up in Appendix 2, Table 12 (page 159) (and subsequent tables) of Volume 1, into Tax, Grants and other revenue, and in Chapter 3 Revenue, with tables and text (pages 50-56 and Tables 9-15) further detailing the revenue into Income and Profits, Personal Income tax, Company tax, and other direct taxes etc, Taxes on Goods and Services, Taxes on International Trade, Property Income, Value Added Tax (VAT) Mining Levies, Import and Export Duty and grants. More details are provided in table 12 in Appendix 2, and Section II of Volume 2A and Volume 2D for Trust Funds.

Peer Reviewer

Opinion: Agree

Comments: As discussed in earlier questions for BY and also considering Standard tables presenting: BY-2, BY-1, BY, BY+1, BY+2, BY+3 (and in some instances BY+4)

Government Reviewer

Opinion: Agree

27. In the Executive's Budget Proposal or any supporting budget documentation, have the original estimates of revenue for the year prior to the budget year (BY-1) been updated to reflect actual revenue collections?

**GUIDELINES:**

*Questions 25 through 30 cover the same topics about prior-year information as the previous six questions, only they ask about information provided for revenues rather than expenditures.*

Answer:

a. Yes, revenue estimates for BY-1 have been updated from the original enacted levels.

Source:

2021 Volume 1 Economic And Development Policies, Chapter 3, Revenue, (pages 50-56) tables 9-15 and associated text, and Appendix 2, Table 12 (page 159), General Government Revenue 2014 GFS Economic Classification provide the original Budget revenue Estimates and the 2020 Supplementary Budget estimate (as of September 2020 ) for BY-1

Comment:

The original budget revenue estimates for BY-1 are provided in the tables and text of Chapter 3 and Table 12 in Appendix 2, together with revised estimates based on the actual revenue data (receipts) and estimates for the balance of the year, as included in the Supplementary Budget in September 2020. (An updated break-up is not provided in Volume 2A on each of the tax and non tax revenue items)

Peer Reviewer

Opinion: Agree

Comments: Yes these updates can be seen in separate columns for original and revised budgeted revenues as in Section 3 of Volume 1. However, Volume 2a (for example) just has the single column for FY2020 revenues, which on the face of it does not follow the revised revenue budget but more the original budget

Government Reviewer

Opinion: Agree

28. Does the Executive's Budget Proposal or any supporting budget documentation present revenue estimates by category (such as tax and non-tax) for more than one year prior to the budget year (that is, BY-2 and prior years)?

*GUIDELINES:*

*Questions 25 through 30 cover the same topics about prior-year information as the previous six questions, only they ask about information provided for revenues rather than expenditures.*

Answer:

a. Yes, revenue estimates for BY-2 and prior years are presented by category.

Source:

2021 Volume 1 Economic And Development Policies, Chapter 3, Revenue, (pages 50-56) tables 9-15 and associated text provides a revenue breakdown into sources for BY-2, and Appendix 2, Table 12, General Government Revenue 2014 GS Economic Classification, provides a revenue breakdown into sources for BY-2 and BY-3.

Volume 2A Section (I) Summary Tables, Table A2 (page 2) Economic Classification of Revenue, provides details of BY-2 and BY-3 and Table 1 (pages 4+ insert printed in the Budget book, but not seemingly accessible online) General Government Revenue 2014 GS Economic Classification also provides details of BY-2 and BY-3, and Section (II) Details of Revenue, Grants and Loan Estimates (page 52-64), provides summary and more detailed breakdowns for BY-2.

Volume 2D, Section IV Details of Trust Accounts, provides details of BY-1 only, and most the data is reported as N/A.

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%202a.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%202a.pdf)

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/2021%20Budget%20Volume%201.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/2021%20Budget%20Volume%201.pdf)

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%202d.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%202d.pdf)

Comment:

Peer Reviewer

Opinion: Agree

Comments: As discussed in earlier questions for BY and also considering Standard tables presenting: BY-2, BY-1, BY, BY+1, BY+2, BY+3 (and in some instances BY+4)

Government Reviewer

Opinion: Agree

29. Does the Executive's Budget Proposal or any supporting budget documentation present individual sources of revenue for more than one year prior to the

budget year (that is, BY-2 and prior years)?

**GUIDELINES:**

Questions 25 through 30 cover the same topics about prior-year information as the previous six questions, only they ask about information provided for revenues rather than expenditures.

**Answer:**

a. Yes, individual sources of revenue accounting for all revenue are presented for BY-2 and prior years.

**Source:**

2021 Volume 1 Economic and Development Policies, Chapter 3, Revenue, tables 9-15 (pages 50-56) and associated text for BY-2, and Appendix 2, Table 12, General Government Revenue 2014 GS Economic Classification provide a revenue breakdown into sources for BY-2 to BY-3. Volume 2A Section (II) Details of Revenue, Grants and Loan Estimates (Page 52-64), provide summary and more detailed breakdowns of revenue from different Departmental and other Government sources and grants for BY-2. (Receipts from Trust funds, in Volume 2D are not available for BY-2, only BY-1, although most details are N/A)

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/2021%20Budget%20Volume%201.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/2021%20Budget%20Volume%201.pdf)

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%202a.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%202a.pdf)

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%202d.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%202d.pdf)

**Comment:**

**Peer Reviewer**

Opinion: Agree

Comments: As discussed in earlier questions for BY and also considering Standard tables presenting: BY-2, BY-1, BY, BY+1, BY+2, BY+3 (and in some instances BY+4)

**Government Reviewer**

Opinion: Agree

30. In the Executive's Budget Proposal or any supporting budget documentation, what is the most recent year presented for which all revenues reflect actual outcomes?

**GUIDELINES:**

Questions 25 through 30 cover the same topics about prior-year information as the previous six questions, only they ask about information provided for revenues rather than expenditures.

**Answer:**

a. Two years prior to the budget year (BY-2).

**Source:**

VOLUME 1 ECONOMIC AND DEVELOPMENT POLICIES, Chapter 3 Revenue (page 50-56), Tables 9-15 and Appendix 2, Table 11 & 12 (page 158-9), BY-2 applies actual (although not audited) outcomes.

Volume 2A 2021 Recurrent Budget Estimates For Revenue and Expenditure For National Government Departments, Section (I) Table A2 (pages 2-4) specifies BY-2 as estimate and BY-3 as actual, while Section (II) Details of Revenue, Grants and Loans- (page 52-64) specifies BY-2 as actual.

Volume 2D 2021 Budget Estimates for Statutory Authorities, Provincial Governments, Debt Services and Trust Accounts. (Highlighting revenue from Trust Funds) Part IV, Details of Trust Accounts (page 637) provides no BY-2 data and no actuals.

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/2021%20Budget%20Volume%201.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/2021%20Budget%20Volume%201.pdf)

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%202a.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%202a.pdf)

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%202d.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%202d.pdf)

**Comment:**

The BY - 2 actuals are presented in the 2021 National Budget (although not in all tables), but no actuals for Trust funds (in Vol. 2D). These figures are unaudited.

**Peer Reviewer**

Opinion: Agree

Comments: BY-2 in the tables reflect the actuals for FY2019



31. "Does the Executive's Budget Proposal or any supporting budget documentation present information on government borrowing and debt, including its composition, for the year preceding the budget year (BY-1)?"

(The core information must include the total debt outstanding at the end of BY-1; the amount of net new borrowing required during BY-1; interest payments on the debt; interest rates on the debt instruments; maturity profile of the debt; and whether it is domestic or external debt.)"

**GUIDELINES:**

*Question 31 focuses on prior-year debt information, rather than on prior-year expenditures or revenues, asking whether "core" information is provided on government borrowing and debt, including its composition, for the year preceding the budget year (BY-1).*

*The "core" information includes:*

- *total debt outstanding at the end of BY-1;*
- *amount of net new borrowing required during BY-1;*
- *interest payments on the debt;*
- *interest rates on the debt instruments;*
- *maturity profile of the debt; and*
- *whether it is domestic or external debt.*

*This core information for BY-1 is consistent with the budget year information for borrowing and debt, which is examined in Questions 13 and 14. Please note that for the purposes of this question, the deficit may be accepted as a proxy for net new borrowing.*

*In addition, some governments provide information beyond the core elements, such as gross new borrowing required during BY-1; currency of the debt; whether the debt carries a fixed or variable interest rate; whether it is callable; a profile of the creditors (bilateral institutions, multilateral institutions, commercial banks, Central Bank, etc.); where appropriate, what the debt is being used to finance.*

*To answer "a," the Executive's Budget Proposal or supporting documentation must present all of the core information related to government borrowing and debt, including its composition, for BY-1 as well as some additional information beyond the core elements. To answer "b," the Executive's Budget Proposal or supporting documentation must present all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to government borrowing and debt, including its composition, but some of the core pieces of information are not included. Answer "d" applies if no information is presented on government borrowing and debt for BY-1.*

**Answer:**

b. Yes, the core information is presented for government debt.

**Source:**

2021 Volume 1 Economic and Development Policies: Chapter 7, Financing and Debt management Strategy, (page 106-115, notably Tables 24-30), notably Sn 7.1, Financing Background to the 2021 Budget, (page 106) provides some further details on the composition, foreign currency, refinancing, operational and interest rate risks, average maturity of domestic debt portfolio, plans for BY-1, but only specifying prevailing interest rate applicable for some of specific borrowings; Appendix 2, Table 15, (page 163) Stocks of General Government Debt, which provides the level and composition of the debt, between domestic and external and sources for BY-1, Table 13A & 13B General Government Expense by Economic Classification and by Agency Type (pages 160 & 161) showing debt servicing costs and Table 14 (page 162), Transactions in Assets and Liabilities for General Government showing the overall level of transactions (including new borrowings and amortization) in domestic and external and other debt instruments for BY-1.)

VOLUME 2D 2021 BUDGET ESTIMATES FOR STATUTORY AUTHORITIES PROVINCIAL GOVERNMENTS DEBT SERVICES AND TRUST ACCOUNTS, Section

(III) Details of Debt Services (page 299-635) provides the interest and other debt charges by amended Appropriation for BY-1

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/2021%20Budget%20Volume%201.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/2021%20Budget%20Volume%201.pdf)

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%202a.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%202a.pdf)

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%202d.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%202d.pdf)

**Comment:**

The basic information is provided on public debt levels and composition for BY-1 in Volume 1, Table 15 (estimate for BY-1), on total debt service costs in Table 13 A & B (revised estimate), and on debt transactions in Table 14, with related explanation and analysis in Chapter 7. There is considerable detail on Public Debt Charges in Volume 2D, on the revised appropriation figures for BY-1 (actual for BY-2), but the Budget Proposal provides very limited details (in Vol 1, Chapter 7) on interest rates and maturity of debt of its respective financing (e.g. average maturity of domestic debt, Table 30, page 114). Some information on interest rates for specific debt instruments in BY-1 is provided (see Table 26, p. 112) however the maturities profile of debt is not shown. However, because there is information beyond the core, the score of B is selected. (Some additional information, notably on interest rates is available from the Central Bank - as cross-referenced in the Budget Proposal, but again without a detailed breakdown in relation to maturity and other details of public debt).

Peer Reviewer

Opinion: Disagree

Suggested Answer:

c. Yes, information is presented, but it excludes some core elements.

Comments: As for BY. Standard tables presenting: BY-2, BY-1, BY, BY+1, BY+2, BY+3 (and in some instances BY+4) However, interest rates are not presented nor are maturity profiles

Government Reviewer

Opinion: Agree

IBP Comment

The researcher's comment is confirmed, the current response of "b" is maintained. While interest rates are missing, there is enough information on maturity rates - namely the average maturity of domestic debt portfolio for BY-1, to count as an element for this question. Given that there is only one core element missing, and there is information beyond the core, this question can be scored as B.

32. In the Executive's Budget Proposal or any supporting budget documentation, what is the most recent year presented for which the debt figures reflect actual outcomes?

**GUIDELINES:**

*Question 32 asks for which year the actual outcome for total debt outstanding is shown. In most cases, the most recent year for which budget data on actual outcomes are available will be BY-2, as BY-1 is generally not yet finished when the budget proposal is drafted. So a government that has updated its debt data for BY-2 to reflect what actually occurred, as opposed to estimating the outcome for that year, shows good public financial management practice.*

*For an "a" answer, a country must meet the good practice of having the figures for BY-2 reflect actual outcomes.*

*It is essential that all government activities that may have an impact on the budget – in the current budget year or in future budget years – be fully disclosed to the legislature and the public in budget documents. In some countries, for instance, entities outside central government (such as public corporations) undertake fiscal activities that could affect current and future budgets. Similarly, activities that can have a significant impact on the budget, such as payment arrears and contingent liabilities, sometimes are not properly captured by the regular presentations of expenditure, revenue, and debt.*

Answer:

a. Two years prior to the budget year (BY-2).

Source:

2021 Volume 1 Economic and Development Policies: Chapter 7, : Financing and Debt Strategy, Sn 7.1 Table 24 and 27 (page 108 & 113) and Appendix 2, Table 15 Stocks in General Government Debt (page 163) shows BY-2 as actuals, Table 13A & 13B Budgetary Government Expense... shows debt servicing for BY-2 as actuals. VOLUME 2D 2021 BUDGET ESTIMATES FOR STATUTORY AUTHORITIES PROVINCIAL GOVERNMENTS DEBT SERVICES AND TRUST ACCOUNTS, SECTION (III) DETAILS OF DEBT SERVICES (page 598-635) show BY-2 as actuals

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/2021%20Budget%20Volume%201.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/2021%20Budget%20Volume%201.pdf)

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%202a.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%202a.pdf)

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%202d.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%202d.pdf)

Comment:

The public debt figures in Chapter 7 show BY-2 figures for instruments and total for debt outstanding, but only Table 24 & 27 as (unaudited) actuals, Appendix 2, table 15 reflect the BY-2 debt figures. The cost of debt servicing is shown in Volume 2D, Debt Services, as actuals and in summary form Vol 1, Appendix 2 Table 13 A & B as actuals. (so for the marking for this probably lies between A and B, on the basis of information provided in the Budget Proposal documents)

Peer Reviewer

Opinion: Agree

Comments: As discussed in earlier questions for BY-2 are actuals Standard tables presenting: BY-2, BY-1, BY, BY+1, BY+2, BY+3 (and in some instances BY+4)

Government Reviewer

Opinion: Agree

33. "Does the Executive's Budget Proposal or any supporting budget documentation present information on extra-budgetary funds for at least the budget year?"

(The core information must include a statement of purpose or policy rationale for the extra-budgetary fund; and complete income, expenditure, and financing

data on a gross basis.)"

**GUIDELINES:**

Question 33 focuses on extra-budgetary funds, asking whether "core" information related to these funds, which exist outside the budget, are presented. These core components include:

- a statement of purpose or policy rationale for the extra-budgetary fund (i.e., why was a particular fund set up? what is it used for?); and
- estimates of its income, expenditure, and financing. (These estimates should be presented on a gross basis so that it is possible to tell how much money flows through each extra-budgetary fund.)

In most countries, governments engage in certain budgetary activities that are not included in the central government's budget. Known as extra-budgetary funds, they can range in size and scope. For example, countries frequently set up pension and social security programs as extra-budgetary funds, where the revenues collected and the benefits paid are recorded in a separate fund outside the budget. Another example of an extra-budgetary fund can be found in countries dependent on hydrocarbon/mineral resources, where revenues from producing and selling those resources are channeled through systems outside the annual budget.

In some cases, the separation engendered by an extra-budgetary fund serves a legitimate political purpose, and the finances and activities of these funds are well documented. In other cases, however, this structure is used for obfuscation, and little or nothing is known about a fund's finances and activities.

The availability of information related to extra-budgetary funds is essential for a comprehensive understanding of the government's true fiscal position. In addition to the core information, other information about extra-budgetary funds is also desirable. Such information includes a discussion of the risks associated with the extra-budgetary fund; expenditures classified by economic, functional, or administrative unit; and the rules and procedures that govern the operations and management of the extra-budgetary fund.

For more information about extra-budgetary funds, see the *Guide to Transparency in Public Finances: Looking Beyond the Core Budget* (<http://internationalbudget.org/wp-content/uploads/Looking-Beyond-the-Budget.pdf>) and Principle 2.1.1 of the IMF's *Fiscal Transparency Handbook (2018)* (<https://www.elibrary.imf.org/view/IMF069/24788-9781484331859/24788-9781484331859/24788-9781484331859.xml>).

To answer "a," the Executive's Budget Proposal or supporting documentation must present all of the core information related to extra-budgetary funds as well as some additional information beyond the core elements. A "b" answer applies if the Executive's Budget Proposal or supporting documentation presents all of the core information. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to extra-budgetary funds is presented, but some of the core pieces of information are not included. Answer "d" applies if no information is presented on extra-budgetary funds.

Please provide in the comments a list of all known extra-budgetary funds.

Answer:

c. Yes, information is presented, but it excludes some core elements or some extra-budgetary funds.

Source:

2021 Volume 1 Economic and Development Policies: Chapter 3, Revenue (page 50) makes reference to the Sovereign Wealth Fund (page 57, although not yet operational owing to deficient revenue); there's also some discussion under 3.3 (other Revenue) on the Government's policy for SOE dividends to be transmitted to Consolidated Revenue, and not-Tax revenue by government bodies, notably under the Non-Tax Revenue Bill, which forms part of the 2021 Budget, (which replaces the Public Money Management Regularisation Act 2017, which was found legally deficient). Chapter 5, Expenditure, provides some details of the Trust Accounts, including funds support for related to the Covid-19 in the Trust Account, intended to carry funds from different sources over from year to year. Chapter 8, National Reform Agenda, 8.6 (page 127) gives further detail on the Implementation of the Sovereign Wealth Fund, Chapter 9, 'Enhancing State's Investments' (page 129), notably 9.2, SOE Objectives and State's Investment Performance, on Dividend policy for SOEs, and use of the General Business Trust, 9.3 (Broader Reforms) spell out some policies over revenue management, including from SOEs and public authorities, including the use of the Public Money Management Regularisation Act 2017, which was declared unconstitutional in mid 2020, to be succeeded by the Non-Tax Revenue Administration Bill 2020 to (continue) recoup funds collected from diverse sources and sometimes held in trust accounts.

Volume 2D 2021 Recurrent Budget Estimates for Statutory Authorities, Provincial Governments, Debt Services and Trust Accounts, Section IV, Details of Trust Accounts. (Page 637-673)

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/2021%20Budget%20Volume%201.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/2021%20Budget%20Volume%201.pdf)

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%202d.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%202d.pdf)

Comment:

The core information is provided, but, as highlighted in Chapters 8 and 9, reforms are ongoing, consistent with the new and prior Medium Term Fiscal. Strategy to better identify public funds and ensure accountable fiscal management over these funds, was disrupted in 2020 by a Court ruling, with new legislation introduced to succeed the 2017 legislation which was deemed null and void. Many statutory bodies have been authorised to collect levies, cess or fees for licenses, permits, etc, which have funded their operations, but also have allowed some bodies (notably the National Fisheries Authority) to undertake extensive investment and non-Budget expenditure. The Public Money Management Regularisation Act 2017, was introduced in the 2018 Budget and served it purpose well, in terms of greater public revenue and fiscal accountability, but undermined the capacity of the Statutory Authorities to deliver their mandates, It was deemed un-Constitutional in 2020, but replaced with successor legislation to achieve similar outcomes as part of the 2021 Budget, with revenue forecasts based upon the State receiving these funds (and including funding for the NSA's under Government allocations).

The operating funds without a set of investment parameters or guidelines provided by Government, the largest being for Fisheries License fees. There are extensive trust funds and new extra budgetary funds, including the long planned Sovereign Wealth Fund (Chapter 8.6 page 127-128), to which "the Government is committed as an important part of its macroeconomic management policies to manage and invest the revenues generated

by resource projects in the future", although in the light of "the significant deficit and rate of interest on at least some external loans, the Government acknowledges that the immediate establishment of the SWF would not be appropriate".

Public concerns relate to revenue accruing to, and financing arrangements for major resource and construction projects undertaken through SOEs (notably Kumul Petroleum and Kumul Consolidated Holdings) or other vehicles, imposing contingent liabilities on the State, and lack of public access to the contract arrangements. The deficient sharing of information between State-Owned Enterprises and the Treasury undermines the latter's capacity to forecast and track revenue and debt's particularly as Kumul Petroleum has been allowed to be audited outside normal government processes, with the audit not even tabled in Parliament. (The EITI process has helped expose and clarify arrangements and responsibilities related to the resource sector, but further progress is required particularly by some public institutions). Details of trust funds are provided in Volume 2D (section IV), that "the Public Accounts consists of the trust fund and the Consolidated Revenue Fund. The Trust Accounts are individual accounts that make up the trust accounts. The monies held in trust accounts are third party monies in trust, but can also be monies held for individuals and Government of PNG monies funded by development partners.

1. Revenue Trust: Used to account for Revenue collected from customers/industry for paying specific expenses of services provided by the government.
2. Beneficiary Investment Trust: Record receipts from various sources and payment made to beneficiaries of investments made by the station on their behalf.
3. Royalty Trusts: Used to account for royalties for oil, timber, etc and payments to the beneficiaries (eg: Provincial Government and Resource Owners).
4. Temporary Holding Trust: Used to hold third party monies that are in dispute.
5. Special Purpose Trust: Used to hold third party monies that are in dispute.
6. Project Trust: holds monies from donor and / or GoPNG counterpart funds for development projects"

Peer Reviewer

Opinion: Agree

Comments: Some of the researcher justification relates to SOEs - those commercial public corporations (PCs in accordance with GFSM2014 do not fall into the category of extrabudgetary funds). Without a defined public sector institutions table, it is difficult to be more definitive on this, but it seems that some information is provided in the budget so the score of C looks about right

Government Reviewer

Opinion: Agree

IBP Comment

The peer reviewer's comment is well-noted; the current response is maintained.

34. Does the Executive's Budget Proposal or any supporting budget documentation present central government finances (both budgetary and extra-budgetary) on a consolidated basis for at least the budget year?

**GUIDELINES:**

*Question 34 asks whether the Executive's Budget Proposal or supporting documents present the finances of the central government on a consolidated basis, showing both its budgetary and extra-budgetary activities. Virtually all of the questions in the OBS questionnaire focus on budgetary central government – the activities of the ministries, departments, or agencies of central government. In addition, Question 33 asks about extra-budgetary funds, such as social security funds that are not included in the budget.*

*Coverage is an important aspect of fiscal reporting. Budget documents should cover the full scope of government's financial activity. In many countries, extra-budgetary activities are substantial, and can represent a sizable share of the central government's activities. To get a full picture of the central government's finances, therefore, it is necessary to examine both activities that are included in the budget and those that are extra-budgetary. This question asks whether such a consolidated presentation of central government finances is provided.*

*The central government is only one component of the overall public sector. The public sector also includes other levels of government, such as state and local government, and public corporations. (See Box 2.1 under Principle 1.1.1 of the IMF's Fiscal Transparency Handbook (2018): <https://www.elibrary.imf.org/view/IMF069/24788-9781484331859/24788-9781484331859/24788-9781484331859.xml>). For the purpose of answering this question, please consider only the central government level.*

*In order to answer "a," the Executive's Budget Proposal or supporting documentation must present central government finances (both budgetary and extra-budgetary) on a consolidated basis for at least the budget year.*

Answer:

b. No, central government finances are not presented on a consolidated basis.

Source:

2021, Volume 1 Economic and Development Policies: Appendix 2, Tables (pages 157-161) Table 10 Statement of Operations for General Government, Table 11 Statement of Sources and Uses of Cash, Tables 12 General Government Revenue (including details of "other Revenue", Table 13A and 13B General Government Expense Appendix 1, Tables 1.1 and 1.2 (pages 145-146)) Grants and Transfers to Provinces; Chapter 3 Revenue (page 50), notably 3.3 Other Revenue (page 55), including 'statutory transfers' and 6, 'Expenditure' (page 97) provides some combined detail on both Budget and some extra-budgetary funds collection, including 5.7 Trust Funds (page 89), 6.7 and table 21, Trust Fund Movements during BY-1, but no

forecasts for BY.

Chapter 8 National Reform Agenda emphasises the need for greater consolidation, including administration of the SWF. Volume 2A 2021 BUDGET ESTIMATES OF REVENUE AND EXPENDITURE FOR NATIONAL GOVERNMENT DEPARTMENTS

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/2021%20Budget%20Volume%201.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/2021%20Budget%20Volume%201.pdf)

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%202a.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%202a.pdf)

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%202d.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%202d.pdf)

Comment:

With the reforms to the Public Finances (Management) Act and the Public Money Management Regularisation Act (PMMR) (now reintroduced as the Non-Tax Revenue Administration Bill, 2020, following the Court rejection of the PMMR during 2020), and the continued rolling out of the Integrated Financial Management System (IFMS), the objective is for all receipts and transactions into and by Trust Funds to be reflected in the IFMS by the end of 2020. Considerable progress has been made towards this, including under the PMMR, with much of the funds formerly held or deposited in the respective trust accounts being swept up and transferred to consolidated revenue. However, as some of these funds are dedicated for specific functions or in some cases are funds held on behalf of third parties, greater accountability is required throughout. Nevertheless, some of the substantial funds retained in Trust Funds and other off-budget arrangements are not routinely or necessarily recorded and reflected in the Budget, including project expenditure from Kumul Holdings Ltd (the State's SOE and equity holding corporation). This merits an A- or B+

Peer Reviewer

Opinion: Agree

Comments: As stated earlier - to be definitive on this it would be useful to have a public sector institutions table but it is clear that the budget does not provide details on extrabudgetary units

Government Reviewer

Opinion: Agree

35. Does the Executive's Budget Proposal or any supporting budget documentation present estimates of intergovernmental transfers for at least the budget year?

**GUIDELINES:**

*Question 35 asks about intergovernmental transfers. In many cases, the central government supports the provision of a good or service by a lower level of government through an intergovernmental transfer of funds. This is necessary because, independent from the level of administrative decentralization that exists in a given country, the capacity for revenue collection of a local government is unlikely to be sufficient to pay for all its expenses. However, because the activity is not being undertaken by an administrative unit of the central government, it is unlikely to receive the same level of review in the budget. Thus it is important to include in the budget proposal a statement that explicitly indicates the amount and purposes of these transfers.*

*To answer "a," the Executive's Budget Proposal or supporting documentation must present for at least the budget year both estimates covering all intergovernmental transfers and a narrative discussing these transfers. If a narrative discussion is not included, but estimates for all intergovernmental transfers are presented, then a "b" answer is appropriate. A "c" response applies if the presentation includes estimates covering only some, but not all, intergovernmental transfers (regardless of whether it also includes a narrative discussion). Answer "d" applies if no estimates of intergovernmental transfers are presented.*

Answer:

a. Yes, estimates of all intergovernmental transfers are presented, along with a narrative discussion.

Source:

2021 Budget, Volume 1, Economic and Development Policies, Appendix 1, Tables 1.1 & 1.2 (pages 145-146): Grants and Transfers to Provinces (including Local Level Governments): Chapter 5, 'Expenditure' #5.3.11 (page 78) Provincial Sector, with brief summary of funding totals for the provinces, including under the District Support Improvement Program (DSIP) of K10 million per District, (a Constituency Development Grant mechanism chaired at the District level by the local Member of Parliament and including local Government Councillors and others, but strongly dominated by the MP);

VOLUME 2A 2021 BUDGET ESTIMATES OF REVENUE AND EXPENDITURE FOR NATIONAL GOVERNMENT DEPARTMENTS, Section (I), Sectoral Tables Table 1, Sectoral Classification of Expenditure by Agency, Table 5 (page 18) Expenditure of Affairs, Functions, and Main Programs, (particularly Multi-Functional Expenditure page 33)

Volume 2D, 2021 Budget Estimates for Statutory Authorities and Provincial Governments...: SECTION (II) DETAILS OF PROVINCIAL GOVERNMENTS (Pages 566-596)Details of Expenditure - Provincial Governments:

Section (I) Allocations for the Provincial Health Authorities are recorded under Statutory Authorities (page 345-565)

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/2021%20Budget%20Volume%201.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/2021%20Budget%20Volume%201.pdf)

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%202a.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%202a.pdf)

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%202d.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%202d.pdf)

[https://www.necf.gov.pg/documents/publications/fiscalReports/2018Fiscal\\_Report.pdf](https://www.necf.gov.pg/documents/publications/fiscalReports/2018Fiscal_Report.pdf)

Comment:

The estimates provided in the summary tables (Appendix 1, Tables 1.1 & 1.2) in Volume 1 are comprehensive (or at least intended to be such), comprising budget transfers (detailed in Table 1.1, including grants for personnel emoluments and goods and services), combined with tax transfer (shared GST etc), royalties and dividends, and own revenue, in table 1.2. The narrative in the Budget document (Chapter 5) is brief, especially

considering that it is the largest allocation in the Budget @ 20.1% of the total (Table 17, page 70), including the allocation for the Provincial, District and Ward Support Improvement Grants. Extensive detail is provided in the summary tables in volume 2A, by different categorisations and more fully for the provinces and Provincial Health Authorities in Volume 2D.

The National Economic & Fiscal Commission (NEFC -an Independent Constitutionally established advisory body), is required to provide a report on sub-national financing and advises the Treasurer on the amount (notably for functional grants for essential public services) to be distributed to each province each year on the basis of an equalisation provision, in relation to the total amount projected to be available in total in the budget. However, the report was released for 2018, but not since, although they were prepared for 2019 and 2020, and reportedly influenced the Budget allocations for 2020, but not for 2021, (seemingly for reasons of political convenience)

#### Peer Reviewer

Opinion: Agree

Comments: I do not have any data to change the researchers score - but I pose two questions: (i) Is the magnitude of transfers to extrabudgetary units and social security fund clear in the budget? So it could be questionable whether transfers reflect ALL. (ii) In tables 1.1 and 1.2 quoted above - there is a breakdown by expenditure and revenue item, and there is some narrative discussion in Chapter 5. However, is this adequate to meet the requirements of narrative discussion, e.g. how the amount of the transfers is determined

#### Government Reviewer

Opinion: Agree

#### Researcher Response

We agree that considering the scale of the transfers, and portion of the budget allocated to the Provinces (and AROB), Districts and Provincial Health Authorities, including from royalties, dividends and other vehicles more summarised detail and explanation should be provided in volume 1. Much of the numerical details is provided in Volume 2D. (There are other reports provided during the year which include greater detail on resource sector transfers for the previous year, including the EITI annual report and the specific report on Extractive industry subnational transfers and there is also the legal requirement for the National Economic and Fiscal Commission to provide its annual report on inter-governmental financing and the allocated and utilization of the functional grants concurrently with the Budget. The latter report has been produced each year, but has not been tabled in Parliament by the Treasurer or formally released to the public in recent years.) It is also true that during the year there have often been significant variations made to the subnational transfers, as provided through supplementary Budgets or, as in 2020, under executive authority, which need to be fully reported upon in the End of year report and audit reports. Nevertheless, under the Executive Budget, an 'A' score still seems appropriate for this question, even if it only reaches a bare minimum.

36. Does the Executive's Budget Proposal or any supporting budget documentation present alternative displays of expenditures (such as by gender, by age, by income, or by region) to illustrate the financial impact of policies on different groups of citizens, for at least the budget year?

#### GUIDELINES:

*Question 36 asks about "alternative displays" of expenditures that highlight the financial impact of policies on different groups of citizens. As discussed above, expenditures are typically presented by at least one of three classifications – administrative, functional, and economic classifications (see Questions 1-5) – and by individual program (Question 6). In addition, governments can provide alternative displays to emphasize different aspects of expenditure policies and to show who benefits from these expenditures.*

*For the purpose of answering this question, the alternative presentation must differ from the presentations (such as administrative, functional, or economic classifications or presentation by program) used to answer other questions. The alternative display can cover all expenditures or only a portion of expenditures. For instance, it can show how all expenditures are distributed according to geographic region or it can show how selected expenditures (such as the health budget or the agriculture budget) are distributed to different regions. But such a geographic display must be something different than the presentation of intergovernmental transfers used to answer question 35. One exception is when a country includes a special presentation of all policies intended to benefit the most impoverished populations (and is used to answer Question 52) then that can be considered an alternative display for purposes of answering this question as well. Finally, brief fact sheets showing how proposals in the budget benefit particular groups would be insufficient; only more detailed presentations would be considered.*

*The IBP Budget Brief, "How Transparent are Governments When it Comes to Their Budget's Impact on Poverty and Inequality?" (<https://www.internationalbudget.org/wp-content/uploads/government-transparency-of-budgets-impact-on-poverty-inequality-ibp-2019.pdf>) includes a discussion of the importance of alternative displays of budget information and provides a number of examples. For instance,*

- *Bangladesh in its 2017-18 Budget included a detailed supplementary Gender Budgeting Report, which presents the spending dedicated to advancing women across various departments. (<https://mof.portal.gov.bd/site/page/3bb14732-b5b1-44df-9921-efedf1496295>).*
- *The UK's 2017 budget included a supplementary analysis that provided a distributional analysis of the budget by households in different income groups (see [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/661465/distributional\\_analysis\\_autumn\\_budget\\_2017.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/661465/distributional_analysis_autumn_budget_2017.pdf))*
- *South Africa's 2017 Budget Review goes beyond the standard presentation of intergovernmental transfers, discussing the redistribution that results from national revenue flowing to the provinces and municipalities and presenting the allocations on a per capita basis (see chapter 6, <http://www.treasury.gov.za/documents/national%20budget/2017/review/FullBR.pdf>).*

*To answer "a," the Executive's Budget Proposal or supporting documentation must include at least three different presentations that illustrate the financial impact of policies on different groups of citizens for at least the budget year. To answer "b," the Executive's Budget Proposal or supporting documentation must include at least two different alternative displays of expenditures. A "c" applies is only one type of alternative display of expenditure is presented.*

Answer "d" applies if no alternative display of expenditure is presented.

Answer:

d. No, alternative displays of expenditures are not presented to illustrate the financial impact of policies on different groups of citizens.

Source:

No alternative display is provided in the EBP

[https://www.nefc.gov.pg/documents/publications/fiscalReports/2018Fiscal\\_Report.pdf](https://www.nefc.gov.pg/documents/publications/fiscalReports/2018Fiscal_Report.pdf)

Comment:

No specific provision has been made for alternative Budgetary presentations, although an annual determination and report, based upon BY-2, has been provided by the National Economic and Fiscal Commission (NEFC) on subnational funding, particularly around funding for certain essential services. Its reports are used to adjust (or at least influence) the interprovincial allocations in the annual budgets. NEFC is an independent Constitutional Advisory body, which is required to make an input into the annual Budget process, advising on an equalisation amount for allocations to the provinces and Local Level Governments, based upon the amount made available for sub-national distribution and the NEFC's analysis of the cost of minimum priority activities and performance indicators. However, its reports have not been released to the public online since 2018, despite having been prepared for 2019 and 2020, (reportly on the grounds of the contents not being convenient).

Peer Reviewer

Opinion: Agree

Comments: Not included in the budget documents I note the discrepancy which os flagged between this response and Q52. Q52 refers to some limited data on spending for different groups - however it cannot be claimed that the budget documents clearly show the financial impact on different groups of citizens

Government Reviewer

Opinion: Agree

36b. Based on the response to Question 36, select the box(es) below to identify which types of alternative displays are included in the Executive's Budget Proposal:

Answer:

None of the above

Source:

[https://www.nefc.gov.pg/documents/publications/fiscalReports/2018Fiscal\\_Report.pdf](https://www.nefc.gov.pg/documents/publications/fiscalReports/2018Fiscal_Report.pdf)

Comment:

Some detail is provided annually in the NEFC report on interprovincial funding for basic services, including a portion of health and education funding, notably from the functional grants. However, the NEFC report has not been released to the public since 2018, although they were prepared for 2019 and 2020 (reportedly for political convenience). These details are not contained in the EBP itself. The NEFC report provides independent reporting and is a legally required component of the Budget process, and should be publicly released and not withheld, even if it's contents are deemed inconvenient. Nevertheless, even if released in a timely manner the NEFC reporting shouldn't be deemed as a component of the EBP providing an alternative display of the overall budget allocation, in terms of meeting with the requirements for this question.

Peer Reviewer

Opinion: Agree

Comments: not included

Government Reviewer

Opinion: Agree

37. Does the Executive's Budget Proposal or any supporting budget documentation present estimates of transfers to public corporations for at least the budget year?

**GUIDELINES:**

Question 37 asks about transfers to public corporations. It is often the case that governments have a stake in enterprises that manage resources that are particularly relevant for the public good (such as electricity, water, and oil). While these public corporations can operate independently, in some cases the government will provide direct support by making transfers to these corporations, including to subsidize capital investment and operating expenses.

To answer "a," the Executive's Budget Proposal or supporting documentation must present for at least the budget year both estimates covering all transfers to public corporations and a narrative discussing the purposes of these transfers. If a narrative discussion is not included, but estimates for all transfers to public corporations are presented, then a "b" answer is appropriate. A "c" response applies if the presentation includes estimates covering only some, but not all, transfers to public corporations (regardless of whether it also includes a narrative discussion). Answer "c" also applies if estimates of transfers to public corporations are presented as a single line item. Answer "d" applies if no estimates of transfers to public corporations are presented.

Please provide in the comments a list of all known public corporations.

**Answer:**

a. Yes, estimates of all transfers to public corporations are presented, along with a narrative discussion.

**Source:**

2021 Budget, Volume 1, Economic and Development Policies, Chapter 5, # 5.3.13 Utilities Sector (page 80) provides brief details on allocations for utilities (largely SOEs); Chapter 9, (pages 129) 'Enhancing State's Investment' provides details of the public corporations, equity and policies on investment and dividends, including the General Business Trust assets (table 32 page 131), Kumul Consolidated Holdings, and Kumul Mineral and Petroleum Holdings, but most of the emphasis is on managing revenues and dividends flows to government; Appendix II, Table 13B, (page 159) General Government Expense by Agency Type (for a summary of transfers to Commercial and Statutory Authorities) VOLUME 2D 2021 BUDGET ESTIMATES FOR STATUTORY AUTHORITIES PROVINCIAL GOVERNMENTS DEBT SERVICES AND TRUST ACCOUNTS, SECTION (I) DETAILS OF EXPENDITURE – STATUTORY AUTHORITIES (pages 1-565); this list comprises largely Statutory Authorities but includes the SOEs, such as PNG Power Ltd (p 227) and Telikom PNG Ltd (p. 235) Kumul Consolidated Holdings (p 132). and other corporations etc. Volume 3 (Part B), Public Investment Program (PIP) 2021-2025, Statutory Authorities (pages 8-1276; notably pages 137, 187, and 212 and for DataCo/ Telikom PNG, PNG Power, National Airports Corp etc.)

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/2021%20Budget%20Volume%201.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/2021%20Budget%20Volume%201.pdf)

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%202d.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%202d.pdf)

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%203B%20PIP.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%203B%20PIP.pdf)

**Comment:**

The State's grants and loans to respective public corporations (and other entities in which it holds a stake), including the (non-minerals) holding corporation, Kumul Consolidated Holdings, are specified in Volume 2D and for specific project details in Volume 3, together with specific transfers to other companies, such as the power and telecommunications utilities, etc. (These figures don't include borrowings by the SOEs which might incur a Liability on the State). Volume 1 provides details of equity in SOEs and resource projects in which there's a stake and dividends paid to Kumul Consolidated Holdings. It also provides policies or proposed policies, including with respect to financing and dividends, which have been administered inconsistently, and generally (according to recent ADB reports) at a poor level of performance. The administration of SOEs has been changing in recent years, ostensibly to increase accountability, but major unexplained transfers (some subject to inquiries, e.g. the Manumanu land acquisition, of land already belonging to the State) continue to leave major questions. Aspects of the policies acquiring equity, transfers, PPPs and dividends are still subject to review, and discussed under Volume 1, Sns 9.5-9.7 (pages 133-137), particularly related to resource sector projects

**Peer Reviewer**

Opinion: Agree

Comments: a. Seems correct - extensive detail in Volume d.

**Government Reviewer**

Opinion: Agree

38. Does the Executive's Budget Proposal or any supporting budget documentation present information on quasi-fiscal activities for at least the budget year?

(The core information must include a statement of purpose or policy rationale for the quasi-fiscal activity and the intended beneficiaries.)

**GUIDELINES:**

Question 38 focuses on quasi-fiscal activities, asking whether "core" information related to such activities is presented. These core components include:

- A statement of purpose or policy rationale for the quasi-fiscal activity (i.e., what is the reason for engaging in this activity?);
- The identification of intended beneficiaries of the quasi-fiscal activity.

The term "quasi-fiscal activities" refers to a broad range of activities that are fiscal in character and could be carried out through the regular budget process but are not. For example, a quasi-fiscal activity could take place if, instead of providing a direct subsidy through the budget for a particular activity, a public financial institution provides an indirect subsidy by offering loans at below-market rates for that activity. Similarly, it is a quasi-fiscal activity when an enterprise provides goods or services at prices below commercial rates to certain individuals or groups to support the government's policy goals.



The above examples are policy choices that may be approved by the government and legislature. However, quasi-fiscal activities can also involve activities that violate or circumvent a country's budget process laws or are not subject to the regular legislative approval process for expenditures. For example, the executive may issue an informal order to a government entity, such as a public commercial enterprise, to provide the executive with goods and services that normally would have to be purchased with funding authorized by the legislature. All quasi-fiscal activities should be disclosed to the public and subject to public scrutiny.

Beyond the core information, some governments may also provide other information about quasi-fiscal activities, including for example: the anticipated duration of the quasi-fiscal activity; a quantification of the activity and the assumptions that support these estimates; and a discussion of the fiscal significance and potential risks associated with the activity, including the impact on the entity carrying out the activity. Principle 3.3.2 of the IMF's Fiscal Transparency Handbook (2018) (<https://www.elibrary.imf.org/view/IMF069/24788-9781484331859/24788-9781484331859/24788-9781484331859.xml>) provides examples of quasi-fiscal activities that can be consulted as needed. And more details on quasi-fiscal activities can be found in the Guide to Transparency in Public Finances: Looking Beyond the Core Budget (<http://internationalbudget.org/wp-content/uploads/Looking-Beyond-the-Budget.pdf>).

To answer "a," the Executive's Budget Proposal or supporting documentation must present all of the core information related to all quasi-fiscal activities for at least the budget year as well as some additional information beyond the core elements. To answer "b," the Executive's Budget Proposal or supporting documentation must present all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to quasi-fiscal activities is presented, but some of the core pieces of information are not included. Answer "d" applies if no information is presented on quasi-fiscal activities.

If quasi-fiscal activities do not represent a significant problem in your country, please mark "e." However, please exercise caution in answering this question.

Answer:

d. No, information related to quasi-fiscal activities is not presented.

Source:

2021 Budget, Volume 1, Economic and Development Policies, Chapter 6 Tax Expenditure, provides greater detail on tax expenditure and incentives, including Chapter 5, Sn, 5.6 the Infrastructure Tax Credit Scheme (page 88), the Customs incentives and the incentives for resource projects, noting the paucity of reliable data and accountability, including on the tax credit scheme. This mechanism has been used increasingly during recent years for urban infrastructure and status projects, without apparent public tendering in some cases, outside its original remit, but in other cases is argued as justified in providing prompt service/infrastructure provision in the absence of delays with weak government capacity.

VOLUME TWO - PART 2D - III ESTIMATES OF REVENUE AND EXPENDITURE FOR STATUTORY AUTHORITIES, PROVINCIAL GOVERNMENTS, DEBT SERVICES AND TRUST ACCOUNTS, Section B, Statutory Authorities (including limited details of subsidised credit by the National Development Bank, (pages 195)

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%202d.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%202d.pdf)

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%202d.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%202d.pdf)

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%203B%20PIP.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%203B%20PIP.pdf)

Comment:

Minimal reference is made in Volume 1 to amounts of funding defined and reported upon under Trust Funds (partly listed in Volume 2D) and various other ill-defined expenditure; the controversial Tax Credit Scheme implemented by the private sector in the provision of selected public infrastructure projects receives only brief reference in the EBP; it provides valuable infrastructure development in the field in a relatively efficient manner, but over recent years (more so from 2014 till 2018) has been used extensively for major urban infrastructure projects, (outside its original purpose) and sometimes in the absence of normal tendering processes; it can be readily subject to abuse (from transfer pricing to other improper transfers, in the absence of closer oversight, including in the EBP). Extensive agricultural price support commenced in an ad-hoc manner in 2020, partly using Covid-19 funds and locally from provincial and district grants, and planned again for 2021 from sources not specified in the Budget. There are also questions about management of royalty funds held by MRDC on behalf of landowners for public, and Forest Development Levies and some other funds held by the Public Curator. The National Gaming Control Board collects major 'revenue' and funds a variety of sporting and other projects, without reference to the Budget process. The nature and operations of various trust funds continues to be deficient. The administration of the Sovereign Wealth Fund, should be subject to extensive rules, but full application and reporting through mandated procedures, including budgetary will be critical. However, it is not yet operational. The EITI reporting process is exposing some of the weakness with respect to resource sector financial management and accountability, including over royalties and other landowner funds held by State entities and at risk of diversion. In Volume 2D and Volume 3B there is reference to a credit for indigenously-owned SMEs from the National Development Bank, but in 2021 not specifically referring to it as subsidised, as in previous years. A major mechanism for quasi fiscal activities, notably by certain public authorities, such as the national Fisheries Authorities, using their license fees, has been restrained by the State sweeping much of it into Consolidated Revenue since 2018 under the Public Money Management Regularisation Act (to be replaced in 2021 by successor legislation) , and at least centralising fiscal management. But it is still acknowledged in Volume 1 (Chapter 1, p 38) under Fiscal Risks, that Failure of Statutory Authorities to pass through the collection of fees and charges, and failure of SOEs to pay the appropriate levels of Dividends restrains revenue, but it also enables some of these entities to continue practicing quasi fiscal activities (sometimes closely associated with the political cycle and political influences)

Peer Reviewer

Opinion: Agree

Comments: No explicit evidence found on quasi-fiscal activities.

Government Reviewer

Opinion: Agree

Comments: There are programs under the Capital Investment Budget in the Economic Sector such as the freight subsidy and market subsidy to assist farmers transporting their coffee from remote areas of PNG into town. The program subsidizes freight cost and the farmer pays a reasonable amount instead of full freight cost and also, the coffee farmer receives higher prices from sales of their coffee. This may be a quasi-fiscal activity carried out by the Commodity Boards.

Researcher Response

it is agreed that there is some references to these govt and donor funded support initiatives and effective interest rates subsidies with National Development Bank (in some years when funds are provided for NDB)

IBP Comment

Given that the requirements for a "c" response are not met, the current response of "d" is maintained.

39. Does the Executive's Budget Proposal or any supporting budget documentation present information on financial assets held by the government for at least the budget year?

(The core information must include a listing of the assets, and an estimate of their value.)

*GUIDELINES:*

*Question 39 focuses on financial assets held by the government, asking whether "core" information related to these assets is presented. These core components include:*

- *A listing of the financial assets; and*
- *An estimate of their value.*

*Governments own financial assets such as cash, bonds, or equities. Unlike private sector businesses, however, few governments maintain balance sheets that show the value of their assets and liabilities.*

*Beyond the core information, some governments may also provide other information about financial assets, including for example: a discussion of their purpose; historical information on defaults; differences between reported values and market values; and a summary of financial assets as part of the government's balance sheet.*

*To answer "a," the Executive's Budget Proposal or supporting documentation must present for at least the budget year all of the core information related to all financial assets held by the government as well as some additional information beyond the core elements. To answer "b," the Executive's Budget Proposal or supporting documentation must present all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to financial assets is presented, but some of the core pieces of information are not included. Answer "d" applies if no information is presented on financial assets held by the government.*

Answer:

c. Yes, information is presented, but it excludes some core elements or some financial assets.

Source:

National Budget Volume 1 Economic And Development Policies, Chapter 5, Expenditure, 5.7 Trust Account Fund Movements, (pages 89) provides details of the balances in Trust Accounts; Chapter 9, 'Enhancing State's Investments' (page 129) provides details of equity and estimated valuation of the State's corporate investments, notably Sn 9.2. SOE Objectives and State's Investment Performance and table 32, page 131) for text and table on mineral and petroleum dividends, and sections 9.5-9.7 (pages133-137) on equity policy and levels in non-renewable resources projects. . . Volume 2D, Budget Estimates for Statutory Authorities, Provincial Governments, Debt Services and Trust Accounts; Part IV, (pages 636-638) Details of Trust Fund Balances

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/2021%20Budget%20Volume%201.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/2021%20Budget%20Volume%201.pdf)

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%202d.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%202d.pdf)

Comment:

There is some information provided on financial assets, current and prospective project equity uptake and revenue aspirations, but not comprehensive, and leaves out details of the major resource sector equity valuation (and debt), likewise the details of Trust funds are not comprehensive or fully updated (but more information is provided than hitherto).

Peer Reviewer

Opinion: Agree

Comments: There some elements included as highlighted above but the information is somewhat fragmented and details of the main cash balances seems to be lacking - score c appears to be correct

Government Reviewer

Opinion: Agree

40. Does the Executive's Budget Proposal or any supporting budget documentation present information on nonfinancial assets held by the government for at least the budget year?

(The core information must include a listing of the assets by category.)

**GUIDELINES:**

Question 40 focuses on nonfinancial assets held by the government, asking whether "core" information related to these assets is presented. The core information is a listing of nonfinancial assets, grouped by the type (or category) of asset.

Nonfinancial assets are things of value that the government owns or controls (excluding financial assets) such as land, buildings, and machinery. The valuation of public nonfinancial assets can be problematic, particularly in cases where the asset is not typically available on the open market (such as a government monument). In these cases, it is considered acceptable to provide summary information in budget documents from a country's register of assets. But, in some cases, governments are able to value their nonfinancial assets; some present a summary of nonfinancial assets as part of their balance sheets. For an example of how nonfinancial assets are presented in one of the many supporting documents to the New Zealand Executive's Budget Proposal, see the Forecast Financial Statement 2011, Notes to the Financial Statements (Continued), Note 14, accessible here: <https://treasury.govt.nz/sites/default/files/2011-05/befu11-pt6of8.pdf>.

To answer "a," the Executive's Budget Proposal or supporting documentation must present for at least the budget year a listing by category of all nonfinancial assets held by the government as well as some additional information beyond the core elements. To answer "b," the Executive's Budget Proposal or supporting documentation must present all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to nonfinancial assets is presented, but some nonfinancial assets are not included. Answer "d" applies if no information is presented on nonfinancial assets held by the government.

Answer:

d. No, information related to nonfinancial assets is not presented.

Source:

Apart from statements of the need to maintain, restore and upgrade infrastructure, as highlighted in Chapter 5, notably 5.3.12 Transport Sector and 5.3.13 Utilities Sector, in there is no reference to non-financial public assets in the 2021 Budget, Volume 1, Economic and Development Policies or other volumes, (more details are provided in Medium Term Transport Plan II - 2019-2020, national Road Network Strategy 2018-2037 and other sectoral plans and inventories)

[http://www.treasury.govt.nz/html/national\\_budget/files/2021/2021%20Budget%20Volume%201.pdf](http://www.treasury.govt.nz/html/national_budget/files/2021/2021%20Budget%20Volume%201.pdf)

Transport Plans and Strategies, including Medium Term Transport Strategy 2019-2022.; with some details of current status, as well as costings for plans <http://www.transport.govt.nz/downloads/category/2-transport>

Comment:

Commitments have been made to developing a 'whole of government Balance Sheet framework' embracing the various public sector institutions with responsibility for managing the State's assets. Work has also been done providing an inventory of infrastructure assets. This is for the purpose of maintenance or replacement (e.g. funded by development partners for the Transport and Works Depts), rather than an asset register for valuation. The Departments of National Planning and Monitoring, the Provincial Affairs and Local Level Govt and Implementation and Rural Development are working on improving national information and data systems, including registers of public goods across the country. The Works and Transport Departments have registries of public transport infrastructure, (and plans and estimates for their updates). Consolidated details of assets will take time and are far from becoming a register of the valuation of public asset. An impediment to financial or other assets records had been government operating 3 financial management systems (now reduced to 2 and soon to be reduced to the single IFM system), as highlighted in Chapter 8, National Reform Agenda, the National agencies are now all using IFMC and most provinces are now too; when systems are rationalised, and linked by internet, there should be a better and more up-to-date base for asset registers and financial and non-financial asset management, once better inter-agency coordination, including communication with PNG's rural areas occurs.

Peer Reviewer

Opinion: Agree

Comments: No data on stocks of nonfinancial assets

Government Reviewer

Opinion: Agree

41. Does the Executive's Budget Proposal or any supporting budget documentation present estimates of expenditure arrears for at least the budget year?

**GUIDELINES:**

Question 41 asks about estimates of expenditure arrears, which arise when government has entered into a commitment to spend funds but has not made the payment when it is due. (For more information see sections 3.49-3.50 of the IMF's GFS Manual 2001, <http://www.imf.org/external/pubs/ft/gfs/manual/pdf/all.pdf> (page 29)). Though equivalent to borrowing, this liability is often not recorded in the budget, making it difficult to assess fully a government's financial position. Moreover, the obligation to repay this debt affects the government's ability to pay for other activities.

To answer "a," the Executive's Budget Proposal or supporting documentation must present for at least the budget year both estimates covering all expenditure arrears and a narrative discussing the arrears. If a narrative discussion is not included, but estimates for all expenditure arrears are presented, then a "b" answer is appropriate. A "c" response applies if the presentation includes estimates covering only some, but not all, expenditure arrears (regardless of whether it also includes a narrative discussion). Answer "d" applies if no estimates of expenditure arrears are presented. Answer "d" also applies if information is only available for the changes in arrears, and not the stock or balance of arrears.

*If expenditure arrears do not represent a significant problem in your country, please mark "e." However, please exercise caution in answering this question. Public expenditure management laws and regulations often will allow for reasonable delays, perhaps 30 or 60 days, in the routine payment of invoices due. Expenditure arrears impacting a small percentage of expenditure that are due to contractual disputes should not be considered a significant problem for the purpose of answering this question.*

Answer:

b. Yes, estimates of all expenditure arrears are presented, but a narrative discussion is not included.

Source:

2021 National Budget Volume 1, Chapter 1 Economic Developments and Outlook, #1.9 (page 36-38) Risks to Macroeconomic Stability: Fiscal and Financial Risks, including unbudgeted expenditure, debt guarantees and contingent liabilities; Chapter 2, Fiscal Strategy and Outlook (page 39), including arrears provisioning (table 7, page 47); Chapter 5, Expenditure, notably 5.4.4 (pages 84-86) on the Arrears Verification Committee and the table on Arrears and payments, (page 86), Chapter 7 Financing and Debt Management Strategy (page 106); Chapter 8 ' National Reform Agenda' (page 116); Appendix II, table 15, page 162, Stocks in General Government Debt. These sections all highlight the problems with fiscal, including cash flow management, with uncertain revenue, refer to deficiencies in planning and timely expenditure, including arrears, and they provide actions and intentions for improved fiscal planning and management, but don't provide details of the end of year arrears.

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/2021%20Budget%20Volume%201.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/2021%20Budget%20Volume%201.pdf)

Comment:

There is extensive commentary on the challenges of debt management and factors causing unbudgeted over-expenditure and arrears (including Chapter 5, Expenditure, 5.4 Expenditure Efficiency Measures and the tasks of the Arrears Verification Committee), including revenue shortage, over-expenditure, including from unforeseen factors and the requirement for the 2020 Supplementary Budget, and actions being taken to address these, including risks; there's a breakdown on Public Debt (Appendix 2, Table 15); some detail of measures to limit arrears, such as early closure of the annual books and cancellation of BY-1 Government commitments, in seeking to prevent them rolling over to subsequent years; and some estimates of prospective arrears and budgeting for them, in chapter 2, Fiscal Strategy and Outlook and Chapter 7.

Peer Reviewer

Opinion: Agree

Comments: This seems correct - the Volume 1 includes information on arrears and some narrative but no discussion on their nature (expense category), ageing or agencies responsible for the majority

Government Reviewer

Opinion: Agree

42. Does the Executive's Budget Proposal or any supporting budget documentation present information on contingent liabilities, such as government loan guarantees or insurance programs, for at least the budget year?

(The core information must include a statement of purpose or policy rationale for each contingent liability; the new guarantees or insurance commitments proposed for the budget year; and the total amount of outstanding guarantees or insurance commitments (the gross exposure) at the end of the budget year.)

**GUIDELINES:**

*Question 42 focuses on contingent liabilities, asking whether "core" information related to these liabilities is presented. These core components include:*

- *a statement of purpose or policy rationale for each contingent liability;*
- *the new contingent liabilities for the budget year, such as new guarantees or insurance commitments proposed for the budget year; and*
- *the total amount of outstanding guarantees or insurance commitments at the end of the budget year. This reflects the gross exposure of the government in the case that all guarantees or commitments come due (even though that may be unlikely to occur).*

*Contingent liabilities are recognized under a cash accounting method only when the contingent event occurs and the payment is made. An example of such liabilities is the case of loans guaranteed by the central government, which can include loans to state-owned banks and other state-owned commercial enterprises, subnational governments, or private enterprises. Under such guarantees, government will only make a payment if the borrower defaults. Thus a key issue for making quantitative estimates of these liabilities is assessing the likelihood of the contingency occurring.*

*In the budget, according to the OECD, "[w]here feasible, the total amount of contingent liabilities should be disclosed and classified by major category reflecting their nature; historical information on defaults for each category should be disclosed where available. In cases where contingent liabilities cannot be quantified, they should be listed and described."*

*Beyond the core information, some governments may also provide other information about contingent liabilities, including for example: historical default rates for each program, and likely default rates in the future; the maximum guarantee that is authorized by law; any special financing associated with the guarantee (e.g., whether fees are charged, whether a reserve fund exists for the purpose of paying off guarantees, etc.); the duration of each guarantee; and an estimate of the fiscal significance and potential risks associated with the guarantees.*

For more details on contingent liabilities, see *Guide to Transparency in Public Finances: Looking Beyond the Core Budget* (<http://internationalbudget.org/wp-content/uploads/Looking-Beyond-the-Budget.pdf>) and page 59 (Box 11) and Principle 3.2.3 of the IMF's *Fiscal Transparency Handbook* (2018) (<https://www.elibrary.imf.org/view/IMF069/24788-9781484331859/24788-9781484331859/24788-9781484331859.xml>).

To answer "a," the Executive's Budget Proposal or supporting documentation must present for at least the budget year all of the core information related to contingent liabilities as well as some additional information beyond the core elements. To answer "b," the Executive's Budget Proposal or supporting documentation must present all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to contingent liabilities is presented, but some of the core pieces of information are not included. Answer "d" applies if no information is presented on contingent liabilities.

Answer:

d. No, information related to contingent liabilities is not presented.

Source:

Vol 1, Chapter 7, Financing and Debt Management Strategy, (106-115) notably # 7.1 Financing Background to the 2021 Budget, with reference to the major guarantees and Medium Term Debt Strategy, managing debt at sustainable levels and #7.5, Managing Portfolio Risk 2020-25, both giving specific reference to the need for monitoring the debts of SOEs and contingent liabilities, particularly of the SOEs, and cross reference (page 114) to "Records relating to these liabilities are available in Statement 1 of the Annual Public Accounts Statement"

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/2021%20Budget%20Volume%201.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/2021%20Budget%20Volume%201.pdf)

Comment:

As stated in Vol 1, Chapter 7, Financing and Debt Strategy, concern is raised over the growing level of debt and risks of Debts from SOEs and contingent liabilities and the need and measures applied to manage it. However, other than reference to some major guarantees issued and major contingent liabilities of some SOEs, and providing some detail of the debt management strategy and associated risks, and cross reference to the Annual Public Accounts Statement (which is invariably itself far in arrears in its public release), there is no attempt to specifically quantify or provide estimates of these liabilities in the EBP.

Peer Reviewer

Opinion: Agree

Comments: No meaningful data on contingent liabilities

Government Reviewer

Opinion: Agree

43. Does the Executive's Budget Proposal or any supporting budget documentation present projections that assess the government's future liabilities and the sustainability of its finances over the longer term?

(The core information must cover a period of at least 10 years and include the macroeconomic and demographic assumptions used and a discussion of the fiscal implications and risks highlighted by the projections.)

**GUIDELINES:**

Question 43 focuses on government's future liabilities and the sustainability of its finances over the longer-term, asking whether "core" information related to these issues is presented. These core components must include:

- Projections that cover a period of at least 10 years.
- The macroeconomic and demographic assumptions used in making the projections.
- A discussion of the fiscal implications and risks highlighted by the projections. Good public financial management calls for budgets to include fiscal sustainability analyses.

The IMF's *Fiscal Transparency Handbook* (2018) (<https://www.elibrary.imf.org/view/IMF069/24788-9781484331859/24788-9781484331859/24788-9781484331859.xml>) recommends that governments regularly publish the projected evolution of the public finances over the longer term (see Principle 3.1.3.). Future liabilities are a particularly important element when assessing the sustainability of public finances over the long term. Future liabilities are the result of government commitments that, unlike contingent liabilities, are virtually certain to occur at some future point and result in an expenditure. A typical example consists of government obligations to pay pension benefits or cover health care costs of future retirees. Under a cash accounting system, only current payments associated with such obligations are recognized in the budget. To capture the future impact on the budget of these liabilities, a separate statement is required.

Beyond the core information, some governments may also provide other information about the sustainability of their finances, including for example: projections that cover 20 or 30 years; multiple scenarios with different sets of assumptions; assumptions about other factors (such as the depletion of natural resources) that go beyond just the core macroeconomic and demographic data; and a detailed presentation of particular programs that have long time horizons, such as civil service pensions.

For more details on future liabilities, see Guide to Transparency in Public Finances: Looking Beyond the Core Budget (<http://internationalbudget.org/wp-content/uploads/Looking-Beyond-the-Budget.pdf>).

To answer "a," the Executive's Budget Proposal or supporting documentation must present all of the core information related to future liabilities and the sustainability of government finances over the longer term as well as some additional information beyond the core elements. To answer "b," the Executive's Budget Proposal or supporting documentation must present all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to future liabilities is presented, but some of the core pieces of information are not included. Answer "d" applies if no information is presented on future liabilities and the sustainability of government's finances

Answer:

d. No, information related to future liabilities and the sustainability of finances over the longer term is not presented.

Source:

2021 National Budget, Volume 1 Economic Development Policies, Chapter 2 Fiscal Strategy and Outlook, notably, Medium Term Fiscal Outlook (page 47-49), including Tables 7-8 and Box Link and text. Chapter 7, Financing and Debt Management Strategy (page 106-115), notably #7.4 Medium Term Debt Strategy and Operation Plan and #7.5 Managing Portfolio Risk 2020-25 (including Chart 36, Debt Service Sustainability over Medium Term and 26-30), including discussion on foreign currency, interest rate, refinancing, operational risks and SOE borrowings/contingent liabilities, and # 7.5 Managing Portfolio Risk 2020-25 .

[https://www.treasury.gov.pg/html/national\\_budget/files/2021%20Budget%20Volume%201.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021%20Budget%20Volume%201.pdf)

Comment:

Extensive reference is given in the 2021 Budget to forecasting revenue and managing expenditure, debt and risks in the medium term, including the sustainability of debt and risks, including foreign versus domestic debt and interest charges and contingent liabilities, and reference to the medium term debt strategy, and the need for "publishing a more detailed and timely debt management borrowing plan in early 2021". However, beyond providing some better data and estimates in 2020, limited figures (or forward figures) are provided for 'operational risk', and only brief reference beyond 2025 to 2030, notably over prospects of reduced debt to GDP, with cross reference to the Budget Strategy paper (PBS) under the section on Financing.

Peer Reviewer

Opinion: Agree

Comments: Includes analysis over the medium term and 10 year profile of interest repayments - past 5 years and next 5 years - per references above

Government Reviewer

Opinion: Agree

IBP Comment

For the purposes of cross-country consistency, the response is revised from "c" to "d", given that this question is looking at projections that cover a period of at least 10 years, and the information available, while it covers a 10 year period, only 5 out of the 10 years are forward-looking

44. Does the Executive's Budget Proposal or any supporting budget documentation present estimates of the sources of donor assistance, both financial and in-kind, for at least the budget year?

**GUIDELINES:**

Question 44 asks about estimates of donor assistance, both financial and in-kind assistance. Such assistance is considered non-tax revenue, and the sources of this assistance should be explicitly identified. In terms of in-kind assistance, the concern is primarily with the provision of goods (particularly those for which there is a market that would allow goods received as in-kind aid to be sold, thereby converting them into cash) rather than with in-kind aid like advisors from a donor country providing technical assistance.

To answer "a," the Executive's Budget Proposal or supporting documentation must present for at least the budget year both estimates covering all donor assistance and a narrative discussing the assistance. If a narrative discussion is not included, but estimates for all donor assistance are presented, then a "b" answer is appropriate. A "c" response applies if the presentation includes estimates covering only some, but not all, donor assistance (regardless of whether it also includes a narrative discussion). Answer "c" also applies if the sources of donor assistance are not presented, but the total amount of donor assistance is presented as a single line item. Answer "d" applies if no estimates of donor assistance are presented. Select answer "e" if your country does not receive donor assistance.

Answer:

a. Yes, estimates of all sources of donor assistance are presented, along with a narrative discussion.

Source:

2021 National Budget Volume 1 Economic Development Policies, Chapter 5 Expenditure, 5.5 Donor Funding from Development Partners (pages 86-87), including summary table 19, 2021 Loans Grants and Counterpart Funding (page 88). Appendix II, Table 12 General Government Revenue (page 147) 'Grants from Foreign Governments and International Organisations'. Volume 2a 2021 Budget Estimates of Revenue and Expenditure For

National Government Departments, Section II, Details of Revenue, Grants and Loans, Grants (Pages 61-64), and Pages 65-68 for external financing; Section III, in Volumes 2A-D Details of Expenditure (page 70 onwards); Volume 3 A & B, (from page 58 onwards) (provides details of domestic and donor funding for specific programs);  
[https://www.treasury.gov.pg/html/national\\_budget/files/2021/2021%20Budget%20Volume%201.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/2021%20Budget%20Volume%201.pdf)  
[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%202a.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%202a.pdf)  
[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%202b.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%202b.pdf)  
[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%202c.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%202c.pdf)  
[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%202d.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%202d.pdf)  
[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%203A%20PIP.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%203A%20PIP.pdf)  
[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%203B%20PIP.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%203B%20PIP.pdf)

(These plans are cross referenced to the revised Papua New Guinea Development Cooperation Policy 2018-2022, earlier version approved in early 2016; revised version printed and circulated, but not yet apparently uploaded:

<http://www.planning.gov.pg/index.php/publications/item/29-png-dcp-2015-2>)

Medium Term Development Plan 2018-22 Volumes 1 & 2, including expenditure forecasts, 5.3 Funding Requirements for Implementing MTDP III (page 55)

[http://www.planning.gov.pg/images/dnpm/pdf/latest\\_pub/MTDP%20III%20Vol1-%20Web-compressed.pdf](http://www.planning.gov.pg/images/dnpm/pdf/latest_pub/MTDP%20III%20Vol1-%20Web-compressed.pdf)

[http://www.planning.gov.pg/images/dnpm/pdf/latest\\_pub/MTDP%20III%20Book%202\\_Final%20Proof\(Web\)\\_compressed.pdf](http://www.planning.gov.pg/images/dnpm/pdf/latest_pub/MTDP%20III%20Book%202_Final%20Proof(Web)_compressed.pdf)

Comment:

Extensive summary information provided in text and table in Chapter 5 of Volume 1, with aggregated figures for 2021 and earlier and future forecasts in Table 12 in Appendix 2.

Section II (Loan Service Receipts, External Financing and Grants) of Volume 2a provides some details of grants and loans, but without specifying the donors in many cases; part IV providing more detailed information on expenditure and some detail of funding source (rather inconsistently), and Volume 3 A & B, Public Investment Program providing further details of donor funding programs and projections linked with the Medium Term Development Plan 3 priorities.

Peer Reviewer

Opinion: Agree

Comments: As referenced above

Government Reviewer

Opinion: Agree

45. Does the Executive's Budget Proposal or any supporting budget documentation present information on tax expenditures for at least the budget year?

(The core information must include a statement of purpose or policy rationale for each tax expenditure, the intended beneficiaries, and an estimate of the revenue foregone.)

**GUIDELINES:**

*Question 45 focuses on tax expenditures, asking whether "core" information related to these tax preferences is presented. These core components must include for both new and existing tax expenditures:*

- a statement of purpose or policy rationale;
- a listing of the intended beneficiaries; and
- an estimate of the revenue foregone.

*Tax expenditures arise as a result of exceptions or other preferences in the tax code provided for specified entities, individuals, or activities. Tax expenditures often have the same impact on public policy and budgets as providing direct subsidies, benefits, or goods and services. For example, encouraging a company to engage in more research through a special tax break can have the same effect as subsidizing it directly through the expenditure side of the budget, as it still constitutes a cost in terms of foregone revenues. However, expenditure items that require annual authorization are likely to receive more scrutiny than tax breaks that are a permanent feature of the tax code.*

*Beyond the core information, some governments may also provide other information about tax expenditures, including for example: the intended beneficiaries by sector and income class (distributional impact); a statement of the estimating assumptions, including the definition of the benchmark against which the foregone revenue is measured; and a discussion of tax expenditures as part of a general discussion of expenditures for those program areas that receive both types of government support (in order to better inform policy choices). For more details on tax expenditures, see Guide to Transparency in Public Finances: Looking Beyond the Core Budget (<http://internationalbudget.org/wp-content/uploads/Looking-Beyond-the-Budget.pdf>) and Principle 1.1.4 of the IMF's Fiscal Transparency Handbook (2018) (<https://www.elibrary.imf.org/view/IMF069/24788-9781484331859/24788-9781484331859/24788-9781484331859.xml>).*

*To answer "a," the Executive's Budget Proposal or supporting documentation must present, for at least the budget year, all of the core information related to tax expenditures as well as some additional information beyond the core elements. To answer "b," the Executive's Budget Proposal or supporting documentation must present all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to tax expenditures is presented, but some of the core pieces of information are not included. Answer "d" applies if no information is presented on tax expenditures.*

Answer:

c. Yes, information is presented, but it excludes some core elements or some tax expenditures.

Source:

2021 National Budget Volume 1 Economic Development Policies, Chapter 6 (page 97-105) , including sections and statements for key components: Tax Expenditure Statements for non-resource and resources sectors: #6.2, Tax Incentives in the Income Tax Act (page 98), # 6.3GST Act 2003 (page 104), # 6.4 Tax Incentive Administered by the Customs Tariff Act 1990 (page105).  
[https://www.treasury.gov.pg/html/national\\_budget/files/2021/2021%20Budget%20Volume%201.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/2021%20Budget%20Volume%201.pdf)

Comment:

As stated in Chapter 6, the "data presented ...are statistics as reported by the taxpayer..." and it highlights the weaknesses in the data, with the "calculation of actual revenue foregone from the se incentives is an exercise in micro-simulation" ... "in 2019 changes made to the Corporate Income Tax (CIT) form for submitting tax returns was changed to make it mandatory for companies to declare their use of tax incentives. ...the information from 2018 is more reliable as estimate of revenue foregone for each incentive". Some statement of the purpose of each incentive is provided, a brief indication of the likely beneficiaries and statement of estimated revenue foregone.

The estimates of the tax foregone only extend from 2017 to 2019, however since the explanations about the tax expenditures make clear which of the tax expenditures are still in effect in 2021, this counts as one of the three core elements for this question.

Peer Reviewer

Opinion: Agree

Comments: as referenced

Government Reviewer

Opinion: Agree

46. Does the Executive's Budget Proposal or any supporting budget documentation present estimates of earmarked revenues for at least the budget year?

**GUIDELINES:**

*Question 46 asks about estimates of earmarked revenues, which are revenues that may only be used for a specific purpose (for example, revenues from a tax on fuel that can only be used for building roads). This information is important in determining which revenues are available to fund the government's general expenses, and which revenues are reserved for particular purposes.*

*To answer "a," the Executive's Budget Proposal or supporting documentation must present for at least the budget year both estimates covering all earmarked revenues and a narrative discussing the earmarks. If a narrative discussion is not included, but estimates for all earmarked revenues are presented, then a "b" answer is appropriate. A "c" response applies if the presentation includes estimates covering only some, but not all, earmarked revenues (regardless of whether it also includes a narrative discussion). Answer "d" applies if no estimates of earmarked revenues are presented. An "e" response applies if revenue is not earmarked or the practice is disallowed by law or regulation.*

Answer:

c. Yes, estimates of some but not all earmarked revenues are presented.

Source:

2021 National Budget Volume 1 Economic Development Policies: Chapter 3 Revenue, 3.5 Medium Term Revenue Outlook (page 57) highlights the objective and progress with the Public Money Management Regularisation Act 2017 (PMMR) in diverting non-tax revenue (often collected in license fees, levies etc) away from trust funds managed by statutory authorities, and as operational revenue for these authorities, to consolidated revenue. Until 2020 the government applied a 90:10 rule, where the Statutory bodies can retain 10% of this revenue, while their core operations must be funded from normal Budget allocations; after 2020 the Act required 100% of such revenue be transferred to consolidated revenue, with these authority's 100% dependent upon central Government allocations in the Budget; (this did not apply to sub-national governments with their own revenue raising powers). However, in mid-2020 the PMMR was declared un-constitutional by the Supreme Court, disrupting the Government revenue further during Pandemic year. The Government responded by preparing a Non-Tax Revenue Administration Bill to achieve a similar outcome (see also Chapter 9, Enhancing State's Investments, #9.3.2, PMMR Act, page 132), although this Bill was not introduced in 2020. Chapter 5: Expenditure #5.3 Sector Expenditure, 5.3.12, despite the commitment restraining such earmarked revenue, the Government merged the National Road Authority with the Works Dept and introduced a Road (Management and Fund) Act, which grants extensive powers to establish multiple road authorities and collect, and manage funds for the purpose of maintaining road infrastructure. See also 5.7 Status of Trust Accounts (page 89-96)

Volume 2a, Section II (page 51), Details of Revenue, Grants and Loan Estimates, Department and General Revenue (Page 52-68) provides details of sources of Departmental revenue, some of which used to be earmarked, or retained in trust accounts by the respective agency Volume 2d 2021, Budget Estimates For Statutory Authorities, Provincial Governments, Debt Services and Trust Accounts. Section IV, Details of Trust Accounts, (page 637-673), details trust accounts accumulated from different sources, including direct government grants, including from donor funded projects, but also some directly financed (despite the intent under PMMR to discontinue this practice, and requiring the Direct remission to consolidated revenue).  
[https://www.treasury.gov.pg/html/national\\_budget/files/2021/2021%20Budget%20Volume%201.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/2021%20Budget%20Volume%201.pdf)  
[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%202a.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%202a.pdf)  
[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%202d.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%202d.pdf)



Public Money Management Regularisation Act 2017 (PMMR) :

<http://www.treasury.gov.pg/html/legislation/files/acts/2018/Public%20Money%20Management%20Regularisation%20Act%202017%20CERTIFIED.pdf>  
Road (Management and Fund) Act 2020 (passed 2 Sept 2020) <http://www.parliament.gov.pg/index.php/bills-and-legislation/view/road-management-and-fund-act-2020>

Comment:

There is no consolidated list or details of the earmarked revenues, although aggregated figures of revenue swept up from authorities under the PMMR are provided. The amounts spent by respective authorities/agencies are not specified in the National Budget. The Government's intent has been to centralise control of these multiple non-tax revenue levies, fees and charges, to alleviate the Government's revenue shortfall and prioritise expenditure. Some of these revenue mechanisms should always have been State revenue - (such as the lucrative Fisheries license fees) However, in mid-2020 the PMMR was ruled illegal by the Supreme court, undermining the State's revenue and revenue rationalisation in 2020 and potentially in 2021. Government's response has been to prepare replacement legislation, as specified in the EBP, to achieve the same outcome, although it was not included in the 2021 Budget legislation. Meanwhile new legislation has been passed, potentially reintroducing earmarked non-tax funding for road administration, so there maybe some policy inconsistency here. The government allocations to the Statutory authorities are provided in Volume 2 D, but no details of the earmarked revenue and expenditure, or the revenue and allocation considerations for affected Statutory Authorities if PMMR or its successor continues to be deemed illegal.

Peer Reviewer

Opinion: Agree

Comments: Agree with researchers findings

Government Reviewer

Opinion: Agree

47. Does the Executive's Budget Proposal or any supporting budget documentation present information on how the proposed budget (both new proposals and existing policies) is linked to government's policy goals for the budget year?

**GUIDELINES:**

*Questions 47 and 48 ask about information that shows how the budget (both new proposals and existing policies) is linked to the government's policy goals. The budget is the executive's main policy document, the culmination of the executive's planning and budgeting processes. Therefore, it should include a clear description of the link between policy goals and the budget – that is, an explicit explanation of how the government's policy goals are reflected in its budget choices. For an example of a discussion of a government's policy goals in the budget, see pages 13-18 of New Zealand's 2011 Statement of Intent (<http://www.treasury.govt.nz/publications/abouttreasury/soi/2011-16>), one of the many documents supporting its budget.*

*In some countries the government prepares strategic/development plans. These plans include all the policies the government is planning to implement for the budget year and very often cover a multi-year perspective. In some cases, these plans do not match the budget documentation, and it is possible that they are completely disconnected from the Executive's Budget Proposal. So the question is examining whether government policy plans are "translated" into revenue and expenditure figures in the actual budget documents.*

*Question 47 asks about the information covering the budget year, and Question 48 asks about the period at least two years beyond the budget year. To answer "a," the Executive's Budget Proposal or supporting documentation must present both estimates of how the budget is linked to government's policy goals for the budget year (for Question 47) or for a multi-year period beyond the budget year (for Question 48) and a narrative discussion of how these policy goals are reflected in the budget. To answer "b" for either question, the Executive's Budget Proposal or supporting documentation must present estimates that show how the budget is linked to government's policy goals, but no narrative discussion is included. A "c" response applies if the presentation includes only a narrative discussion, or if it includes estimates that show how the budget is linked to some, but not all, of the government's policy goals (regardless of whether it also includes a narrative discussion). Answer "d" applies if no information is presented on how the budget is linked to government's policy goals.*

Answer:

c. Yes, information that shows how the proposed budget is linked to some but not all of the government's policy goals for the budget year is presented.

Source:

2021 National Budget Volume 1 Economic and Development Policies in Chapter 1, Economic Developments and Outlook, notably #1.4 2021 Economic Outlook on the economic context of the pandemic and the challenges of implementing policies (page 22); Chapter 2: Fiscal Strategy and outlook, notably # 2.3 2021 Budget Strategy (page 42) and the framing of the Budget in the context of the medium and longer term plans and strategies, but the need for adaptation of some of those plans in the light of the economic crisis, including the Medium Term Fiscal, Revenue, Expenditure and Debt Strategies, 2021-25. Chapter 5: Expenditure, notably # 5.3 Sector Expenditure (from page 69) seeks to link expenditure with the new Medium Term Development Plan 3 2018-22; Chapter 7, Financing and Debt Management Strategy, (page 106) further links financing and debt management measures with longer term objectives, adjusted by the impact of the pandemic, with reference to the updating of the Medium Term Debt Strategy 2021-25 in #7.4 (page 110). Chapter 8: National Reform Agenda (page 116) again reflects the challenges of implementing reforms in accordance with long term plans under Covid-19 crisis conditions, and consequential reforms under the prevailing conditions. Chapter 9: Enhancing State's Investments, (page 129) progresses reforms of SOEs based upon prior commitments to review them in the light of generally poor performance

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/2021%20Budget%20Volume%201.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/2021%20Budget%20Volume%201.pdf)

[http://www.planning.gov.pg/images/dnmp/pdf/latest\\_pub/MTDP%20III%20Vol1-%20Web-compressed.pdf](http://www.planning.gov.pg/images/dnmp/pdf/latest_pub/MTDP%20III%20Vol1-%20Web-compressed.pdf)

[http://www.planning.gov.pg/images/dnmp/pdf/latest\\_pub/MTDP%20III%20Book%202\\_Final%20Proof\(Web\)\\_compressed.pdf](http://www.planning.gov.pg/images/dnmp/pdf/latest_pub/MTDP%20III%20Book%202_Final%20Proof(Web)_compressed.pdf)

Comment:

The economic and fiscal impact of the Covid-19 pandemic has necessitated the need both to review and revise the various medium terms plans and update and introduce appropriate new policy and reform measures, much of which is explained in the various chapters of Volume 1, albeit that some measures are being developed and constantly adapted in the very uncertain economic and fiscal conditions

Peer Reviewer

Opinion: Agree

Comments: some discussion on policy goals

Government Reviewer

Opinion: Agree

48. Does the Executive's Budget Proposal or any supporting budget documentation present information on how the proposed budget (both new proposals and existing policies) is linked to government's policy goals for a multi-year period (for at least two years beyond the budget year)?

*GUIDELINES:*

*Questions 47 and 48 ask about information that shows how the budget (both new proposals and existing policies) is linked to the government's policy goals. The budget is the executive's main policy document, the culmination of the executive's planning and budgeting processes. Therefore, it should include a clear description of the link between policy goals and the budget – that is, an explicit explanation of how the government's policy goals are reflected in its budget choices. For an example of a discussion of a government's policy goals in the budget, see pages 13-18 of New Zealand's 2011 Statement of Intent (<http://www.treasury.govt.nz/publications/abouttreasury/soi/2011-16>), one of the many documents supporting its budget.*

*In some countries the government prepares strategic/development plans. These plans include all the policies the government is planning to implement for the budget year and very often cover a multi-year perspective. In some cases, these plans do not match the budget documentation, and it is possible that they are completely disconnected from the Executive's Budget Proposal. So the question is examining whether government policy plans are "translated" into revenue and expenditure figures in the actual budget documents.*

*Question 47 asks about the information covering the budget year, and Question 48 asks about the period at least two years beyond the budget year. To answer "a," the Executive's Budget Proposal or supporting documentation must present both estimates of how the budget is linked to government's policy goals for the budget year (for Question 47) or for a multi-year period beyond the budget year (for Question 48) and a narrative discussion of how these policy goals are reflected in the budget. To answer "b" for either question, the Executive's Budget Proposal or supporting documentation must present estimates that show how the budget is linked to government's policy goals, but no narrative discussion is included. A "c" response applies if the presentation includes only a narrative discussion, or if it includes estimates that show how the budget is linked to some, but not all, of the government's policy goals (regardless of whether it also includes a narrative discussion). Answer "d" applies if no information is presented on how the budget is linked to government's policy goals.*

Answer:

c. Yes, information that shows how the proposed budget is linked to some but not all of the government's policy goals for a multi-year period is presented.

Source:

2021 National Budget Volume 1 Chapter 2: Fiscal Strategy and outlook, notably # 2.4 Medium Term Fiscal Outlook (page 42) and the framing of the Budget in the context of the medium and longer term plans and strategies, but the need for adaptation of some of those plans in the light of the economic crisis, including the Medium Term Fiscal, Revenue, Expenditure and Debt Strategies, 2021-25. Chapter 3, Revenue, notably #3.5 Medium term Revenue Outlook (page 57), relating measures in a revised Medium term Revenue Strategy to reflect changing policy objectives and the impact of Covid, the court ruling on PMMR; (page 57) Chapter 5: Expenditure, notably # 5.3 Sector Expenditure (from page 69) seeks to link expenditure with the new Medium Term Development Plan 3 2018-22; Chapter 7, Financing and Debt Management Strategy, (page 106) further links financing and debt management measures with longer term objectives, adjusted by the impact of the pandemic, with reference to the updating of the Medium Term Debt Strategy 2021-25 in #7.4 (page 110). Chapter 8: National Reform Agenda (page 116) including actions with respect to the long planned Sovereign Wealth Fund and potential major new resource projects (#8.6 Page 127-128) Chapter 9: Enhancing State's Investments, (page 129) application of resource sector policies over medium term  
Volume 3A Public Investment Program 2021-2025 or Capital Investment Program, specifies giving priorities in the Medium Term Development Plan III and summarising the Key Results Areas in the MTDP 3.  
[https://www.treasury.gov.pg/html/national\\_budget/files/2021/2021%20Budget%20Volume%201.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/2021%20Budget%20Volume%201.pdf)  
[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%203A%20PIP.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%203A%20PIP.pdf)  
[http://www.planning.gov.pg/images/dnpm/pdf/latest\\_pub/MTDP%20III%20Vol1-%20Web-compressed.pdf](http://www.planning.gov.pg/images/dnpm/pdf/latest_pub/MTDP%20III%20Vol1-%20Web-compressed.pdf)  
[http://www.planning.gov.pg/images/dnpm/pdf/latest\\_pub/MTDP%20III%20Book%202\\_Final%20Proof\(Web\)\\_compressed.pdf](http://www.planning.gov.pg/images/dnpm/pdf/latest_pub/MTDP%20III%20Book%202_Final%20Proof(Web)_compressed.pdf)  
<http://www.planning.gov.pg/images/dnpm/pdf/PlanningAct2016.pdf>  
<https://png-data.sprep.org/dataset/national-strategy-responsible-sustainable-development-papua-new-guinea2014>

Comment:

There is extensive reference in Volume 1, economic and development policies, on linkages with the medium and term policies, notably the Medium Term Fiscal, Revenue, Expenditure, Debt and Development Strategies and Plans, some of which have been revised, covering the period 2021-25, as well as some references to long term plans (notably: Vision 2050 and National Strategy for Responsible Sustainable Development). The text also highlights the constraints imposed by current fiscal conditions to achieving the ambitious objectives in the MTDP3 but there's limited attempt to quantify, except, briefly (or by cross reference to volume 2 of the MTDP3) and details provided in Volume 3 Public Investment Plan, which

provides linkages with the key longer term plans and priorities, including the KPAs, with actual capital expenditure.

Peer Reviewer

Opinion: Agree

Comments: The linkages to government's fiscal policy objectives are articulated in the budget documents. Reference is made to the development plans and development objectives but this appears to be largely qualitative rather than quantitative

Government Reviewer

Opinion: Agree

49. Does the Executive's Budget Proposal or any supporting budget documentation present nonfinancial data on inputs to be acquired for at least the budget year?

*GUIDELINES:*

*Question 49 asks about the availability of nonfinancial data on inputs for the budget year. (Nonfinancial data on outputs and outcomes are addressed in Question 50.)*

*The budget should disclose not only the amount of money that is being allocated on a program but also any information needed to analyze that expenditure. Nonfinancial data and performance targets associated with budget proposals are used to assess the success of a given policy. For example, even when allocated funds are spent according to plan, there remains the question of whether the policy delivered the results that it aimed to achieve.*

*Nonfinancial data can include information on:*

*Inputs - These are the resources assigned to achieve results. For example, in regards to education, nonfinancial data on inputs could include the number of books to be provided to each school or the materials to be used to build or refurbish a school.*

*Outputs - These are products and services delivered as a result of inputs. For example, the number of pupils taught every year; the number of children that received vaccines; or the number of beneficiaries of a social security program.*

*Outcomes - These are the intended impact or policy goals achieved. For example, an increase in literacy rates among children under 10, or a reduction in rates of maternal mortality.*

*In addition, governments that set performance targets must use nonfinancial data for outputs and outcomes to determine if these targets have been met.*

*To answer "a," the Executive's Budget Proposal or supporting documentation must present, for at least the budget year, nonfinancial data on inputs for each individual program within all administrative units (ministries, departments, and agencies). It is also acceptable if nonfinancial data on inputs for each individual program is organized by functions. To answer "b," the Executive's Budget Proposal or supporting documentation must present nonfinancial data on inputs for all administrative units or all functions, but not for each individual program (or even for any programs) within those administrative units or functions. A "c" response applies if nonfinancial data on inputs are presented only for some programs and/or some administrative units or some functions. Answer "d" applies if no nonfinancial data on inputs is presented.*

Answer:

c. Yes, nonfinancial data on inputs are presented for some programs and/or some administrative units (or functions).

Source:

Volume 2A, 2021 Budget Estimates of Revenue and Expenditure for National Departments, Section I, Table 6 (37-43) 2021 Public Service Establishment,

Volume 2A-C, Section IV (page 87 onwards), National Government Departments, provides staffing details and vehicles for each department, and Volume 2D 2021 BUDGET ESTIMATES FOR STATUTORY AUTHORITIES PROVINCIAL GOVERNMENTS DEBT SERVICES AND TRUST ACCOUNTS, SECTION (I) DETAILS OF STATUTORY AUTHORITIES (page 1-565), the same details are provided for the Statutory Authorities, and Section 2, Details of Provincial Governments (pages 566-596) - such non-financial details are not provided

Volume 3A & B Public Investment Program 2021-25 provides some details, if inconsistent, on inputs and outputs for respective capital investment programs, for National Government Departments, Statutory Authorities and Provincial Governments, respectively

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/2021%20Budget%20Volume%201.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/2021%20Budget%20Volume%201.pdf)

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%202a.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%202a.pdf)

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%202b.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%202b.pdf)

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%202c.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%202c.pdf)

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%202d.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%202d.pdf)

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%203A%20PIP.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%203A%20PIP.pdf)

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%203B%20PIP.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%203B%20PIP.pdf)

Comment:

Non-financial data are presented in the summary table 6 of Volume 2a for staff, including casuals. Staffing and vehicle details are provided in volume 2a-2d for programs of all Departments and Statutory Authorities and more extensive (though not systematic) details of inputs and outputs are provided in Volume 3 (Public Investment Program). The information continues to improve, but is not comprehensive

Peer Reviewer  
Opinion: Agree  
Comments: as highlighted by researcher

Government Reviewer  
Opinion: Agree

50. Does the Executive's Budget Proposal or any supporting budget documentation present nonfinancial data on results (in terms of outputs or outcomes) for at least the budget year?

**GUIDELINES:**

*Question 50 asks about the availability of nonfinancial data on results for the budget year. Nonfinancial data on results can include data on both outputs and outcomes, but not on inputs (which are addressed in Question 49).*

*To answer "a," the Executive's Budget Proposal or supporting documentation must present, for at least the budget year, nonfinancial data on results for each individual program within all administrative units (ministries, departments, and agencies). It is also acceptable if nonfinancial data on results for each individual program is organized by functional classification. To answer "b," the Executive's Budget Proposal or supporting documentation must present nonfinancial data on results for all administrative units or all functional classifications, but not for each individual program (or even for any programs) within those administrative units or functions. A "c" response applies if nonfinancial data on results are presented only for some programs and/or some administrative units or some functions. Answer "d" applies if no nonfinancial data on results is presented.*

**Answer:**

c. Yes, nonfinancial data on results are presented for some programs and/or some administrative units (or functions).

**Source:**

Volume 2A-C 2021 Estimates of Revenue and Expenditure for National Government Departments, Section IV, (pages 87-1172) brief and sporadic output data/ performance indicators for programs, by administrative unit  
VOLUME 2D 2021 BUDGET ESTIMATES FOR STATUTORY AUTHORITIES PROVINCIAL GOVERNMENTS DEBT SERVICES AND TRUST ACCOUNTS; likewise brief and sporadic output data for programs, by administrative unit  
Volume 3A & B Public Investment Program 2019-2023, more extensive output data for all programs under the Capital Budget  
[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%202a.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%202a.pdf)  
[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%202b.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%202b.pdf)  
[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%202c.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%202c.pdf)  
[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%202d.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%202d.pdf)  
[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%203A%20PIP.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%203A%20PIP.pdf)  
[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%203B%20PIP.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%203B%20PIP.pdf)

**Comment:**

Intended non-financial data are provided for many programs and administrative (functions) in a somewhat ad-hoc manner (though in a progressively more extensive manner than in previous years), notably in volume 3A & B (PIP) and in some of the performance indicators under Volume 2 Parts (1a-1d). For example, see Volume 2a, pages 100-102, for several activities under the Prime Minister's Office that do not have performance indicators. There are other examples on pages 100-164. In the light of the inconsistent and in many cases very limited data, this justifies only a C response.

Peer Reviewer  
Opinion: Agree  
Comments: Although data is provided on performance indicators - these are largely subjective and and unquantitative. They are not measurable in most instances

Government Reviewer  
Opinion: Agree

**Researcher Response**

There has been some improvement over the years in specify these indicators, they largely remain adhoc, and, as the peer reviewers suggest, largely unmeasurable. More effort is required to make these indicators useful and measurable in future..

51. Are performance targets assigned to nonfinancial data on results in the Executive's Budget Proposal or any supporting budget documentation?

**GUIDELINES:**

*Question 51 asks about performance targets assigned to nonfinancial data on results for the budget year. The question applies to those nonfinancial results shown in the budget, and that were identified for purposes of Question 50.*

To answer "a," the Executive's Budget Proposal or supporting documentation must assign performance targets to all nonfinancial data on results shown in the budget for at least the budget year. To answer "b," the Executive's Budget Proposal or supporting documentation must assign performance targets to a majority (but not all) of the nonfinancial data on results shown in the budget. A "c" response applies performance targets are assigned only to less than half of the nonfinancial data on results. Answer "d" applies if no performance targets are assigned to nonfinancial data on results shown in the budget, or the budget does not present nonfinancial results.

Answer:

c. Yes, performance targets are assigned to some nonfinancial data on results.

Source:

Volume 2A-D 2021 Budget Estimates of Revenue and Expenditure for National Government Departments: Section IV (page 87 onwards & entire 2B-2D), some brief performance indicators specified under most programs, and VOLUME 2d 2021 BUDGET ESTIMATES FOR STATUTORY AUTHORITIES PROVINCIAL GOVERNMENTS DEBT SERVICES AND TRUST ACCOUNTS, Section I, Statutory Authorities, including Provincial Health Authorities: B Other data in 2021: likewise brief performance indicators for most programs; Section II Provincial Governments (with no data provided)  
[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%202a.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%202a.pdf)  
[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%202b.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%202b.pdf)  
[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%202c.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%202c.pdf)  
[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%202d.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%202d.pdf)  
[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%203A%20PIP.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%203A%20PIP.pdf)  
[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%203B%20PIP.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%203B%20PIP.pdf)

Comment:

Performance indicators are provided in theory for (nearly) all programs in Volume 2a-d for Departments and NSAs of the Budget Proposal, but most are very brief, vague subjective observations, with performance largely unmeasured using this information. At the sub-national level no performance indicators are provided. More detail is provided in Volume 3 (PIP) of outputs, which in many instances may comprise or form a component of the indicators.

Peer Reviewer

Opinion: Disagree

Suggested Answer:

d. No, performance targets are not assigned to nonfinancial data on results, or the budget does not present nonfinancial data on results.

Comments: I agree with the researchers comments that Performance Indicators are vague and unmeasured. As such, I would argue that the performance indicators do not LARGELY provide targets.

Government Reviewer

Opinion: Agree

Researcher Response

Certainly, the non-financial KPIs are weak and inadequate and should be improved. However, they have not deteriorated from earlier years, and in some cases seem to have slightly improved. For consistency with earlier years, it's felt preferable to remain with a score of 'C'.

52. Does the Executive's Budget Proposal or any supporting budget documentation present estimates of policies (both new proposals and existing policies) that are intended to benefit directly the country's most impoverished populations in at least the budget year?

**GUIDELINES:**

Question 52 asks whether the budget highlight policies, both new and existing, that benefit the poorest segments of society. This question is intended to assess only those programs that directly address the immediate needs of the poor, such as through cash assistance programs or the provision of housing, rather than indirectly, such as through a stronger national defense. This information is of particular interest to those seeking to bolster government's commitment to anti-poverty efforts. For purposes of answering this question, a departmental budget (such as the Department of Social Welfare) would not be considered acceptable. In general, this question is asking whether the EBP includes a special presentation that pulls together estimates of all the relevant policies in one place. However, if the country uses "program budgeting," where programs are presented as expenditure categories with specific and identified objectives, and it identifies anti-poverty programs within each administrative unit, then that is also acceptable for this question.

The IBP Budget Brief, "How Transparent are Governments When it Comes to Their Budget's Impact on Poverty and Inequality?"

(<https://www.internationalbudget.org/wp-content/uploads/government-transparency-of-budgets-impact-on-poverty-inequality-ibp-2019.pdf>) includes a discussion of countries that have provided information on how its policies affect the poor.

For instance, Pakistan provides a detailed breakdown of pro-poor expenditure as part of its 2017-18 budget proposal. In one document, the government sets out policy priorities, expected outputs, and estimates of past and future spending for several programs aimed at poverty alleviation. Another supporting document provides a comprehensive overview of ongoing policies, including a chapter on social safety nets, covering both financial and performance information of poverty alleviation schemes over a period of eight years. ([http://www.finance.gov.pk/budget/mtbf\\_2018\\_21.pdf](http://www.finance.gov.pk/budget/mtbf_2018_21.pdf) and [http://www.finance.gov.pk/survey\\_1718.html](http://www.finance.gov.pk/survey_1718.html)).

To answer "a," the Executive's Budget Proposal or supporting documentation must for at least the budget year both present estimates covering all policies that are intended to benefit the most impoverished populations and include a narrative discussion that specifically addresses these policies. (For countries using program budgeting that breaks out individual anti-poverty programs, there should be a separate narrative associated with each such program.) Answer "b" if a

*narrative discussion is not included, but estimates for all policies that are intended to benefit the most impoverished populations are presented. Answer “c” if the presentation includes estimates covering only some, but not all, policies that are intended to benefit the most impoverished populations (regardless of whether it also includes a narrative discussion). Answer “d” if no estimates of policies that are intended to benefit the most impoverished populations are presented.*

Answer:

c. Yes, estimates of some but not all policies that are intended to benefit directly the country’s most impoverished populations are presented.

Source:

2021 Budget Volume 1 Economic and Development Policies, notably Chapter 5, Expenditure (page 67), notably #5.3.2 Community and Culture Sector (page 71), 5.3.7 Education Sector (p 74), including Tuition Fee Free Policy, 5.3.8 Health Sector (page 75), including so-called ‘free’ primary healthcare policy, 5.3.11 Provincial Sector (page 78), including equitable local level basic services, 5.3.13 Utilities Sector (p80) including implementation of the WaSH policy for ‘increased access’ to clean and safe drinking water, sanitation and hygiene. Chapter 8 National Reform Agenda # 8.3.1 (page 117) Equitable Resource Allocations to Provincial Governments (notably under NEFC and equalisation measures) to provide set of basic services; #8.4.3 Competition Regulation and Consumer Protection (page 120-122) notably with relation to prices for essential goods, including staple foods, and services; #8.4.8 Microfinance Expansion Program (page 125), 8.4.11 Commodity Price Stabilisation (page 126) and #8.4.12 Minimum Wages (page 127) Volumes 2A-D, 2021 Budget Estimates of Revenue and expenditure for National Government Departments, Section IV, (page 87 onwards), specific programs under specific Departments, specified, eg. Vol 2C, (pages 6-8) various welfare services for persons with special needs VOLUME 3A & B PUBLIC INVESTMENT PROGRAM 2021 – 2025, Introduction, Emphasis of MTDP3 Key Results Areas, notably KRA 3, Sustainable Social Development (Health, Education and Community) KRA 5, Improved Service Delivery, including basic water and other service provision at the local level, KRA 8, Sustainable Population, including family planning, but also youth skills and opportunities and access to employment/micro-small business opportunities, and Section I and II  
[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%203B%20PIP.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%203B%20PIP.pdf)  
[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%202a.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%202a.pdf)  
[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%202b.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%202b.pdf)  
[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%202c.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%202c.pdf)  
[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%202d.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%202d.pdf)  
[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%203A%20PIP.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%203A%20PIP.pdf)  
[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%203B%20PIP.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%203B%20PIP.pdf)

Comment:

There are few policies specifically aimed at addressing the needs of the poor, although some form components of the Medium Term Development Plan 3, and associated policies on population, WaSH etc. There is no systematic provision of material in the Budget proposal to provide estimates of policies designed to benefit the most impoverished populations, even though some focus under the Covid-19 relief measures has been intended to provide relief, including to those made unemployed (but only in terms of early access to their own pension funds). There a few programs explicitly designed to assist more remote or disadvantaged groups, with brief details provided in Volumes 1 (Expenditure) and more details of allocations in Volumes 2 A-D, and for program period 2021-25 in Volume 3 (including in the foreword, with its emphasis on the MTDS3 priorities) and in some of the explicit programs in Vol 3, related to access to basic services under the Minimum Standard provision, WaSH, population planning, Child protection and address violence against women and children. Further details on service delivery costs and reallocations to provinces to meet equalisation requirements (reducing inter-provincial inequitable funding) are provided, measures for competition and consumer protection, including over staple foods and services, commodity private ‘stabilisation’ and minimum wages.

Peer Reviewer

Opinion: Disagree

Suggested Answer:

d. No, estimates of policies that are intended to benefit directly the country’s most impoverished populations are not presented.

Comments: As referenced

Government Reviewer

Opinion: Agree

Researcher Response

The references and measures for disadvantaged groups are somewhat ad hoc in the Budget, with little designation of the target group. There is certainly no focus provided on the nature of poverty and vulnerability and concerted response planned or spelled out, despite references to Covid and associated measures. There is no attempt to quantify those impacted or a target group and the response measures and outcomes. It could be reduced to ‘d’, although we accepted ‘c’ for 2019 and it’s not really changed.

IBP Comment

During an IBP consistency check, the score of “C” is confirmed for this question. While there is limited information about policies specifically aimed at addressing the country’s most impoverished populations, Answer “c” applies if the presentation includes estimates covering only some, but not all, policies that are intended to benefit the most impoverished populations (regardless of whether it also includes a narrative discussion).

53. Does the executive release to the public its timetable for formulating the Executive’s Budget Proposal (that is, a document setting deadlines for submissions from other government entities, such as line ministries or subnational government, to the Ministry of Finance or whatever central government agency is in charge of coordinating the budget’s formulation)?

**GUIDELINES:**

Question 53 asks about the budget timetable. An internal timetable is particularly important for the executive's management of the budget preparation process, in order to ensure that the executive accounts for the views of the different departments and agencies in the proposed budget. The timetable would, for instance, set deadlines for submissions from other government entities, such as line ministries or subnational government, to the Ministry of Finance or whatever central government agency is in charge of coordinating the budget's formulation. So that civil society is aware of the various steps in the budget formulation process, and when opportunities may exist to engage the executive, it is essential that this timetable be made available to the public.

To answer "a," the executive must prepare a detailed budget timetable and release it to the public. A "b" answer applies if the timetable is made public, but some details are not included. A "c" response applies if the timetable is made public, but many important details are excluded, reducing its value for those outside government. Answer "d" applies if no timetable is made available to the public. As long as a timetable for formulating the Executive's Budget Proposal is released, answer "a," "b," or "c" may be selected, even if the Executive's Budget Proposal is not made publicly available.

**Answer:**

d. No, a timetable is not issued to the public.

**Source:**

Consolidated Budget Operating Rules were issued by Treasury, Feb 2015, which should go together with the Annual Budget Circulars issued by Treasury during the year. During 2020, for the preparation of the 2021 the circular was not uploaded to the website and dates only circulated internally within government.

[https://www.treasury.gov.pg/html/national\\_budget/files/2015/consolidate%20budget/consolidated\\_budget\\_operating\\_rules.pdf](https://www.treasury.gov.pg/html/national_budget/files/2015/consolidate%20budget/consolidated_budget_operating_rules.pdf)

See page 5 for specific dates of when funding proposals must be submitted to the Treasury.

The Fiscal Responsibility Act 2006 (amended 2020), which specifies required specific or broader allowable dates for various parts of the Budget cycle (Budget Strategy Paper - the PBS, the EBP, Mid-Year Economic and Fiscal Outlook Report and Final Budget Outcome - End of Year Report). No specific dates are provided, although for example, the Budget Strategy Paper has a requirement to be released publicly and tabled at least three months before the presentation of the budget to the National Parliament (although in practice not applied)

[https://www.treasury.gov.pg/html/legislation/files/acts/PNGFRA\\_No\[1\].9-2006.pdf](https://www.treasury.gov.pg/html/legislation/files/acts/PNGFRA_No[1].9-2006.pdf)

The National Planning and Monitoring Responsibility Act 2016 specifies a range of general deadlines for planning and administration of the annual Budget, such as that the Annual Budget Framework Paper must be published four months before the budget is tabled in Parliament; (the Act is also due for review and revision in 2021)

<http://www.planning.gov.pg/images/dnpm/pdf/PlanningAct2016.pdf>

**Comment:**

The Consolidated Budget Operating Rules, provide a broad framework (together with the requirements specific in the Fiscal Responsibility Act and National Planning and Responsibility Act), but these should be combined with detailed annual Budget Circulars (including invitations for inputs by the public and Legislature etc). In 2017 in the Budget Circular No 1, the Budget schedule was issued to the public online, but has not occurred subsequently, including for the 2021 Budget, although the Covid-19 Pandemic, and need for consequential Supplementary Budget, further undermined processes and schedules during 2020; until 2015 multiple Budget circulars were provided through the year on the Treasury's website Budget (or on the Finance Dept or Planning's site, both of which only contain very obsolete information). Information was only anecdotal, although also provided in forums and workshops.

**Peer Reviewer**

Opinion: Agree

Comments: as highlighted

**Government Reviewer**

Opinion: Agree

Comments: There are Budget Timetable Circulars that Treasury issues to government funded agencies only and not the general public, which has the budget timetable and the schedule of events that guides the overall budget cycle. This is usually released in January or early Feb of each year.

54. Does the Pre-Budget Statement present information on the macroeconomic forecast upon which the budget projections are based?

(The core information must include a discussion of the economic outlook with estimates of nominal GDP level, inflation rate, real GDP growth, and interest rates.)

**GUIDELINES:**

Question 54 focuses on the macroeconomic forecast that underlies the Pre-Budget Statement, asking whether "core" information related to the economic assumptions is presented. These core components include a discussion of the economic outlook as well as estimates of the following:

- nominal GDP level;
- inflation rate;
- real GDP growth; and
- interest rates.

Beyond these core elements, some governments also provide additional information related to the economic outlook, including for instance: short- and long-term interest rates; the rate of employment and unemployment; GDP deflator; price of oil and other commodities; current account; exchange rate; and composition of GDP growth.

To answer "a," the Pre-Budget Statement must present all of the core information related to the macroeconomic forecast as well as some additional information beyond the core elements. To answer "b," the Pre-Budget Statement must present all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to the macroeconomic forecast is presented, but some of the core pieces of information are not included. Answer "d" applies if no information on the macroeconomic forecast is presented.

Answer:

a. Yes, information beyond the core elements is presented for the macroeconomic forecast.

Source:

The Pre-Budget Statement for 2021 provides in Table 1 on p. 5 most elements for BY, including historical information through BY-2 and projections through BY+3: real GDP, GDP growth rates, inflation and interest rate projections. Information beyond the core includes exchange rates and commodity prices. Information on the nominal GDP growth rate is found in Table 6 on page 14.

[https://www.treasury.gov.pg/html/national\\_budget/files/2013/budget\\_documents/BSP%202021.pdf](https://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/BSP%202021.pdf)

Comment:

The narrative focuses on real GDP growth, but the table 1, plus Table 6, provides all components.

Peer Reviewer

Opinion: Agree

Comments: Per Table 1

Government Reviewer

Opinion: Agree

55. Does the Pre-Budget Statement present information on the government's expenditure policies and priorities that will guide the development of detailed estimates for the upcoming budget?

(The core information must include a discussion of expenditure policies and priorities and an estimate of total expenditures.)

**GUIDELINES:**

Question 55 focuses on the government's expenditure policies and priorities in the Pre-Budget Statement, asking whether "core" information related to these policies is presented. These core components include:

- a discussion of expenditure policies and priorities; and
- an estimate of total expenditures.

Although a Pre-Budget Statement is unlikely to include detailed programmatic proposals (such detailed information is typically only presented in the budget itself), it should include a discussion of broad policy priorities and a projection of at least total expenditures associated with these policies for the budget year. The Pre-Budget Statement can include some detail, for instance, estimates provided by any of the three expenditure classifications – by administrative, economic, and functional classifications.

To answer "a," the Pre-Budget Statement must present for the upcoming budget year all of the core information related to the government's expenditure policies and priorities as well as some additional information beyond the core elements. To answer "b," the Pre-Budget Statement must present all of the core components noted above for the upcoming budget year. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to the government's expenditure policies and priorities is presented, but some of the core pieces of information are not included. Answer "d" applies if no information on the government's expenditure policies and priorities is presented.

Answer:

a. Yes, information beyond the core elements is presented for the government's expenditure policies and priorities.

Source:

The pre-budget statement is a brief overview (on page 10 & 11, including Figure 3 and Table 5), and breakdown between the capital and operating expenditure and debt servicing costs, and more detail in the Budget Strategy, Table 6, (page 14), and Expenditure Rules and Guidelines (pages 15 and 16) and priorities, including payment of arrears.

[https://www.treasury.gov.pg/html/national\\_budget/files/2013/budget\\_documents/BSP%202021.pdf](https://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/BSP%202021.pdf)



Comment:

Table 2 (page 8) includes the total expenditure ceilings for 2021 (and beyond) under the Medium Term Fiscal Framework, with a brief discussion of priorities on pages 10 -11. Information beyond the core is provided in the table on p. 15 & 17 with expenditure ceilings by economic classification.

Peer Reviewer

Opinion: Agree

Comments: as referenced

Government Reviewer

Opinion: Agree

56. Does the Pre-Budget Statement present information on the government's revenue policies and priorities that will guide the development of detailed estimates for the upcoming budget?

(The core information must include a discussion of revenue policies and priorities and an estimate of total revenues.)

*GUIDELINES:*

*Question 56 focuses on the government's revenue policies and priorities in the Pre-Budget Statement, asking whether "core" information related to these policies is presented. These core components include:*

- *a discussion of revenue policies and priorities; and*
- *an estimate of total revenue.*

*Although a Pre-Budget Statement is unlikely to include detailed revenue proposals, it should include a discussion of broad policy priorities and a projection of at least the total revenue associated with these policies for the budget year. The Pre-Budget Statement can also include more detail, for instance, with estimates provided by revenue category – tax and non-tax – or some of the major individual sources of revenue, such as the Value Added Tax or the income tax.*

*To answer "a," the Pre-Budget Statement must present for the upcoming budget year all of the core information related to the government's revenue policies and priorities as well as some additional information beyond the core elements. To answer "b," the Pre-Budget Statement must present all of the core components noted above for the upcoming budget year. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to the government's revenue policies and priorities is presented, but some of the core pieces of information are not included. Answer "d" applies if no information on the government's revenue policies and priorities is presented.*

Answer:

a. Yes, information beyond the core elements is presented for the government's revenue policies and priorities.

Source:

The medium term revenue forecasts are show in III,(page 7-8). The core information on revenue policies and priorities is presented, with summaries in Table 4 and Figure 2, (pages 9 & 10) and Revenue Strategy and Forecast, Budget Strategy Tables 6 & 2021 Revenue Table 7 and text (pages 14 &15)

[https://www.treasury.gov.pg/html/national\\_budget/files/2013/budget\\_documents/BSP%202021.pdf](https://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/BSP%202021.pdf)

Comment:

Revenue projections for 2021 are shown on p. 13 with a discussion on p. 9-10. Revenue sources from different categories (tax, non-tax, donor grants) are provided on p. 10 as information beyond the core

Peer Reviewer

Opinion: Agree

Comments: As referenced

Government Reviewer

Opinion: Agree

57. Does Pre-Budget Statement present three estimates related to government borrowing and debt: the amount of net new borrowing required during the budget year; the total debt outstanding at the end of the budget year; and interest payments on the debt for the budget year?

**GUIDELINES:**

Question 57 asks whether the Pre-Budget Statement includes three key estimates related to borrowing and debt:

- the amount of net new borrowing needed in the upcoming budget year;
- the central government's total debt burden at the end of the upcoming budget year; and
- the interest payments on the outstanding debt for the upcoming budget year.

Debt is the accumulated amount of money that the government borrows. The government can borrow from its citizens, banks, and businesses within the country (domestic debt) or from creditors outside the country (external debt). External debt is typically owed to private commercial banks, other governments, or international financial institutions such as the World Bank and the International Monetary Fund.

Net new borrowing is the additional amount of new borrowing that is required for the budget year to finance expenditures in the budget that exceed available revenues. Net new borrowing adds to the accumulated debt. It is distinct from gross borrowing, which also includes borrowing needed to repay existing debt that matured during the budget year; debt that is replaced (or rolled over) does not add to the total of accumulated debt. For the purposes of this question, the deficit may be accepted as a proxy for net new borrowing.

Interest payments on the debt (or debt service costs) are typically made at regular intervals, and these payments must be made on a timely basis in order to avoid defaulting on the debt obligation. Interest payments are separate from the repayment of principal, which occurs only when the loan has matured and must be paid back in full.

To answer "a," the Pre-Budget Statement must present all three estimates of borrowing and debt for at least the upcoming budget year. For a "b" answer, the Pre-Budget Statement must present two of those three estimates. For a "c" answer, the PBS must present one of the three estimates. Answer "d" applies if no information on borrowing and debt is presented in the PBS.

**Answer:**

a. Yes, all three estimates related to government borrowing and debt are presented.

**Source:**

Table 6, 2021 Budget Strategy (page 14), Debt Strategy (page 16) text and Table 9, 2021 Net incurrence of liabilities and debt stock.  
[https://www.treasury.gov.pg/html/national\\_budget/files/2013/budget\\_documents/BSP%202021.pdf](https://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/BSP%202021.pdf)

**Comment:**

Net new borrowing is shown for 2021 in Table 6 on p. 14, plus forecast debt to GDP (49.4%-53.6%); Gross government debt (foreign and domestic) is shown on p. 17; forecast debt servicing costs are shown in Table 5, Breakdown of Expenditure, (page 11) and in Table 6.

**Peer Reviewer**

Opinion: Agree

Comments: as referenced

**Government Reviewer**

Opinion: Agree

58. Does the Pre-Budget Statement present estimates of total expenditures for a multi-year period (at least two-years beyond the budget year)?

**GUIDELINES:**

Question 58 asks about multi-year expenditure estimates in the Pre-Budget Statement.

To answer "a," expenditure estimates for at least two years beyond the upcoming budget year must be presented. The estimates must be for at least total expenditures, but could include more detail than just the aggregate total.

**Answer:**

a. Yes, multi-year expenditure estimates are presented.

**Source:**

III Medium Term Projections, (page 7-12) Table 2, Summary, Medium Term Framework, Expenditure (pages 10-11), Figure 3 and Table 5

[https://www.treasury.gov.pg/html/national\\_budget/files/2013/budget\\_documents/BSP%202021.pdf](https://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/BSP%202021.pdf)

**Comment:**

the Medium Term Projections, including tables and figure, are shown with BY+3 (2025) for expenditures

Peer Reviewer

Opinion: Agree

Comments: Nearly all tables present multi-year perspective

Government Reviewer

Opinion: Agree

59. Does the Enacted Budget present expenditure estimates by any of the three expenditure classifications (by administrative, economic, or functional classification)?

**GUIDELINES:**

*Question 59 asks if expenditure estimates in the Enacted Budget are presented by any one of the three expenditure classifications – by administrative, economic, and functional classifications – which were addressed in Questions 1-5 above. Each of the classifications answers a different question: administrative unit indicates who spends the money; functional classification shows for what purpose is the money spent; and economic classification displays what the money is spent on. Unlike classification by administrative unit, which tends to be unique to each country, functional and economic classifications for government budgeting have been developed and standardized by international institutions. Cross-country comparisons are facilitated by adherence to these international classification standards.*

*To answer "a," the Enacted Budget must present expenditure estimates by all three of the expenditure classifications. To answer "b," expenditure estimates must be presented by two of the three classifications. A "c" answer applies if expenditure estimates are presented by one of the three classifications. Answer "d" applies if expenditure estimates are not presented by any of the three classifications.*

Answer:

d. No, the Enacted Budget does not present expenditure estimates by any expenditure classification.

Source:

The 2020 EB is assessed as published late (see Section 1, being publicly released partly in May and partly in September 2020) therefore all related questions are score as 'no' (D). The 2020 EB was posted outside the time period allowed (notably after the Appropriation for General Public Services was certified in 08th September 2020 and then uploaded on to the Parliament Website, while the Appropriations for the Legislature and Judiciary were certified and released in May 2020, together with related Budget legislation, but still outside the time limit)

For the 2020 EB (which comprises the 3 Appropriation Acts, and associated legislation, to be read together with the EBP, which, as Stated in Section 2 of the Appropriation (General Public Services Expenditure 2020) Act 2019, clause 'a' states "for the purpose of identifying activities of agencies referred to in this Act, Volumes 2A, B, C and D of the 2020 Budget Books may be considered relevant documents" and clause 'b' states "for the purpose of identifying the Capital Expenditure referred to in this Act, Volumes 2A, B, C and D of the 2020 Budget Books are to be considered relevant documents": These volumes (which comprise the EBP) were uploaded in December 2019.

Appropriation (General Public Services Expenditure 2020) Act 2019 (passed 5 December 2019, Certified 8 September 2020, posted September 2020)

<http://www.parliament.gov.pg/index.php/bills-and-legislation/view/appropriation-general-public-services-expenditure-2020amendment-act-2020>

Appropriation (National Parliament 2020) Act 2019 (passed 5 Dec 2019, certified 7 May 2020, posted May 2020)

<http://www.parliament.gov.pg/index.php/bills-and-legislation/view/appropriation-national-parliament-2020-act-2019>

Appropriation (Judiciary Services 2020) Act 2019 (passed 5 Dec 2019, certified 7 May 2020, posted May 2020)

<http://www.parliament.gov.pg/index.php/bills-and-legislation/view/appropriation-judiciary-services-2020-act-2019>

Income Tax, Customs Tariff, Excise Tariff (2020 Budget) (Amendment) Acts, (passed 5 Dec 2019, certified 7 May 2020, posted May 2020)

<http://www.parliament.gov.pg/bills-and-legislation/2019>

Comment:

The EB for 2020 was made available to the public online too late to meet the requirements of OBS (notably released in part in May and partially in September 2020) .

(It may be noted that if the Appropriation Acts were released on time, on the basis that the EBP documents provide the details of the EB and are cross referenced in the Appropriation (see above wording in Sn 2, clauses 'a' & 'b' the Budget Appropriations, for Goods and Services - i.e the EB), the same response would apply to the similar question under the EBP (notably question 7, covering the 3 classifications, plus forecasting), although in this case the 2021 Budget details are provided (rather than 2019). On this basis the EB would also provide estimates by all three classifications)

Peer Reviewer

Opinion: Agree

Comments: although the EB includes these classifications - as stated by researcher, enactment and publication fell outside the reference period

Government Reviewer

Opinion: Agree

59b. Based on the response to Question 59, check the box(es) to identify which expenditure classifications are included in the Enacted Budget:

Answer:

None of the above

Source:

The 2020 EB, notably the 3 Appropriation Acts and related Budget legislation, was uploaded to the Parliament Website outside the time period allowed (notably after the legislation was certified, partially in May and in part in September 2020), details as provided under 59)

(it may be noted that for the 2021 Budget the EB would have been within the allowable period and would have resulted in an 'A', being posted in mid-January 2021, well within the allowable time, but the 2021 EB fell outside the OBS deadline of 31st December 2020)

Comment:

Peer Reviewer

Opinion: Agree

Comments: although the EB includes these classifications - as stated by researcher, enactment and publication fell outside the reference period

Government Reviewer

Opinion: Agree

60. Does the Enacted Budget present expenditure estimates for individual programs?

*GUIDELINES:*

*Question 60 asks if expenditure estimates in the Enacted Budget are presented by program. There is no standard definition for the term "program," and the meaning can vary from country to country. However, for the purposes of answering the questionnaire, researchers should understand the term "program" to mean any level of detail below an administrative unit, such as a ministry or department.*

*A note for francophone countries: "Program" level detail is sometimes referred to as le plan comptable or le plan comptable detaillé. (These data are typically coded in the financial management database, following the chart of budgetary accounts, so that they can be organized by administrative and functional classification.)*

*To answer "a," the Enacted Budget must present all programs, which account for all expenditures, in the budget year. To answer "b," the Enacted Budget must present expenditures for individual programs that when combined account for at least two-thirds of expenditures, but not all expenditures. A "c" answer applies if the Enacted Budget presents programs that account for less than two-thirds of expenditures. Answer "d" applies if expenditures are not presented by program in the Enacted Budget.*

Answer:

d. No, the Enacted Budget does not present expenditure estimates by program.

Source:

The 2020 EB is assessed as published late (see Section 1) therefore all related questions are scored as 'no' (D). The 2020 EB was posted outside the time period allowed (notably after the Appropriation legislation was certified in May and September 2020 and uploaded on to the Parliament Website)

For the 2020 EB (which comprises the 3 Appropriation Acts, and associated legislation, to be read together with the EBP, which, as Stated in Section 2 of the Appropriation (General Public Services Expenditure 2020) Act 2019, clause 'a' states "for the purpose of identifying activities of agencies referred to in this Act, Volumes 2A, B, C and D of the 2020 Budget Books may be considered relevant documents" and clause 'b' state "for the purpose of identifying the Capital Expenditure referred to in this Act, Volumes 2A, B, C and D of the 2020 Budget Books are to be considered relevant documents":

<http://www.parliament.gov.pg/uploads/acts/19A-30.pdf>

<http://www.parliament.gov.pg/uploads/hansard/H-10-20191205-M16-D06.pdf>

<http://www.parliament.gov.pg/index.php/bills-and-legislation/view/appropriation-general-public-services-expenditure-2020-act-2019>

[http://www.treasury.gov.pg/html/national\\_budget/files/2020/Appropriation%20Bill%202019.pdf](http://www.treasury.gov.pg/html/national_budget/files/2020/Appropriation%20Bill%202019.pdf) <http://parliament.gov.pg/bills-and-legislation/2020>

[http://www.parliament.gov.pg/uploads/acts/20A\\_30.pdf](http://www.parliament.gov.pg/uploads/acts/20A_30.pdf)

Comment:

The EB was posted outside the time period allowed (notably after the legislation was certified in May and September 2020 and uploaded on to the Parliament Website)

[If it had been posted within deadline, on the basis that the EBP documents comprise the details of the EB (see above wording of the EB), the response to the same question as for the EBP, notably that the Enacted Budget presents estimates for programs accounting for all estimates]

Peer Reviewer

Opinion: Agree

Comments: based on EB being outside reference period

Government Reviewer

Opinion:

Comments: Apart from being late in publishing for the public view, the Appropriation Act is the summary of all the details that are captured in the Budget Books, Vol 1,2A-D. Essentially when Parliament passes or enact a bill, the details (budget books) are also part of that, I believe and these documents show the details by programs and activities.

Researcher Response

The 2021 Budget was promptly uploaded and made public after being enacted, but with the Budget being tabled and passed so late in the year the certification and public release was outside the time period for reporting for the OBS 2021. So, we had to review the 2020 Budget which was, unfortunately, very much slower in being certified and publicly released, well outside the time limit for the survey (and even then, was only partly released in May 2021, with the main Appropriation legislation several months later).

61. Does the Enacted Budget present revenue estimates by category (such as tax and non-tax)?

*GUIDELINES:*

*Question 61 asks whether revenue estimates in the Enacted Budget are presented by "category" – that is, whether tax and non-tax sources of revenue are shown separately.*

*To answer "a," the Enacted Budget must present revenue estimates classified by category.*

Answer:

b. No, the Enacted Budget does not present revenue estimates by category.

Source:

The 2020 EB is assessed as published late (see Section 1) therefore all related questions are score as 'no' (B).

The EB was posted outside the time period allowed (notably after the legislation was certified partly in May and partly in September 2020 and then uploaded on to the Parliament Website late)

[Estimates of revenue are provided in the Executive's Proposed Budget, which effectively becomes the enacted Budget upon approval in the legislature. The Enacted Budget, which is certified, specifically, comprises only the respective Appropriation Acts and legislated new revenue measures, with no specific reference to the revenue forecasts. 2020 Budget Volume 1, Economic and Development Policies, Appendix 2, Table 12, - General Government Revenue by Economic Classification and Chapter 4. Revenue

[http://www.treasury.gov.pg/html/national\\_budget/files/2020/Appropriation%20Bill%202019.pdf](http://www.treasury.gov.pg/html/national_budget/files/2020/Appropriation%20Bill%202019.pdf)

Vol 2A, 2021 Budget Estimates of Revenue and Expenditures....SECTION (II) DETAILS OF REVENUE, GRANTS AND LOAN ESTIMATES, (page 51): including general revenue (including tax and non-tax, such as dividends) and departmental revenue (fees, charges, fines, land rents etc)

[https://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%202a.pdf](https://www.treasury.gov.pg/html/national_budget/files/2021/Volume%202a.pdf)

(Parliament Minutes covering the tabling and passing of the 2021 Budget, including revenue estimates and revenue legislative measures, unavailable - no Minutes uploaded since 14 June 2021

Comment:

Details not made available within the allowable time period. As the EBP is accepted by the Legislature in its entirety unaltered, once passed the EBP estimates become the revenue estimates for the EB (as well as the detailed breakdown of the expenditure under the Appropriation Acts)

Peer Reviewer

Opinion: Agree

Comments: although the EB includes these classifications - as stated by researcher, enactment and publication fell outside the reference period

Government Reviewer

Opinion: Agree

Comments: Agreed on the context that the EB is referred to the Appropriation Bill only and/or only considered when the budget is passed and published within the legislated/official time. It is important to note that the Appropriation Acts are high level summary of the budget which are detailed in the budget books (Vol. 1, 2 and 3).

62. Does the Enacted Budget present individual sources of revenue?

**GUIDELINES:**

Question 62 asks whether revenue estimates for individual sources of revenue are presented in the Enacted Budget. The question applies to both tax and non-tax revenue.

To answer "a," the Enacted Budget must present all individual sources of revenue, and "other" or "miscellaneous" revenue must account for three percent or less of all revenue. To answer "b," the Enacted Budget must present individual sources of revenue that when combined account for at least two-thirds of all revenue, but not all revenue. A "c" answer applies if the Enacted Budget presents individual sources of revenue that account for less than two-thirds of revenues. Answer "d" applies if individual sources of revenue are not presented.

Answer:

d. No, the Enacted Budget does not present individual sources of revenue.

Source:

The 2020 EB is assessed as published late (see Section 1) therefore all related questions are scored as 'no' (D). The 2020 EB was not posted online within the time period allowed (i.e. no record of the Parliamentary minutes - Hansard - online and with the legislation only certified in May and September 2020 and uploaded subsequently on to the Parliament Website). Estimates of revenue are provided in the Executive's Proposed Budget, rather than in the Enacted Budget, which comprise only the respective Appropriation Acts and legislated new revenue measures. 2020 Budget Volume 1, Economic and Development Policies, Appendix 2, Table 12 General Government Revenue 2014 GFS Economic Classification (page 151) and Chapter 4. Revenue (page 47)

[https://www.treasury.gov.pg/html/national\\_budget/files/2020/2020%20Budget%20Volume%201.pdf](https://www.treasury.gov.pg/html/national_budget/files/2020/2020%20Budget%20Volume%201.pdf)

Greater detail is provided in Volume 2a, Section I, Summary Tables, Table A2 (page 2), Economic Classification of Revenue, and Section (II) Details of Revenue, Grants and Loan Estimates, (page 48)

[https://www.treasury.gov.pg/html/national\\_budget/files/2020/Volume%202a.pdf](https://www.treasury.gov.pg/html/national_budget/files/2020/Volume%202a.pdf)

Hansard, parliamentary Minutes of Tabling, debate and passing of the 2020 Budget, on 5 December 2019 (including report from the Chair of the Parliament Means and Estimates Committee)

<http://www.parliament.gov.pg/uploads/hansard/H-10-20191205-M16-D06.pdf>

2020 NATIONAL BUDGET

Comment:

Not permissible, owing to failure to post the 2020 EB in a timely manner. The enacted Appropriation legislation does not, however, provide detail sources of revenue, except with respect to the new taxes and other revenue sources approved in legislation. When the Budget is passed the EBP estimates become the revenue estimates for the EB (as well as providing the detailed breakdown of the expenditure under the Appropriation Acts). Government revenues are broken into Tax Revenue: Tax on Income, Goods and Services, International Trades etc. and Non Tax Revenues: Property Income, Trust Accounts, and Interest & Fees from lending and assets sales etc....

Peer Reviewer

Opinion: Agree

Comments: although the EB includes these classifications - as stated by researcher, enactment and publication fell outside the reference period

Government Reviewer

Opinion: Agree

Comments: I agree on the context that if publishing of the EB, which refers to the Appropriation Act only and not the detailed budget books, disqualifies or nullifies all conditions regardless of whether the revenues are shown or not. In fact I believe there are revenue tables in Vol. 1 that shows these information.

63. Does the Enacted Budget present three estimates related to government borrowing and debt: the amount of net new borrowing required during the budget year; the total debt outstanding at the end of the budget year; and interest payments on the debt for the budget year?

**GUIDELINES:**

Question 63 asks about three key estimates related to borrowing and debt:

- the amount of net new borrowing required during the budget year;
- the total debt outstanding at the end of the budget year;
- the interest payments on the outstanding debt for the budget year.

Debt is the accumulated amount of money that the government borrows. The government can borrow from its citizens, banks, and businesses within the country (domestic debt) or from creditors outside the country (external debt). External debt is typically owed to private commercial banks, other governments, or international financial institutions such as the World Bank and the International Monetary Fund.

*Net new borrowing is the additional amount of new borrowing that is required for the budget year to finance expenditures in the budget that exceed available revenues. Net new borrowing adds to the accumulated debt. It is distinct from gross borrowing, which also includes borrowing needed to repay existing debt that matured during the budget year; debt that is replaced (or rolled over) does not add to the total of accumulated debt. For the purposes of this question, the deficit may be accepted as a proxy for net new borrowing.*

*Interest payments on the debt (or debt service costs) are typically made at regular intervals, and these payments must be made on a timely basis in order to avoid defaulting on the debt obligation. Interest payments are separate from the repayment of principal, which occurs only when the loan has matured and must be paid back in full.*

*To answer "a," the Enacted Budget must present all three estimates of borrowing and debt. For a "b" answer, the Enacted Budget must present two of those three estimates. For a "c" answer, the Enacted Budget must present one of the three estimates. Answer "d" applies if no information on borrowing and debt is presented in the Enacted Budget.*

Answer:

d. No, none of the three estimates related to government borrowing and debt are not presented.

Source:

The 2020 EB is assessed as published late (see Section 1) therefore all related questions are scored as 'no' (D).

The 2020 EB was not posted online within the time period allowed (it was only certified partly in May and partly September 2020, and promptly thereafter on to the Parliament Website). The enacted Budget (Appropriations and related legislation) does provide an allocation for approved debt amortisation during the year, but it does not in itself provide estimates related to borrowing and debt, but as the Budget is adopted in its entirety, the Executive's Budget Proposal is treated by Government (and others) as the enacted Budget. 2021 Budget (as specified in the Appropriation Act itself), Volume 1, Economic and Development Policies, Appendix 3, Table 14 (page 162), Transactions in Assets and Liabilities for General Government and Table 15 (page 163), Stocks of General Government Debt. The former includes the level of amortisation and new instruments; latter provides levels of domestic and external public debt by component in summary.

2020 Budget, Volumes 1 and 2A

[https://www.treasury.gov.pg/html/national\\_budget/files/2020/2020%20Budget%20Volume%201.pdf](https://www.treasury.gov.pg/html/national_budget/files/2020/2020%20Budget%20Volume%201.pdf)

[https://www.treasury.gov.pg/html/national\\_budget/files/2020/Volume%202a.pdf](https://www.treasury.gov.pg/html/national_budget/files/2020/Volume%202a.pdf)

Appropriation (General Public Services Expenditure 2021) Act 2020

<http://www.parliament.gov.pg/index.php/bills-and-legislation/view/appropriation-general-public-services-expenditure-2021-act-2020>

[https://www.treasury.gov.pg/html/national\\_budget/files/2020/Volume%202a.pdf](https://www.treasury.gov.pg/html/national_budget/files/2020/Volume%202a.pdf)

Comment:

Not applicable, as the public availability of material online was outside the allowable timeline. The enacted Budget (Appropriations and related legislation) does not provide estimates related to borrowing and debt, only the approved amortisation, but the Executive's Budget Proposal is also effectively the Enacted Budget once passed by the Legislature. Details are therefore provided in aggregate in Volume 1, in the text with some analysis of the debt history in Chapter 2: Fiscal Strategy and Outlook and Chapter 6. Financing and Debt Strategy, and in Volume 2A, as per the EBP

Peer Reviewer

Opinion: Agree

Comments: although the EB includes these classifications - as stated by researcher, enactment and publication fell outside the reference period

Government Reviewer

Opinion: Agree

Comments: Agreed in similar context in the previous question comments. However, I do believe, the budget documents, especially the volume 1 has most of the debt information.

64. What information is provided in the Citizens Budget?

(The core information must include expenditure and revenue totals, the main policy initiatives in the budget, the macroeconomic forecast upon which the budget is based, and contact information for follow-up by citizens.)

**GUIDELINES:**

*Question 64 focuses on the content of the Citizens Budget, asking whether "core" information is presented. These core components include:*

- *expenditure and revenue totals;*
- *the main policy initiatives in the budget;*
- *the macroeconomic forecast upon which the budget is based; and*
- *contact information for follow-up by citizens.*

*To answer "a," the Citizens Budget or supporting documentation must present all of the above core information as well as some additional information beyond*

the core elements. To answer "b," the Citizens Budget must present all of the core components noted above. Answer "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if the Citizens Budget includes some of the core components above, but other core pieces of information are not included. Answer "d" applies if a Citizens Budget is not published.

Answer:

d. The Citizens Budget is not published.

Source:

There is no Citizen's budget published

Comment:

There have long been plans to introduce a Citizens Budget (notably for 2021, translated into Tok Pisin, the major lingua franca), in association with the EITI and OGP processes, but this was curtailed by Covid-19 and the need for Supplementary Budgets and extra borrowing etc..

Peer Reviewer

Opinion: Agree

Comments: No Citizens' Budget

Government Reviewer

Opinion: Agree

65. How is the Citizens Budget disseminated to the public?

**GUIDELINES:**

Question 65 asks how the Citizens Budget is disseminated to the public. Citizens Budgets should be made available to a variety of audiences. Therefore paper versions and an Internet posting of a document might not be sufficient.

To answer "a," the executive must use three or more different types of creative media tools to reach the largest possible share of the population, including those who otherwise would not normally have access to budget documents or information. Dissemination would also be pursued at the very local level, so that the coverage is targeted both by geographic area and population group (e.g., women, elderly, low income, urban, rural, etc.). Option "b" applies if significant dissemination efforts are made through a combination of two means of communications, for instance, both posting the Citizens Budget on the executive's official website and distributing printed copies of it. Option "c" applies if the Citizens Budget is disseminated through only posting on the executive's official website. Option "d" applies when the executive does not publish a Citizens Budget.

Answer:

d. A Citizens Budget is not published.

Source:

not produced

Comment:

There are no citizens' versions of any of budget documents

Peer Reviewer

Opinion: Agree

Comments: No citizens budget

Government Reviewer

Opinion: Agree

66. Has the executive established mechanisms to identify the public's requirements for budget information prior to publishing the Citizens Budget?

**GUIDELINES:**

Question 66 asks whether the executive has established mechanisms to identify the public's requirements for budget information before publishing a Citizens Budget. What the public wants to know about the budget might differ from the information the executive includes in technical documents that comprise the Executive's Budget Proposal or the Enacted Budget; similarly, different perspectives might exist on how the budget should be presented, and this may vary



depending on the context. For this reason the executive should consult with the public on the content and presentation of the Citizens Budget.

To answer "a," the executive must have established mechanisms to consult with the public, and these mechanisms for consultation are both accessible and widely used by the public. Such mechanisms can include focus groups, social networks, surveys, hotlines, and meetings/events in universities or other locations where people gather to discuss public issues. In countries where Citizens Budgets are consistently produced and released, it may be sufficient for the government to provide the public with contact information and feedback opportunities, and subsequently use the feedback to improve its management of public resources.

Option "b" applies if the executive has established mechanisms for consultation that are accessible to the public, but that the public nonetheless does not use frequently. That is, the public does not typically engage with the executive on the content of the Citizens Budget, even though the executive has created opportunities for such consultation. Option "c" applies if the executive has established mechanism for consultation with the public, but they are poorly designed and thus not accessible to the public. Option "d" applies if the executive has not created any mechanisms to seek feedback from the public on the content of the Citizens Budget.

Answer:

d. No, the executive has not established any mechanisms to identify the public's requirements for budget information in the Citizen's Budget.

Source:

not provided

Comment:

There have been plans to introduce a Citizens Budget (notably translated into Tok Pisin, the major lingua franca), in association with the EITI and OGP processes, but this was curtailed in 2020 in the face of the Covid-19 pandemic and associated budgetary demands

Peer Reviewer

Opinion: Agree

Comments: No citizens budget nor mechanism for drafting one

Government Reviewer

Opinion: Agree

67. Are "citizens" versions of budget documents published throughout the budget process?

*GUIDELINES:*

Question 67 asks if "citizens" versions of budget documents are published throughout the budget process. While the Citizens Budget was initially conceived as a simplified version of the Executive's Budget Proposal or the Enacted Budget, good practice is now evolving and suggests that a "citizens" version of key budget documents should be produced during each of the four phases of the budget cycle. This would serve to inform citizens of the state of public financial management throughout the entire budget cycle.

To answer "a," a citizens version of at least one budget document is published for each of the four stages of the budget process (budget formulation, enactment, execution, and audit) – for a total of at least four citizens budget documents throughout the process. Option "b" applies if a citizens version of a budget document is published for at least two of the four stages of the budget process. Option "c" applies if a citizens version of a budget document is published for at least one of the four stages of the budget process. Select option "d" if no "citizens" version of budget documents is published.

Answer:

d. No citizens version of budget documents is published.

Source:

not produced

Comment:

There are no citizens' versions of any of budget documents

Peer Reviewer

Opinion: Agree

Comments: No citizens budget

Government Reviewer

Opinion: Agree

Comments: Agreed however, the documents are in English and can be easily read by citizens of PNG although a significant proportion of the population are illiterate.

68. Do the In-Year Reports present actual expenditures by any of the three expenditure classifications (by administrative, economic, or functional classification)?

**GUIDELINES:**

*Question 68 asks if expenditure estimates in In-Year Reports are presented by any one of the three expenditure classifications – by administrative, economic, and functional classifications – which were addressed in Questions 1-5 above.*

*Each of the classifications answers a different question: administrative unit indicates who spends the money; functional classification shows for what purpose is the money spent; and economic classification displays what the money is spent on. Unlike classification by administrative unit, which tends to be unique to each country, functional and economic classifications for government budgeting have been developed and standardized by international institutions. Cross-country comparisons are facilitated by adherence to these international classification standards.*

*To answer "a," In-Year Reports must present actual expenditures by all three of the expenditure classifications. To answer "b," actual expenditures must be presented by two of these three classifications. A "c" answer applies if actual expenditures are presented by one of the three classifications. Answer "d" applies if actual expenditures are not presented by any of the three classifications in In-Year Reports.*

**Answer:**

d. No, the In-Year Reports do not present actual expenditures by any expenditure classification.

**Source:**

In year reports not published (since the last decade)

**Comment:**

No In-Year Reports have been produced for several years, partly as a result of the incompatibility of the 3 Financial Management Systems being used simultaneously (IFMS, 'PEGAS' and Oracle); with this having been rationalised to 2 operating systems (with Oracle discontinued in the Works Dept), and all Departments having adopted the Integrated Financial Management System (IFMS) and the provinces largely transferred to it, hopefully In-Year reports will recommence again during 2021. the Covid-19 pandemic undermined measures (under OGP) to reinstate in-year reporting in 2020.

**Peer Reviewer**

Opinion: Agree

Comments: As highlighted earlier in the questionnaire - no IYR

**Government Reviewer**

Opinion: Agree

Comments: Is MYEFO an in-year report?

**Researcher Response**

In the broader sense the Mid-Year Economic and Fiscal Outlook report could be deemed an In-year Report, but, for the purpose of the OBS, the MYEFO is treated and reported upon distinctly, with the In-Year Reports referring to the other monthly, bi-monthly or quarterly reports released to the public during the year

**IBP Comment**

Per the Open Budget Survey methodology, the Mid-Year Review provides a detailed explanation of the budget status six months into the budget year. The review should assess the state of the economy in relation to the initial macroeconomic forecast and update the economic projections for the rest of the year. The Mid-Year Review should also provide updated estimates of expenses, income, and debt, reflecting the impact of actual experience to date and revised projections for the full fiscal year. It is important to distinguish a Mid-Year Review from the In-Year Report that is issued six months into the budget year, and clarify that they are two different documents. An In-Year Report issued at six months cannot substitute for a Mid-Year Review. An In-Year Report typically records actual expenditure and revenue to date but does not include a discussion of how these trends will affect the estimates of full-year expenditure or some of the other detailed budget execution analysis that is typically found in a Mid-Year.

68b. Based on the response to Question 68, check the box(es) to identify which expenditure classifications are included in the In-Year Reports:

**Answer:**

None of the above

**Source:**

no reports published

Comment:

In- year reports have not been published since last decade despite commitments to reinstate under the OGP.

Peer Reviewer

Opinion: Agree

Comments: no IYR

Government Reviewer

Opinion: Agree

69. Do the In-Year Reports present actual expenditures for individual programs?

**GUIDELINES:**

*Question 69 asks if expenditure estimates in In-Year Reports are presented by program. There is no standard definition for the term "program," and the meaning can vary from country to country. However, for the purposes of answering the questionnaire, researchers should understand the term "program" to mean any level of detail below an administrative unit, such as a ministry or department.*

*A note for francophone countries: "Program" level detail is sometimes referred to as le plan comptable or le plan comptable detaillé. (These data are typically coded in the financial management database, following the chart of budgetary accounts, so that they can be organized by administrative and functional classification.)*

*To answer "a," In-Year Reports must present actual expenditures for all individual programs, accounting for all expenditures. To answer "b," In-Year Reports must present actual expenditures for individual programs that when combined account for at least two-thirds of expenditures, but not all expenditures. A "c" answer applies if In-Year Reports present actual expenditures for programs that account for less than two-thirds of expenditures. Answer "d" applies if actual expenditures are not presented by program in In-Year Reports.*

Answer:

d. No, the In-Year Reports do not present actual expenditures by program.

Source:

no in-year reports currently published

Comment:

In- year reports have not been released to the public over the past decade, despite commitments, notably under the OGP, to reinstate them

Peer Reviewer

Opinion: Agree

Comments: No IYR

Government Reviewer

Opinion: Agree

70. Do the In-Year Reports compare actual year-to-date expenditures with either the original estimate for that period (based on the enacted budget) or the same period in the previous year?

**GUIDELINES:**

*Question 70 asks whether In-Year Reports compare actual expenditures to-date with either the enacted levels or actual expenditures for the same period in the previous year.*

*The OECD recommends that the reports contain the total year-to-date expenditures in a format that allows for a comparison with the budget's forecast expenditures (based on enacted levels) for the same period.*

*To answer "a," comparisons must be made for expenditures presented in the In-Year Reports*

Answer:

b. No, comparisons are not made for expenditures presented in the In-Year Reports.

Source:  
No in-year reports currently published

Comment:  
No In-Year Reports have been produced for the past decade, partly as a result of the incompatibility of the 3 Financial Management Systems being used simultaneously (IFMS, 'PEGAS' and Oracle); with this having been rationalised to 2 operating systems (with Oracle discontinued in the Works Dept), and all Departments having adopted the Integrated Financial Management System (IFMS) and the provinces largely now transferred to it, With plans to reinstate these reports under the OGP 2018-2020/21 forestalled, notably as a result of the fiscal disruption from Covid-19 pandemic, hopefully the In-Year reports will recommence again during 2021

Peer Reviewer  
Opinion: Agree  
Comments: No IYR

Government Reviewer  
Opinion: Agree

71. Do In-Year Reports present actual revenue by category (such as tax and non-tax)?

**GUIDELINES:**

*Questions 71 asks whether In-Year Reports present actual revenues by "category"— that is, whether tax and non-tax sources of revenue are shown separately.*

*To answer "a," In-Year Reports must present revenue estimates classified by category.*

Answer:  
b. No, In-Year Reports do not present actual revenue by category.

Source:  
no in-year reports currently published

Comment:  
No In-Year Reports have been produced over the past decade, partly as a result of the incompatibility of the 3 Financial Management Systems being used simultaneously (IFMS, 'PEGAS' and Oracle); with these having been rationalised to 2 operating systems (with Oracle discontinued in the Works Dept), and all Departments having adopted the Integrated Financial Management System (IFMS) and the provinces also virtually transferred to it, hopefully In-Year reports will recommence again during 2021

Peer Reviewer  
Opinion: Agree  
Comments: No IYR

Government Reviewer  
Opinion: Agree

72. Do In-Year Reports present the individual sources of revenue for actual revenues collected?

**GUIDELINES:**

*Question 72 asks whether In-Year Reports present actual collections of individual sources of revenue (such as income taxes, VAT, etc.). The question applies to both tax and non-tax revenue.*

*To answer "a," In-Year Reports must present actual collections for all individual sources of revenue, and "other" or "miscellaneous" revenue must account for three percent or less of all revenue. To answer "b," In-Year Reports must present actual collections for individual sources of revenue that when combined account for at least two-thirds of all revenue collected, but not all revenue. A "c" answer applies if In-Year Reports present individual sources of actual revenue that account for less than two-thirds of all revenue collected. Answer "d" applies if individual sources of actual revenue are not presented.*

Answer:

d. No, In-Year Reports do not present individual sources of actual revenue.

Source:

no In-Year reports currently published

Comment:

No In-Year Reports have been produced over the past decade, partly as a result of the incompatibility of the 3 Financial Management Systems being used simultaneously (IFMS, 'PEGAS' and Oracle); with this having been rationalised to 2 operating systems (with Oracle discontinued in the Works Dept), and all Departments having adopted the Integrated Financial Management System (IFMS) and the provinces also largely now transferred to it, hopefully the In-Year reports will recommence again during 2021. There have been plans to reinstate these reports under the OGP 2018-2020/21, but this was forestalled, notably as a result of the fiscal disruption from Covid-19 pandemic.

Peer Reviewer

Opinion: Agree

Comments: No IYR

Government Reviewer

Opinion: Agree

73. Do the In-Year Reports compare actual year-to-date revenues with either the original estimate for that period (based on the enacted budget) or the same period in the previous year?

*GUIDELINES:*

*Question 73 asks whether In-Year Reports compare actual revenues to-date with either the enacted levels or actual revenues for the same period in the previous year.*

*The OECD recommends that the reports contain the total year-to-date revenues in a format that allows for a comparison with the budget's forecast revenues (based on enacted levels) for the same period.*

*To answer "a," comparisons must be made for revenues presented in the In-Year Reports.*

Answer:

b. No, comparisons are not made for revenues presented in the In-Year Reports.

Source:

no In-Year reports currently published

Comment:

No In-Year Reports have been produced for the past decade, partly as a result of the incompatibility of the 3 Financial Management Systems being used simultaneously (IFMS, 'PEGAS' and Oracle); with this having been rationalised to 2 operating systems (with Oracle discontinued in the Works Dept), and all Departments having adopted the Integrated Financial Management System (IFMS) and the provinces also largely transferred to it, hopefully In-Year reports will recommence again during 2021, as had been planned for 2020, under the OGP.

Peer Reviewer

Opinion: Agree

Comments: No IYR

Government Reviewer

Opinion: Agree

74. Do In-Year Reports present three estimates related to actual government borrowing and debt: the amount of net new borrowing; the total debt outstanding; and interest payments?

*GUIDELINES:*

*Question 74 asks about three key estimates related to borrowing and debt:*

*· the amount of net new borrowing so far during the year;*

- the central government's total debt burden at that point in the year; and
- the interest payments to-date on the outstanding debt.

*Debt is the accumulated amount of money that the government borrows. The government can borrow from its citizens and banks and businesses within the country (domestic debt) or from creditors outside the country (external debt). External debt is typically owed to private commercial banks, other governments, or international financial institutions such as the World Bank and the International Monetary Fund.*

*Net new borrowing is the additional amount of new borrowing that is required for the budget year to finance expenditures in the budget that exceed available revenues. Net new borrowing adds to the accumulated debt. It is distinct from gross borrowing, which also includes borrowing needed to repay existing debt that matured during the budget year; debt that is replaced (or rolled over) does not add to the total of accumulated debt. For the purposes of this question, the deficit may be accepted as a proxy for net new borrowing.*

*Interest payments on the debt (or debt service costs) are typically made at regular intervals, and these payments must be made on a timely basis in order to avoid defaulting on the debt obligation. Interest payments are separate from the repayment of principal, which occurs only when the loan has matured and must be paid back in full.*

*To answer "a," In-Year Reports must present all three estimates of borrowing and debt. For a "b" answer, In-Year Reports must present two of those three estimates. For a "c" answer, IYRs must present one of the three estimates. Answer "d" applies if no information on borrowing and debt is presented in In-Year Reports.*

Answer:

d. No, none of the three estimates related to government borrowing and debt are not presented.

Source:

No In-Year Reports currently published

Comment:

No In-Year Reports have been produced over the past decade, partly as a result of the incompatibility of the 3 Financial Management Systems being used simultaneously (IFMS, 'PEGAS' and Oracle); with this having been rationalized to 2 operating systems (with Oracle discontinued in the Works Dept), and all Departments having adopted the Integrated Financial Management System (IFMS) and the provinces also largely transferred to it, hopefully, In-Year reports will recommence again during 2021. It had been planned to reinstate these reports under the OGP 2018-2020/21 but this was forestalled, notably as a result of the fiscal disruption from Covid-19 pandemic.

Peer Reviewer

Opinion: Agree

Comments: No IYR

Government Reviewer

Opinion: Agree

75. Do In-Year Reports present information related to the composition of the total actual debt outstanding?

(The core information must include interest rates on the debt instruments; maturity profile of the debt; and whether it is domestic or external debt.)

**GUIDELINES:**

*Question 75 focuses on the composition of government debt, asking whether "core" information related to its composition is presented. These core components include:*

- interest rates on the debt;
- maturity profile of the debt; and
- whether the debt is domestic or external.

*The interest rates affect the amount of interest that must be paid to creditors. The maturity profile indicates the final payment date of the loan, at which point the principal (and all remaining interest) is due to be paid; government borrowing typically includes a mix of short-term and long-term debt. As discussed in Question 74, domestic debt is held by a country's citizens and banks and businesses, while external debt is held by foreigners. These factors related to the composition of the debt give an indication of the potential vulnerability of the country's debt position, and ultimately whether the cost of servicing the accumulated debt is affordable.*

*Beyond these core elements, a government may also provide additional information related to the composition of its debt, including for instance: whether interest rates are fixed or variable; whether debt is callable; the currency of the debt; a profile of the creditors (bilateral institutions, multilateral institutions, commercial banks, Central Bank, etc.); an analysis of the risk associated with the debt; and where appropriate, what the debt is being used to finance.*

*To answer "a," In-Year Reports must present all of the core information related to the composition of government debt to-date as well as some additional information beyond the core elements. To answer "b," In-Year Reports must present all of the core components noted above. Answer "b" is also accepted if*

one of the core elements is not presented but additional information beyond the core elements is presented. A "c" answer applies if some information related to the composition of government debt is presented, but some of the core pieces of information are not included. Answer "d" applies if no information is presented on the composition of the debt outstanding in In-Year Reports.

Answer:

d. No, information related to composition of total actual debt outstanding is not presented.

Source:

No In-Year Reports currently published

Comment:

No In-Year Reports have been produced for the past decade, partly as a result of the incompatibility of the 3 Financial Management Systems being used simultaneously (IFMS, 'PEGAS' and Oracle); with this having been rationalised to 2 operating systems (with Oracle discontinued in the Works Dept), and all Departments having adopted the Integrated Financial Management System (IFMS) and the provinces also largely transferred to it, hopefully In-Year reports will recommence again during 2021. There have been plans to reinstate these reports under the OGP 2018-2020/21 but this was forestalled, notably as a result of the fiscal disruption from Covid-19 pandemic.

Peer Reviewer

Opinion: Agree

Comments: No IYR

Government Reviewer

Opinion: Agree

76. Does the Mid-Year Review of the budget include an updated macroeconomic forecast for the budget year underway?

*GUIDELINES:*

*Question 76 asks whether the Mid-Year Review includes an updated macroeconomic forecast for the budget year underway, and provides an explanation of the update.*

*Refer to Question 15 for the components of the macroeconomic forecast presented in the Executive's Budget Proposal.*

*To answer "a," the Mid-Year Review must include an updated macroeconomic forecast and explain all of the differences between the initial forecast presented in the Executive's Budget Proposal and the updated forecast. The explanation must include at least estimates of all differences; a narrative discussion is desirable but not required if estimates of all the differences are provided. To answer "b," the macroeconomic forecast must be updated, but only some of the differences between the initial and updated forecasts are explained. The explanation would be more limited, such as only a narrative discussion of the differences or estimates covering only some of the differences. A "c" response applies if the Mid-Year Review includes an updated macroeconomic forecast, but does not provide an explanation for the revisions. A "d" response applies if the macroeconomic forecast has not been updated.*

Answer:

a. Yes, the estimates for the macroeconomic forecast have been updated, and an explanation of all of the differences between the original and updated forecasts is presented.

Source:

Mid-Year Economic and Fiscal Outlook Report 2020, Overview (page 6), Economic Outlook (page 11-31)  
[http://treasury.gov.pg/html/national\\_budget/files/2013/budget\\_documents/2020%20Mid-Year%20Economic%20and%20Fiscal%20Outlook%20\(MYEFO\).pdf](http://treasury.gov.pg/html/national_budget/files/2013/budget_documents/2020%20Mid-Year%20Economic%20and%20Fiscal%20Outlook%20(MYEFO).pdf)

Comment:

The 2020 Mid-year Economic and Fiscal Outlook Report (MYEFO) provides a macro-economic update and forecast in the overview (including preliminary assessment and forecast of the impact of the Covid-19 Pandemic, both external determinants, including commodity prices and financial markets, and domestic factors impacting the economy and fiscal scenario. GDP growth rate adjustment is projected at -3%, or 5% below the 2020 Budget figure.

A summary table no 2), (p. 23) provides both the original Budget and revised Economic Assumptions for 2020 for nominal GDP, real GDP growth, inflation and interest rates and commodity prices.

Peer Reviewer

Opinion: Agree

Comments: As referenced

Government Reviewer

Opinion: Agree

77. Does the Mid-Year Review of the budget include updated expenditure estimates for the budget year underway?

**GUIDELINES:**

*Question 77 asks whether the Mid-Year Review includes updated estimates of expenditure for the budget year underway, and provides an explanation of the update. Please note that year-to-date expenditures as assessed in Question 70 do not qualify as updated estimates of expenditure for the purposes of this indicator.*

*To answer "a," the Mid-Year Review must include updated expenditure estimates and explain all of the differences between the initial levels presented in the Executive's Budget Proposal (or the Enacted Budget) and the updated estimates. The explanation must include at least estimates of all differences; a narrative discussion is desirable but not required if estimates of all the differences are provided. The expenditure estimates must be updated, but only some of the differences between the initial and updated estimates are explained. The explanation would be more limited, such as only a narrative discussion of the differences or estimates covering only some of the differences. A "c" response applies if the Mid-Year Review includes updated expenditure estimates, but does not provide an explanation for the revisions. A "d" response applies if the expenditure estimates have not been updated.*

**Answer:**

a. Yes, expenditure estimates have been updated, and an explanation of all of the differences between the original and updated expenditure estimates is presented.

**Source:**

Mid-Year Economic and Fiscal Outlook Report 2020 Table 3 (page 33) key Fiscal Aggregates 2019-2020, including the 2020 Budget and Mid-year estimates; Sn 1.6 EXPENDITURE AND NET LENDING (page 47), including Tables 11: CENTRAL GOVERNMENT EXPENDITURE AND NET LENDING, Tables 12 & 15 and text by agency type, economic items, for employment; #1.7 STATUS OF TRUST ACCOUNTS (page 55); Sn 1.11 Fiscal Outturn Tables: Table 4 GENERAL GOVERNMENT BUDGETARY EXPENDITURE BY ECONOMIC CLASSIFICATION (page 63) and Table 5 GENERAL BUDGETARY EXPENDITURE BY ECONOMIC CLASSIFICATION (P 67): Part 2 Mid-year Expenditure: 2.1 FUNDED EXPENDITURE SINCE THE 2020 BUDGET (page 70-79); Part 3 Attachments (p 81): Mid-Year Expenditure by department and agency

[https://www.treasury.gov.pg/html/national\\_budget/files/2013/budget\\_documents/2020%20Mid-Year%20Economic%20and%20Fiscal%20Outlook%20\(MYEFO\).pdf](https://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/2020%20Mid-Year%20Economic%20and%20Fiscal%20Outlook%20(MYEFO).pdf)

**Comment:**

The 2020 report provides updated mid-year aggregate expenditure outturn and revised 2020 estimates, together with the 2020 Budgeted figures, and in Part 2, a more detailed summary of expenditure and trust funds, including the District Grants (DSIP), together with an explanatory narrative (including the impact of the global pandemic), and presentation of risks to the 2020 Budget and details of expenditure by department and agency and for personnel emoluments and goods and services in Part 3.

**Peer Reviewer**

Opinion: Agree

Comments: as referenced

**Government Reviewer**

Opinion: Agree

78. Does the Mid-Year Review of the budget present updated expenditure estimates for the budget year underway by any of the three expenditure classifications (by administrative, economic, or functional classification)?

**GUIDELINES:**

*Question 78 asks if expenditure estimates for the budget year underway in the Mid-Year Review are presented by any one of the three expenditure classifications – by administrative, economic, and functional classifications – which were addressed in Questions 1-5 above. Please note that year-to-date expenditures as assessed in Question 70 do not qualify as updated estimates of expenditure for the purposes of this indicator.*

*Each of the classifications answers a different question: administrative unit indicates who spends the money; functional classification shows for what purpose is the money spent; and economic classification displays what the money is spent on. Unlike classification by administrative unit, which tends to be unique to each country, functional and economic classifications for government budgeting have been developed and standardized by international institutions. Cross-country comparisons are facilitated by adherence to these international classification standards.*

*To answer "a," the Mid-Year Review must present expenditure estimates by all three of the expenditure classifications. To answer "b," expenditure estimates must be presented by two of these three classifications. A "c" answer applies if expenditure estimates are presented by one of the three classifications.*



Answer "d" applies if expenditure estimates are not presented by any of the three classifications in the Mid-Year Review.

Answer:

a. Yes, the Mid-Year Review presents expenditure estimates by all three expenditure classifications (by administrative, economic, and functional classification).

Source:

Mid-Year Economic and Fiscal Outlook Report 2020, provides updates and a summary of annual expenditure estimates by overall administrative and economic classifications, in 1.6 EXPENDITURE AND NET LENDING, (pages 47-55). Summary Tables 11-14; #1.12 Fiscal Outlook Tables, TABLE 4 (page 66): GENERAL BUDGETARY EXPENDITURE BY ECONOMIC CLASSIFICATION, TABLE 5 (page 67): GENERAL BUDGETARY EXPENDITURE BY ECONOMIC CLASSIFICATION;  
Part 2, Mid-Year Expenditure summaries and explanation Sn. 2.1 FUNDED EXPENDITURE SINCE THE 2020 BUDGET Part 3: attachments detailing expenditure (pages 80-96):

ATTACHMENT A: EXPENDITURE CATEGORY BY SECTORS  
ATTACHMENT B: EXPENDITURE CATEGORY BY AGENCY TYPE  
ATTACHMENT C: EXPENDITURE CATEGORY BY INDIVIDUAL AGENCY  
ATTACHMENT D: MOVEMENTS IN SECTION 3 TRANSFERS  
ATTACHMENT E: MOVEMENTS IN SECTION 4 TRANSFERS

[https://www.treasury.gov.pg/html/national\\_budget/files/2013/budget\\_documents/2020%20Mid-Year%20Economic%20and%20Fiscal%20Outlook%20\(MYEFO\).pdf](https://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/2020%20Mid-Year%20Economic%20and%20Fiscal%20Outlook%20(MYEFO).pdf)

Comment:

The report provides expenditure estimates (including from Trust Funds) by administrative, economic and functional (more specifically sectoral) classifications in summary and more comprehensive form, with various tables for priority expenditure, including related to response to the Covid-19 pandemic .

Peer Reviewer

Opinion: Agree

Comments: As referenced

Government Reviewer

Opinion: Agree

78b. Based on the response to Question 78, check the box(es) to identify which expenditure classifications are included in the Mid-Year Review:

Answer:

Administrative classification

Economic classification

Functional classification

Source:

[https://www.treasury.gov.pg/html/national\\_budget/files/2013/budget\\_documents/2020%20Mid-Year%20Economic%20and%20Fiscal%20Outlook%20\(MYEFO\).pdf](https://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/2020%20Mid-Year%20Economic%20and%20Fiscal%20Outlook%20(MYEFO).pdf)

Comment:

Details as provided in question 78

Peer Reviewer

Opinion: Agree

Comments: as referenced

Government Reviewer

Opinion: Agree

79. Does the Mid-Year Review of the budget present updated expenditure estimates for the budget year underway for individual programs?

**GUIDELINES:**

*Question 79 asks if expenditure estimates in the Mid-Year Review are presented by program for the budget year underway. Please note that year-to-date expenditures as assessed in Question 70 do not qualify as updated estimates of expenditure for the purposes of this indicator.*

*A note for francophone countries: "Program" level detail is sometimes referred to as le plan comptable or le plan comptable detaillé. (These data are typically coded in the financial management database, following the chart of budgetary accounts, so that they can be organized by administrative and functional classification.)*

*To answer "a," the Mid-Year Review must present expenditures for all individual programs, accounting for all expenditures. To answer "b," the Mid-Year Review must present expenditures for individual programs that when combined account for at least two-thirds of expenditures, but not all expenditures. A "c" answer applies if the Mid-Year Review presents programs that account for less than two-thirds of expenditures. Answer "d" applies if expenditures are not presented by program in the Mid-Year Review.*

**Answer:**

c. Yes, the Mid-Year Review presents estimates for programs accounting for less than two-thirds of expenditures.

**Source:**

Part 2 Mid-Year Expenditure: 2.1 FUNDED EXPENDITURE SINCE THE 2020 BUDGET (page 70), Table 24: National Priority Expenditure (by Sector), Table 27: Covid-19 Expenditures, # CAPITAL EXPENDITURE (page 76)  
Table 29: Spending on Government Priority Projects 2020 (page 77)

[https://www.treasury.gov.pg/html/national\\_budget/files/2013/budget\\_documents/2020%20Mid-Year%20Economic%20and%20Fiscal%20Outlook%20\(MYEFO\).pdf](https://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/2020%20Mid-Year%20Economic%20and%20Fiscal%20Outlook%20(MYEFO).pdf)

**Comment:**

Some details are provided on a portion of the Governments priorities and priority projects under the Medium Term Development Plan and related to Covid-19 control and Economic Support, in Part 2, in text and table form, but this isn't a detailed or comprehensive programmatic analysis of budget progress. Attachments D and E provide Transfers by project by sector

**Peer Reviewer**

Opinion: Agree

Comments: as referenced Further clarification could be provided on teh calculation of less than 2/3

**Government Reviewer**

Opinion: Agree

**Researcher Response**

with a 5.9 billion Kina Public Investment Program (capital investment budget) budgeted for 2020, the MYEFO reports only for about K400 million of priority expenditure. With respect to other budget expenditure classifications the updates are more comprehensive, but by individual program only a sample is provided

80. Does the Mid-Year Review of the budget include updated revenue estimates for the budget year underway?

**GUIDELINES:**

*Question 80 asks whether the Mid-Year Review includes updated estimates of revenue for the budget year underway, and provides an explanation of the update. Please note that year-to-date revenues as assessed in Question 73 do not qualify as updated estimates of revenue for the purposes of this indicator.*

*To answer "a," the Mid-Year Review must include updated revenue estimates and explain all of the differences between the initial levels presented in the Executive's Budget Proposal (or the Enacted Budget) and the updated estimates. The explanation must include at least estimates of all differences; a narrative discussion is desirable but not required if estimates of all the differences are provided. To answer "b," the revenue estimates must be updated, but only some of the differences between the initial and updated estimates are explained. The explanation would be more limited, such as only a narrative discussion of the differences or estimates covering only some of the differences. A "c" response applies if the Mid-Year Review includes updated revenue estimates, but no explanation for the revisions is provided. A "d" response applies if the revenue estimates have not been updated.*

**Answer:**

a. Yes, revenue estimates have been updated, and an explanation of all of the differences between the original and updated revenue estimates is presented.

Source:

Mid-Year Economic and Fiscal Outlook Report 2020, Section 1.4 TOTAL REVENUE AND GRANTS, (page 36), Tables 4-10 for different taxes and other revenue sources (plus grants), and TABLE 3: GENERAL GOVERNMENT REVENUE ECONOMIC CLASSIFICATION (Kina, million) (page 65)  
[https://www.treasury.gov.pg/html/national\\_budget/files/2013/budget\\_documents/2020%20Mid-Year%20Economic%20and%20Fiscal%20Outlook%20\(MYEFO\).pdf](https://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/2020%20Mid-Year%20Economic%20and%20Fiscal%20Outlook%20(MYEFO).pdf)

Comment:

The Mid Year Report does include updated revenue data to mid-year and estimates for the full fiscal year and provides information on changes from the original enacted levels.

Peer Reviewer

Opinion: Agree

Comments: As referenced

Government Reviewer

Opinion: Agree

81. Does the Mid-Year Review of the budget present updated revenue estimates for the budget year underway by category (such as tax and non-tax)?

*GUIDELINES:*

*Question 81 asks whether revenue estimates for the budget year underway in the Mid-Year Review are presented by "category"— that is, whether tax and non-tax sources of revenue are shown separately. Please note that year-to-date revenues as assessed in Question 73 do not qualify as updated estimates of revenue for the purposes of this indicator.*

*To answer "a," the Mid-Year Review must present revenue estimates classified by category.*

Answer:

a. Yes, the Mid-Year Review presents revenue estimates by category.

Source:

Mid-Year Economic And Fiscal Outlook Report 2020, Section 1.4 TOTAL REVENUE AND GRANTS, (pages 36-42), Tables 4-10 for different taxes and other revenue sources (plus grants), and Sn. 1.11 FISCAL OUTTURN TABLES: TABLE 3: GENERAL GOVERNMENT REVENUE ECONOMIC CLASSIFICATION (Kina, million) (on page 63)

[https://www.treasury.gov.pg/html/national\\_budget/files/2013/budget\\_documents/2020%20Mid-Year%20Economic%20and%20Fiscal%20Outlook%20\(MYEFO\).pdf](https://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/2020%20Mid-Year%20Economic%20and%20Fiscal%20Outlook%20(MYEFO).pdf)

Comment:

The Mid Year Economic and Fiscal Report does break up the Revenue estimates from different sources, in the text and the Tables 4-10, by taxes on Income and profits, goods and services, international trades and non tax revenues such property income, interest and fees etc., and in the Fiscal Outturn Tables in a single table 4 Tax revenue and non-tax revenue (plus grants).

Peer Reviewer

Opinion: Agree

Comments: as referenced

Government Reviewer

Opinion: Agree

82. Does the Mid-Year Review of the budget present updated individual sources of revenue for the budget year underway?

*GUIDELINES:*

Question 82 asks whether revenue estimates for individual sources of revenue for the budget year underway are presented in the Mid-Year Review. Please note that year-to-date revenues as assessed in Question 73 do not qualify as updated estimates of revenue for the purposes of this indicator.

To answer "a," the Mid-Year Review must present all sources of revenue individually, accounting for all revenues, and "other" or "miscellaneous" revenue must account for three percent or less of all revenue. To answer "b," the Mid-Year Review must present individual sources of revenue that when combined account for at least two-thirds of all revenue, but not all revenue. A "c" answer applies if the Mid-Year Review presents estimates of individual revenue sources that account for less than two-thirds of revenue. Answer "d" applies if individual sources of revenue are not presented in the Mid-Year Review.

Answer:

a. Yes, the Mid-Year Review presents individual sources of revenue accounting for all revenue.

Source:

The Mid-Year Economic and Fiscal Outlook Report: Section 1.11 Fiscal Outturn Tables, TABLE 3 (page 65): GENERAL GOVERNMENT REVENUE ECONOMIC CLASSIFICATION, and Section 1.4 TOTAL REVENUE AND GRANTS (page 36) notably tables 4-9 and accompanying text provide details

[https://www.treasury.gov.pg/html/national\\_budget/files/2013/budget\\_documents/2020%20Mid-Year%20Economic%20and%20Fiscal%20Outlook%20\(MYEFO\).pdf](https://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/2020%20Mid-Year%20Economic%20and%20Fiscal%20Outlook%20(MYEFO).pdf)

Comment:

The Mid Year Report does provide individual sources of revenue, from different Tax and Non Tax sources and grants, notably in Sections 1.4 and 1.11.

Peer Reviewer

Opinion: Agree

Comments: as referenced

Government Reviewer

Opinion: Agree

83. Does the Mid-Year Review of the budget include updated estimates of government borrowing and debt, including its composition, for the budget year underway?

**GUIDELINES:**

Question 83 asks whether the Mid-Year Review includes updated estimates of borrowing and debt, including its composition, for the budget year underway, and provides an explanation of the update.

Refer to Question 13 for details on estimates in the Executive's Budget Proposal of borrowing and debt. Key estimates related to borrowing and debt include:

- The amount of net new borrowing required during the budget year;
- The central government's total debt burden at the end of the budget year; and
- The interest payments on the outstanding debt for the budget year.

Refer to Question 14 for details on estimates in the Executive's Budget Proposal related to the composition of the debt. Core information related to the composition of government debt include:

- interest rates on the debt;
- maturity profile of the debt; and
- whether the debt is domestic or external.

To answer "a," the Mid-Year Review must include an updated estimates of borrowing and debt, including its composition, and explain all of the differences between the initial estimates presented in the Executive's Budget Proposal (or Enacted Budget) and the updated estimates. The explanation must include at least estimates of all differences; a narrative discussion is desirable but not required if estimates of all the differences are provided. To answer "b," the estimates of borrowing and debt must be updated, but only some of the differences between the initial and updated estimates are explained. The explanation would be more limited, such as only a narrative discussion of the differences or estimates covering only some of the differences. A "c" response applies if the Mid-Year Review includes updated estimates, but no explanation for the revisions is provided. A "d" response applies if the estimates of borrowing and debt have not been updated.

Answer:

b. Yes, estimates of government borrowing and debt have been updated, and information on some of the differences between the original and updated estimates is presented.

Source:

Mid Year Economic and Fiscal Outlook Report 2020: Section 1.3 Fiscal Position and Outlook (page 31-36), text and Table 3. Key Fiscal Aggregates 2019-2020; Section 1.8 FINANCING (page 57-59) text and Tables 17-19 and Section 1.9 PUBLIC DEBT and Contingent Liabilities (page 60-61) text and Table 20 (and 21 for contingent liabilities). This also includes a narrative on the differences between the original and revised projections; Section 1.10 Risks to Mid-year Economic and Fiscal Outlook (page 62); In Section 1.11, Fiscal Outturn Tables (page 63, TABLE 1: STATEMENT OF OPERATIONS FOR THE GENERAL GOVERNMENT provides a summary of revenue, expenditure, financing and debt; Table 5. General Budgetary Government Expenditure by Economic Classification (page 67), including Debt servicing (interest) costs; TABLE 6 (page 68): TRANSACTIONS IN ASSETS AND LIABILITIES FOR GENERAL GOVERNMENT (including external and domestic liabilities) and TABLE 7 (page 69): GENERAL GOVERNMENT DEBT (Kina, million)

[https://www.treasury.gov.pg/html/national\\_budget/files/2013/budget\\_documents/2020%20Mid-Year%20Economic%20and%20Fiscal%20Outlook%20\(MYEFO\).pdf](https://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/2020%20Mid-Year%20Economic%20and%20Fiscal%20Outlook%20(MYEFO).pdf)

Comment:

Estimates of Governments borrowing and debts are updated in the Mid Year Report. Table 6 in the fiscal outturn tables, provides details of new borrowing and amortisation, as budgeted, mid-year and estimates for the full year, and summarised in tables 17-19 (pages 58-59) in the main text, with net borrowing (external and domestic). Table 20 provides a summary of the prevailing mid-year total debt level and forecast by year end (page 60), including whether the debt is domestic or external. Table 20 and 21 provide a summary and more detail on contingent liabilities, and some basic information on new concessional loan interest rates and objectives. Table 6 (page 68) in the fiscal outturn tables provides the level of domestic and international debt. Table 5 (page 67) provides interest payments in the expenditure figures (under economic classification of expenditures), but there are no further details provided of interest rates or the maturity schedule. While general information is provided on interest rate projections as part of the macroeconomic forecast, the interest rate on debt instruments is not shown, nor is there information on the maturity profile of debt.

Peer Reviewer

Opinion: Agree

Comments: as referenced

Government Reviewer

Opinion: Agree

84. Does the Year-End Report present the differences between the enacted levels (including in-year changes approved by the legislature) and the actual outcome for expenditures?

*GUIDELINES:*

*Question 84 asks whether the Year-End Report includes estimates of the differences between the enacted levels and actual expenditures for the year, and whether these estimates are accompanied by a narrative discussion.*

*To answer "a," the Year-End Report must present estimates of the differences between the enacted levels and the actual outcome for all expenditures, along with a narrative discussion. Answer "b" if estimates of the differences for all expenditures are presented, but a narrative discussion is not included. Answer "c" if estimates of the differences are presented for some, but not all expenditures, regardless of whether a narrative discussion is included. Answer "d" if no estimates of the differences are presented in the Year-End Report*

Answer:

a. Yes, estimates of the differences between the enacted levels and the actual outcome for all expenditures are presented, along with a narrative discussion.

Source:

Final Budget Outcome Report 2019, Section 1.3 Expenditure and Net Lending (page 19-25), text and Table 14: Expenditure by Funding Source 2018-19, Table 10: Expenditure by Agency Type 2018-19 [Excluding Donor Grants, and Concessional Loans], and other tables to 15; Fiscal Tables Table D (i & ii) (page 40 and 41-43): General Budgetary Expenditure by Economic Classification PART 2 FINAL BUDGET OUTCOME BY AGENCY (page 47) Tables 23-25, and Attachment A (pages 52-73 Budget outcome by Budget Component and expenditure item (activity for capital) for each agency respective of types and sectoral classification) . (provides details per sector and agency)

[https://www.treasury.gov.pg/html/national\\_budget/files/2013/budget\\_documents/2019%20FBO%20Report.pdf](https://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/2019%20FBO%20Report.pdf)

Fiscal Responsibility Act 2006 (specifies the legal requirements for year end reporting, deadlines etc)

[http://www.treasury.gov.pg/html/legislation/files/acts/PNGFRA\\_No\[1\].9-2006.pdf](http://www.treasury.gov.pg/html/legislation/files/acts/PNGFRA_No[1].9-2006.pdf)

Comment:

The Final Budget Outcome Report provides both summary and detailed Budgeted figures, the 2019 supplementary budget adjusted figures and expenditure outcome to year end, plus accompanying narrative. Under the Fiscal Responsibility Act the Year-End Report is required to be released by 31st March in the subsequent year.

Peer Reviewer  
Opinion: Agree  
Comments: as referenced

Government Reviewer  
Opinion: Agree

85. Does the Year-End Report present expenditure estimates by any of the three expenditure classifications (by administrative, economic, or functional classification)?

**GUIDELINES:**

*Question 85 asks if expenditure estimates in the Year-End Report are presented by any one of the three expenditure classifications – by administrative, economic, and functional classifications – which were addressed in Questions 1-5 above. Each of the classifications answers a different question: administrative unit indicates who spends the money; functional classification shows for what purpose is the money spent; and economic classification displays what the money is spent on. Unlike classification by administrative unit, which tends to be unique to each country, functional and economic classifications for government budgeting have been developed and standardized by international institutions. Cross-country comparisons are facilitated by adherence to these international classification standards.*

*To answer "a," the Year-End Report must present expenditure estimates by all three of the expenditure classifications. Answer "b" if expenditure estimates are presented by two of these three classifications. Answer "c" if expenditure estimates are presented by one of the three classifications. Answer "d" if expenditure estimates are not presented by any of the three classifications in the Year-End Report.*

**Answer:**

a. Yes, the Year-End Report presents expenditure estimates by all three expenditure classifications (by administrative, economic, and functional classification).

**Source:**

Final Budget Outcome Report 2019, Section 1.3 Expenditure and Net Lending (page 19-25) provides summary expenditure tables 10- 12 (pages 19-21),

Table 10 is a summary of expenditure by funding source, Table 12 provides a summary of the Capital Expenditure by function; Table 14, summary by Agency Type; Table 15, summary by economic classification.

In the Fiscal Tables: Table D (i & ii) (pages 40-41): General

Budgetary Expenditure by Economic Classification

PART 2 (which just covers expenditure funded domestically, i.e. not from grants etc) FINAL BUDGET OUTCOME BY AGENCY (page 47-50), Sn 2.2, 2019 Expenditure Outcome by Category, includes a summary by Tables by PE Category, by Function/Sector (p. 49). Sn 3.0 Attachment A (page 50-73). Budget outcome by Budget Component and expenditure item (activity for capital) for each agency respective of types and sectoral classification.

[https://www.treasury.gov.pg/html/national\\_budget/files/2013/budget\\_documents/2019%20FBO%20Report.pdf](https://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/2019%20FBO%20Report.pdf)

**Comment:**

The end of year expenditure is provided by Functional, Administrative and Economic classifications in summary and in detail in the tables in Part 2, where there's also are details of administrative expenditure by sector, which counts as a functional classification. Part 2 just covers the domestically funded expenditure (ie excluding foreign grants etc). Details of transfers made during the year, notably during the 2019 Supplementary Budget are also provided. Although in the subsequent attachments (from page 52 onwards) there are further breakups by province (in attachment E) by functional reference (but that's really related to specific functional grants, rather than the system of classification).

Peer Reviewer  
Opinion: Agree  
Comments: as referenced

Government Reviewer  
Opinion: Agree

85b. Based on the response to Question 85, check the box(es) to identify which expenditure classifications are included in the Year-End Report:

**Answer:**

Administrative classification

Economic classification  
Functional classification

Source:

Table D (I & II) (pages 40-41): General Budgetary Expenditure by Economic Classification  
PART 2, FINAL BUDGET OUTCOME BY AGENCY (pages 47 onwards), Section 2.1 2019 Expenditure Outcome; #3.00 Attachment A (page 50-73)  
Budget outcome by Budget Component and expenditure item (activity for capital) for each agency respective of types and sectoral classification.

[https://www.treasury.gov.pg/html/national\\_budget/files/2013/budget\\_documents/2019%20FBO%20Report.pdf](https://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/2019%20FBO%20Report.pdf)

Comment:

Budgeted, revised and actual expenditure is divided by Administrative, economic and sectoral sub-national (notably provincial and district allocations, which are the largest allocation component, are not divided by function, although some attachments do provide a break up in part by function, notably by functional grants)

Peer Reviewer

Opinion: Agree

Comments: as referenced and also per question 85a

Government Reviewer

Opinion: Agree

86. Does the Year-End Report present expenditure estimates for individual programs?

*GUIDELINES:*

*Question 86 asks if expenditure estimates in the Year-End Report are presented by program. There is no standard definition for the term "program," and the meaning can vary from country to country. However, for the purposes of answering the questionnaire, researchers should understand the term "program" to mean any level of detail below an administrative unit, such as a ministry or department.*

*A note for francophone countries: "Program" level detail is sometimes referred to as le plan comptable or le plan comptable detaille. (These data are typically coded in the financial management database, following the chart of budgetary accounts, so that they can be organized by administrative and functional classification.)*

*To answer "a," the Year-End Report must present expenditure estimates for all individual programs, accounting for all expenditures. Answer "b" if the Year-End Report presents expenditures for individual programs that when combined account for at least two-thirds of expenditures, but not all expenditures. Answer "c" if the Year-End Report presents programs that account for only less than two-thirds of expenditures. Answer "d" if expenditures are not presented by program in the Year-End Report.*

Answer:

b. Yes, the Year-End Report presents estimates for programs accounting for at least two-thirds of, but not all, expenditures.

Source:

Final Budget Outcome Report 2019; #1.3 Expenditure and Net Lending (page 19) provides the aggregates, but Sn 1.5 Trust Accounts (page 30) provides summary figures for trust funds and references to a few major programs, including the major District Services Improvement Program (DSIP), but and provides summary details for projects for each institution, by sector are provided in PART 2 FINAL BUDGET OUTCOME BY AGENCY, Sn. 3. Attachment A: Budget outcome by Budget Component and expenditure item (activity for capital) for each agency respective of types and sectoral (functional) classification..

[https://www.treasury.gov.pg/html/national\\_budget/files/2013/budget\\_documents/2019%20FBO%20Report.pdf](https://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/2019%20FBO%20Report.pdf)

Comment:

Summary expenditure details of programs (under capital items) for all government agencies, including provincial governments are provided in the 2019 Budget Outcome report, but not for breakdowns under the District Grants Improvement Program,

Peer Reviewer

Opinion: Agree

Comments: Programs reflected as referenced above. These program estimates are scattered around the tables in with other categories of expenditure - and primarily relate to capital programs HOWEVER FOR JUSTIFICATION of the scoring of - the researcher needs to provide calculation used to determine more than two-thirds.

Government Reviewer

Opinion: Agree

Researcher Response

The programs listed (under capital items) in Attachment A is apparently comprehensive for government funded public expenditure for those items specified in the 2019 Budget (ie excluding extra budgetary expenditure by some public institutions/SOEs), although breakdowns are not provided for district grants by project activity, and figures for district grants appear to entail (in many instances) transfers to trust accounts, rather than actual expenditure

87. Does the Year-End Report present the differences between the enacted levels (including in-year changes approved by the legislature) and the actual outcome for revenues?

**GUIDELINES:**

*Question 87 asks whether the Year-End Report includes estimates of the differences between the enacted levels and actual revenues for the year, and whether these estimates are accompanied by a narrative discussion.*

*To answer "a," the Year-End Report must present estimates of the differences between the enacted levels and the actual outcome for all revenues, along with a narrative discussion. Answer "b" if estimates of the differences for all revenues are presented, but a narrative discussion is not included. Answer "c" if estimates of the differences are presented for some, but not all revenues, regardless of whether a narrative discussion is included. Answer "d" if no estimates of the differences are presented in the Year-End Report.*

**Answer:**

a. Yes, estimates of the differences between the enacted levels and the actual outcome for all revenues are presented, along with a narrative discussion.

**Source:**

Final Budget Outcome Report 2019, Section 1.2 REVENUE: 1.2.1 Total Revenue and Grants (page 14-19) Tables 3- 8 with narrative, and In the Fiscal Tables (pages 36-39) Table C: General Government Revenue by Economic Classification, provides the 2019 Budget, adjusted Budget (with Supplementary Budget) and End of Year revenue outcome.

[https://www.treasury.gov.pg/html/national\\_budget/files/2013/budget\\_documents/2019%20FBO%20Report.pdf](https://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/2019%20FBO%20Report.pdf)

**Comment:**

Table 3 (on page 13) provides a summary of the original revenue Budget, the revised 2019 Budget forecast (following the Supplementary Budget) and the 2019 revenue outcome from tax and grants. Tables 4-7 provide details on different taxes and Tables 8 & 9 provide grants and non-tax revenue details on the same basis, and Boxes 1 & 2 (pages 18-19) show the receipts from Statutory buddies under the PMMR Act (which was subsequently deemed unconstitutional by the Supreme Court in mid-2020). Table C in the Fiscal tables provides greater details in a single table.

**Peer Reviewer**

Opinion: Agree

Comments: Specifically Table C provides details of enacted (initial) budget as well as revised

**Government Reviewer**

Opinion: Agree

88. Does the Year-End Report present revenue estimates by category (such as tax and non-tax)?

**GUIDELINES:**

*Question 88 asks whether revenue estimates in the Year-End Report are presented by "category" – that is, whether tax and non-tax sources of revenue are shown separately.*

*To answer "a," the Year-End Report must present revenue estimates classified by category.*

**Answer:**

a. Yes, the Year-End Report presents revenue estimates by category.

**Source:**

Final Budget Outcome Report 2019, # 1.2 REVENUE: #1.2.1 provides the Revenue overview, with subsequent sections and tables breaking down into tax and on-tax revenue and grants. 1.2.2 Tax Revenue (page 14-16), provides details of revenue from different taxes in tables and text, # 1.2.3. Grants and # 1.2.4 Other Revenue (pages 17-19) , provide the details of grants and revenue from dividends, interest, fines and other sources. In the Fiscal tables Table C (page 37): General Government Revenue by Economic Classification provides details further breakdown of tax and non-tax revenue in a single table.



[https://www.treasury.gov.pg/html/national\\_budget/files/2013/budget\\_documents/2019%20FBO%20Report.pdf](https://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/2019%20FBO%20Report.pdf)

Comment:

Section 1.2 Revenue provides details of revenue from different sources in text and tables, with Table C in the Fiscal Tables providing more details in a single table.

Peer Reviewer

Opinion: Agree

Comments: Again Table C with lots of detail

Government Reviewer

Opinion: Agree

89. Does the Year-End Report present individual sources of revenue?

*GUIDELINES:*

*Question 89 asks whether revenue estimates for individual sources of revenue are presented in the Year-End Report. The question applies to both tax and non-tax revenue.*

*To answer "a," the Year-End Report must present all sources of revenue individually, accounting for all revenue, and "other" or "miscellaneous" revenue must account for three percent or less of all revenue. Answer "b" if the Year-End Report presents individual sources of revenue that when combined account for at least two-thirds of all revenue, but not all revenue. Answer "c" if the Year-End Report presents estimates of individual revenue sources that account for less than two-thirds of revenue. Answer "d" if individual sources of revenue are not presented in the Year-End Report.*

Answer:

a. Yes, the Year-End Report presents individual sources of revenue accounting for all revenue.

Source:

Final Budget Outcome 2019, # 1.2 REVENUE, 1.2.1 Total Revenue and Grants (page 13-19) and Tables 3-8 (and boxes 1 & 2) Fiscal Tables, Table C: General Government Revenue by Economic Classification (page 37)

[https://www.treasury.gov.pg/html/national\\_budget/files/2013/budget\\_documents/2019%20FBO%20Report.pdf](https://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/2019%20FBO%20Report.pdf)

Comment:

Sections 1.2.2-1.2.4 and Tables 4-8 (and accompanying narrative) provide a breakdown of the tax and non-tax revenue sources and grants, which are also provided in a single Table C in the Fiscal Tables. These remain summarised figures and the Fiscal Outturn report does not provide the itemised revenue and revenue sources provided in the Executive's Budget Proposal Department and Agency by Agency, or details of non-budgetary income. Table C only has un-categorized revenues of less than 1% which justifies an A scores to this question.

Peer Reviewer

Opinion: Agree

Comments: as referenced

Government Reviewer

Opinion: Agree

90. Does the Year-End Report present the differences between the original estimates of government borrowing and debt, including its composition, for the fiscal year and the actual outcome for that year?

*GUIDELINES:*

*Question 90 asks whether the Year-End Report includes estimates of the differences between the original estimates and the actual outcome for the fiscal year for borrowing and debt, including its composition, and whether these estimates are accompanied by a narrative discussion.*

*Refer to Question 13 for details on estimates in the Executive's Budget Proposal of borrowing and debt. Key estimates related to borrowing and debt include:*

- *the amount of net new borrowing required during the budget year;*

- the central government's total debt burden at the end of the budget year; and
- the interest payments on the outstanding debt for the budget year.

Refer to Question 14 for details on estimates in the Executive's Budget Proposal related to the composition of the debt. Core information related to the composition of government debt include:

- interest rates on the debt;
- maturity profile of the debt; and
- whether the debt is domestic or external.

To answer "a," the Year-End Report must include estimates of the differences between all of the original estimates of borrowing and debt, including its composition, for the fiscal year and the actual outcome for that year, including a narrative discussion. Answer "b" if the Year-End Report presents estimates of the differences between all of the original estimates of borrowing and debt for the fiscal year and the actual outcome for that year, but does not include a narrative discussion. Answer "c" if estimates of the differences between some but not all of the original estimates of borrowing and debt for the fiscal year and the actual outcome for that year are presented, regardless of whether a narrative discussion is included. A "d" response applies if estimates of the differences are not presented.

Answer:

c. Yes, estimates of the differences between some but not all of the original estimates of government borrowing and debt for the fiscal year and the actual outcome for that year are presented.

Source:

Final Budget Outcome Report 2019. Section 1.4 FINANCING (pages 25-28) and #1.4, sections, 1.3.2 Net Financing, notably Table, 17 (summary); 1.3.3. External Financing, Table 18: External Borrowing and Principal Repayments 2018 – 2019; and 1.3.4 Domestic Finances, Table 19: Domestic Borrowing and Principal Repayments 2018 - 2019. # 1.4 PUBLIC DEBT (pages 29), Table 21: Central Government Debt 2018 – 2019; Table 20: Interest and Fees – 2018-2019) and accompanying text  
In the fiscal tables: Table E: Transaction in Assets and Liabilities for the General Government (page 44) Table G: Stocks in General Government Debt (page 46)

[https://www.treasury.gov.pg/html/national\\_budget/files/2013/budget\\_documents/2019%20FBO%20Report.pdf](https://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/2019%20FBO%20Report.pdf)

Comment:

The Final Budget Outturn Report provides tables and narrative detailing the original budget, revised budget (from the 2019 Supplementary Budget) and budget outcome for 2019, including net new borrowing, level of total public debt and interest and fees paid, with some explanation of the variations between the Budget estimate and the (estimated) final budget outcome. It provides details of external and domestic debt, but does not provide details of interest rates applicable or maturity profile of the debt (other than with reference to the changing debt servicing costs in response to the changing composition of the borrowing). Though the report shows differences between all of the estimates in the EBP - it is still missing two core elements: interest rates on debt and maturity profile of debt. For this reason, the score is 'B'.

Peer Reviewer

Opinion: Disagree

Suggested Answer:

c. Yes, estimates of the differences between some but not all of the original estimates of government borrowing and debt for the fiscal year and the actual outcome for that year are presented.

Comments: Based on my understanding and reading of the guidelines - to meet an 'a' or 'b' all the elements must be present - the downgrade from A to B is based on lack of narrative. As interest and rates and maturity profiles are not disclosed - this should be 'c'

Government Reviewer

Opinion: Agree

Researcher Response

In the 2019 OBS report the Government (Treasury) sought that an 'A' should be provided for debt recorded in the 2017 End of Year Report as all the estimates and actual outcomes of debt were provided and a narrative provided. It was sustained at 'B' on the basis of lack of interest rates and maturity details. The same prevails this time, except that debt figures are recorded more thoroughly for 2019 than they were in 2017, when various liabilities were omitted in the Government's reporting. It is considered that 'B' is a more appropriate designation than 'C', even if not perfectly aligned.

IBP Comment

In an IBP consistency review, it is determined that considering only 4 out of the 6 components are presented, two core elements are missing: interest rates on debt and maturity profile of debt; for the purposes of cross-country consistency, the response is revised from "b" to "c". To grant a "B" score it would be necessary to have the differences between the original estimates and the actual outcome for all six components.

90b. Based on the response to Question 90, check the box(es) to identify which estimates of government borrowing and debt, including its composition, have the differences between the original forecast and the actual outcome for the year presented in the Year-End Report:

Answer:

The amount of net new borrowing required during the budget year  
The central government's total debt burden at the end of the budget year  
The interest payments on outstanding debt for the budget year  
Whether the debt is domestic or external

Source:

Section 1.3 (mislabelled 1.4) Financing (page 25-29): Tables 17, 18 and 19 (pages 26-28) showing overall new and net borrowing, broken up into overseas and domestic borrowing and Table 20, interest and fees (but not interest rates or maturity).  
Section 1.4, Debt (page 29): Table 21 total domestic and overseas debt burden at year end

Comment:

Details of net new borrowings and total debt burden (domestic and overseas) and the debt servicing costs are provided, but not the interest rates or maturity on respective borrowing.

Peer Reviewer

Opinion: Agree

Comments: those elements are disclosed as referenced above. But nothing for interest rates and maturity profile

Government Reviewer

Opinion: Agree

91. Does the Year-End Report present the differences between the original macroeconomic forecast for the fiscal year and the actual outcome for that year?

**GUIDELINES:**

*Question 91 asks whether the Year-End Report includes estimates of the differences between the original macroeconomic forecast for the fiscal year and the actual outcome for that year, and whether these estimates are accompanied by a narrative discussion.*

*Refer to Question 15 for the components of the macroeconomic forecast in the Executive's Budget Proposal. Core components include estimates of the nominal GDP level, inflation rate, real GDP growth, and interest rates, although the importance of other macroeconomic assumptions, such as the price of oil, can vary from country to country.*

*To answer "a," the Year-End Report must include estimates of the differences between all of the original macroeconomic assumptions for the fiscal year and the actual outcome for that year, including a narrative discussion. Answer "b" if the Year-End Report presents estimates of the differences between all of the original macroeconomic assumptions for the fiscal year and the actual outcome for that year, but does not include a narrative discussion. Answer "c" if estimates of the differences between some but not all of the original macroeconomic assumptions for the fiscal year and the actual outcome for that year are presented, regardless of whether a narrative discussion is included. A "d" response applies if estimates of the differences are not presented.*

Answer:

d. No, estimates of the differences between the original macroeconomic forecast for the fiscal year and the actual outcome for that year is not presented.

Source:

Final Budget Outcome Report 2019, # 1.1 (page 10) 1.1 General Government Fiscal Operations.

[https://www.treasury.gov.pg/html/national\\_budget/files/2013/budget\\_documents/2019%20FBO%20Report.pdf](https://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/2019%20FBO%20Report.pdf)

Comment:

Macroeconomic details are not provided in the PNG's Final Budget Outcome Report, either details of the Budget forecasts or the actual outcome, except a few references in the Treasurer's foreword to economic conditions, and in the section on tax revenue on some determining factors, without any detail; (unlike the Mid- Year Economic and Fiscal Outlook report, which contains macro-economic data and narrative, the Budget Outcome Report in PNG is strictly a Fiscal report).

Peer Reviewer

Opinion: Agree

Comments: No differences presented

Government Reviewer

Opinion: Agree

91b. Based on the response to Question 91, check the box(es) to identify which elements of the macroeconomic forecast have the differences between the original forecast and the outcome for the year presented in the Year-End Report:

Answer:

None of the above

Source:

[https://www.treasury.gov.pg/html/national\\_budget/files/2013/budget\\_documents/2019%20FBO%20Report.pdf](https://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/2019%20FBO%20Report.pdf)

Only very passing reference are made, notably in the foreword, to economic and other determining conditions (e.g. aftermath of the 2018 earthquake on oil/mining taxes in 2019).

Comment:

Peer Reviewer

Opinion: Agree

Comments: No changes disclosed

Government Reviewer

Opinion: Agree

92. Does the Year-End Report present the differences between the original estimates of nonfinancial data on inputs and the actual outcome?

*GUIDELINES:*

*Question 92 asks whether the Year-End Report includes estimates of the differences between the original estimates of nonfinancial data on inputs and the actual outcome for the year, and whether these estimates are accompanied by a narrative discussion.*

*Refer to Question 49 for the nonfinancial data on inputs included in the Executive's Budget Proposal.*

*To answer "a," the Year-End Report must include estimates of the differences between all of the original estimates of nonfinancial data on inputs and the actual outcome, including a narrative discussion. Answer "b" if the Year-End Report presents estimates of the differences between all of the original estimates of nonfinancial data on inputs and the actual outcome, but does not include a narrative discussion. Answer "c" if estimates of the differences between some but not all of the original estimates of nonfinancial data on inputs and the actual outcome are presented, regardless of whether a narrative discussion is included. A "d" response applies if estimates of the differences are not presented.*

Answer:

d. No, estimates of the differences between the original estimates of nonfinancial data on inputs and the actual outcome are not presented.

Source:

[https://www.treasury.gov.pg/html/national\\_budget/files/2013/budget\\_documents/2019%20FBO%20Report.pdf](https://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/2019%20FBO%20Report.pdf)

Comment:

The Fiscal Outturn Report restricts itself solely to fiscal data and narrative, and provides no detail on non-financial inputs and outputs

Peer Reviewer

Opinion: Agree

Comments: No updated disclosures on nonfinancial inputs

Government Reviewer

Opinion: Agree

93. Does the Year-End Report present the differences between the original estimates of nonfinancial data on results and the actual outcome?

**GUIDELINES:**

Question 93 asks whether the Year-End Report includes estimates of the differences between the original estimates of nonfinancial data on results and the actual outcome for the year, and whether these estimates are accompanied by a narrative discussion. Nonfinancial data on results can include data on both outputs and outcomes, but not on inputs (which are addressed in Question 92).

Refer to Question 50 for the nonfinancial data on results included in the Executive's Budget Proposal.

To answer "a," the Year-End Report must include estimates of the differences between all of the original estimates of nonfinancial data on results and the actual outcome, including a narrative discussion. Answer "b" if the Year-End Report presents estimates of the differences between all of the original estimates of nonfinancial data on results and the actual outcome, but does not include a narrative discussion. Answer "c" if estimates of the differences between some but not all of the original estimates of nonfinancial data on results and the actual outcome are presented, regardless of whether a narrative discussion is included. A "d" response applies if estimates of the differences are not presented.

**Answer:**

d. No, estimates of the differences between the original estimates of nonfinancial data on results and the actual outcome are not presented.

**Source:**

[https://www.treasury.gov.pg/html/national\\_budget/files/2013/budget\\_documents/2019%20FBO%20Report.pdf](https://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/2019%20FBO%20Report.pdf)

**Comment:**

The Fiscal Outturn Report restricts itself to financial data only, with no information on the non-financial inputs/outputs.

**Peer Reviewer**

Opinion: Agree

Comments: No updated output data and even in other budget documents - outputs not based on measurable targets anyway in my opinion

**Government Reviewer**

Opinion: Agree

94. Does the Year-End Report present the differences between the enacted level of funds for policies (both new proposals and existing policies) that are intended to benefit directly the country's most impoverished populations and the actual outcome?

**GUIDELINES:**

Question 94 asks whether the Year-End Report includes estimates of the differences between the enacted level of funds for policies that are intended to benefit directly the country's most impoverished populations and the actual outcome for the year, and whether these estimates are accompanied by a narrative discussion.

Refer to Question 52 for assistance to the most impoverished populations in the Executive's Budget Proposal.

To answer "a," the Year-End Report must present estimates of the differences between the enacted level for all policies that are intended to benefit the country's most impoverished populations and the actual outcome, including a narrative discussion. Answer "b" if the Year-End Report presents estimates of the differences between the enacted level for all policies that are intended to benefit the country's most impoverished populations and the actual outcome, but does not include a narrative discussion. Answer "c" if estimates of the differences between the enacted level for some but not all of the policies that are intended to benefit the country's most impoverished populations and the actual outcome are presented, regardless of whether a narrative discussion is included. A "d" response applies if estimates of the differences are not presented.

**Answer:**

d. No, estimates of the differences between the enacted level for policies that are intended to benefit directly the country's most impoverished populations and the actual outcome are not presented.

**Source:**

Section 1.5 Trust Accounts (page 30-32) with some details of Tuition Free Education Program, Part 2, # 2.2 2019 Budget Expenditure Outcome (page 47): # 2.2 Detailed Expenditure: Community Development (page 57), Education (page 62), Health (page 63), Districts and Provinces (page 55-56), national Planning (including WaSH) (page 57) Attachment E: (page 61) 2017 Personnel Emoluments and Goods and Services Expenditure under provincial Government grants & Subsidies (including functional grants), and attachments A for District Grants (DSIP) listed and in-year increased shown.

[https://www.treasury.gov.pg/html/national\\_budget/files/2013/budget\\_documents/2019%20FBO%20Report.pdf](https://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/2019%20FBO%20Report.pdf)TCOME.pdf

**Comment:**

There are no specific details of policies, let alone policies for the impoverished, provided in the Final Budget Outcome report, nor of assessing their performance, however some information is gained from examining specific sectorial, administrative expenditure details and in-year changes in allocation.

Part 2, # 2.2 there details of sectorial allocations and the variation between Budget allocations and outcomes, including priority sectors and programs aimed, in part, at assisting lower income earners, such as Tuition fee free education, WaSh and 'free' primary health care, and community

development; Attachment E also includes details of functional grants, including for health, education etc, which including components designed to 'equalise' variations between provinces, determined by historic and other factors (including for remote and disadvantage areas), Attachments A provide a list of the District and Provincial Services Improvement Program for districts and Provinces around the country, with changes to allocation and expenditure details provided.

Peer Reviewer

Opinion: Agree

Comments: Although the tables in the FBO include updates on final outcomes, there is no clear tagging of policies for impoverished etc. New and existing policies are also not separated

Government Reviewer

Opinion: Agree

95. Does the Year-End Report present the differences between the original estimates of extra-budgetary funds and the actual outcome?

*GUIDELINES:*

*Question 95 asks whether the Year-End Report presents estimates of the differences between the original estimates of extra-budgetary funds and the actual outcome for the year, and whether these estimates are accompanied by a narrative discussion.*

*Refer to Question 33 for estimates of extra-budgetary funds in the Executive's Budget Proposal.*

*To answer "a," the Year-End Report must include estimates of the differences between all of the original estimates of extra-budgetary funds and the actual outcome, including a narrative discussion. Answer "b" if the Year-End Report presents estimates of the differences between all of the original estimates of extra-budgetary funds and the actual outcome, but does not include a narrative discussion. Answer "c" if estimates of the differences between some but not all of the original estimates of extra-budgetary funds and the actual outcome are presented, regardless of whether a narrative discussion is included. A "d" response applies if estimates of the differences are not presented*

Answer:

c. Yes, estimates of the differences between some but not all of the original estimates of extra-budgetary funds and the actual outcome are presented.

Source:

Final Budget Outcome 2019. Table 22 – Movements of Funds in Trust Accounts 2019 Movement of funds in Trust Accounts 1st January to 31st December 2019 (pages 30) and narrative (pages 32)

[https://www.treasury.gov.pg/html/national\\_budget/files/2013/budget\\_documents/2019%20FBO%20Report.pdfTCOME.pdf](https://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/2019%20FBO%20Report.pdfTCOME.pdf)

Comment:

The major planned extra-budgetary funds are the Sovereign Wealth Fund, including Savings fund, but this was not yet operational in 2019; (the agricultural Stabilisation funds are growers' funds managed by Statutory Authorities, but the balances in each of the funds in any case are low or zero). Various Statutory Authorities, such as National Fisheries Authority (with major funding from license fees), Mineral Resources Authority and certain Commodity Board (using their levies etc) and SOE's operate extra-budgetary funds, in terms of revenue and expenditure, which are not shown in the Year End report. The rules have been tightened for SAs and SOEs, including with respect to transfers to the State (particularly in the, subsequent, 2020 Budget, with the Public Money Management Regularisation Act 2019 Certified on 14 FEB 2018, to ensure greater central control of the fiscal cycle, and enhance State revenue –although PMMR was deemed unconstitutional in mid-2020, and temporarily discontinued - but well outside this period under review); Trust Funds are generally deemed to be in-budget (rather than Extra-budgetary) funds, and the majority are supposedly incorporated in the budget process, with original and revised balances for budget-funded trust funds provided, including in the Year-End Report (notably Section 1.5, Trust Accounts (Page 30) and Table 22: Movement of funds in Trust Accounts 1st January to 31st December 2019 (Kina, millions) (Page 30). However, despite the efforts of the Treasury and Finance Departments, some trust fund balances are excluded from balances shown in #1.5 and some are not really updated for the report, partly as some Trust Funds were explicitly established, notably in 2007/8, to bypass the Budgetary process. Although, Treasury and Finance Department have been active in seeking to rein in the aberrant funds, there remains work ahead on this

Peer Reviewer

Opinion: Disagree

Suggested Answer: d. No, estimates of the differences between the original estimates of extra-budgetary funds and the actual outcome is not presented.

Comments: My earlier comments about the lack of a published institutions table (GFSM2014 classification) makes it difficult to establish what is missing in terms of disclosures. Furthermore, Table 22 shows opening balance, inflows and outflows (debits and credits) and closing balance. However, it does not present the actual outcome

Government Reviewer

Opinion: Agree

Researcher Response

This is difficult...the purpose of the Trust funds is substantially to allow carry over of funds between budget years, to allow continuity etc, so by implication it won't provide the final outturn and being off-budget, it requires all the current bank statements are accessible, which in some cases they're not. So the figures are in most cases the figures comprise initial and end of year estimates...This seems to merit a higher score than 'D', even if 'C' might be generous...the list of trust funds (in excess of K20,000 balance, or zero transactions) is thorough, and some might well be the final outcome, but we don't know which, or whether this is the case, because the system at the moment doesn't provide for that.

IBP Comment

In an IBP consistency review, it is confirmed that for the purposes of cross-country consistency the adequate response is "c", given that there is information about extra-budgetary funds however minimal.

96. Is a financial statement included as part of the Year-End Report or released as a separate report?

**GUIDELINES:**

*Question 96 asks whether a financial statement is included as part of the Year-End Report, or whether it is released as a separate report. The financial statement can include some or all of the following elements: a cash flow statement, an operating statement, a balance sheet, and notes on accounting. For purposes of responding to this question, the financial statement in question does not need to be audited. For an example of a financial statement, see the document "Financial Statements of the Government of New Zealand 2013" (<https://treasury.govt.nz/sites/default/files/2013-10/fsgnz-year-jun13.pdf>)*

*To answer "a," a financial statement must either be included in the Year-End Report or must be released as a separate report. Answer "a" applies if a financial statement is released as a separate report, even if the Year-End Report is not publicly available. Answer "b" applies if no financial statement is released either as part of the Year-End Report or as a separate report.*

Answer:

b. No, a financial statement is neither part of the Year-End Report nor released as a separate report.

Source:

Final Budget Outcome Report 2019: Section 1.6 Government Finance Statistics (page 32) provides details of the accounting system used and the recent reforms "Since the 2016 Budget, the Government undertook a major reform to improve the reporting of its finances by moving to the updated international standard of reporting in GFS 2014. This has resulted in some re-categorisation of revenues and expenditures." Section 1.8.1 Changes between the GFSM 1986 and GFSM 2014, provides details of the application of the GFSM 2014 standard, and the additional details provided, reclassifications and adaptations to long used reporting and tables in the Budget and the Year-End report.

Balancing items provides details of the Gross Operating Balance and Net Lending/Net Borrowing balance, presented in the Statement of Operations, in Table A: Statement of Operations for the General Government of Papua New Guinea (page 36) of the Fiscal Tables

Sn 1.6.2. Government Debt. "The new Classification of Functions of Government (COFOG) shows the cross-economic functional classification of expenditure for the general government, detailing where government expenditure is directed by function. COFOG provides meaningful information that may be used to study the effectiveness of government programs in areas like health, education, economic affairs, social protection and general public services. There are ten major 34. functions. It is an internationally standardised table that allows cross-country comparisons of government priorities."

[https://www.treasury.gov.pg/html/national\\_budget/files/2013/budget\\_documents/2019%20FBO%20Report.pdf](https://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/2019%20FBO%20Report.pdf)

Comment:

This is partially provided with the Table A, a Statement of Operations for the General Government of Papua New Guinea, and associated explanation of revised accounting and reporting system. But there is no balance sheet of assets and net liabilities provided. GFSM 2014 framework of Budget reporting Gross Operating Balance is provided in Table A of the Fiscal Tables and Net Lending/Net Borrowing balance, and some explanation of the revised statistical recording and accounting system used, and changes made in recent years with the adoption of GFSM 2014. Subsequent tables provide further details, including Statement of Sources and Uses of Cash, revenue, expenditure, financing, lending and borrowing, transactions in Assets and Liabilities, and stocks in Government debt. So an income statement showing transactions and change in net worth and cash flow details are provided, but without provision of a balance sheet showing government's overall net worth; although net debt and related details are provide. (The figures are also not audited)

Peer Reviewer

Opinion: Agree

Comments: No financial statement

Government Reviewer

Opinion: Agree

97. What type of audits (compliance, financial, or performance) has the Supreme Audit Institution (SAI) conducted and made available to the public?

**GUIDELINES:**

Question 97 asks about the types of audits conducted by the Supreme Audit Institution (SAI). There are three basic types of audits:

- Financial audits are intended to determine if an entity's financial information is accurate (free from errors or fraud) and presented in accordance with the applicable financial reporting and regulatory framework. See ISSAI 200 (<http://www.issai.org/issai-framework/3-fundamental-auditing-principles.htm>) for more detail.
- Compliance audits look at the extent to which the relevant regulations and procedures have been followed. See ISSAI 400 (<https://www.issai.org/pronouncements/issai-400-compliance-audit-principles/>) for more details.
- Performance audits assess whether activities are adhering to the principles of economy, efficiency, and effectiveness. See ISSAI 300 (<https://www.issai.org/pronouncements/issai-300-performance-audit-principles/>) for more details.

Financial and compliance audits are more common than performance audits, which usually occur only once a performance framework has been agreed upon. In some countries, the SAI's mandate limits the type of audit it can conduct.

To answer "a," the SAI must have conducted all three types of audit – financial, compliance, and performance – and made all of them available to the public. A "b" response applies if the SAI has conducted two of the three audit types, and a "c" applies if it has conducted only one type of audit. Answers "b" and "c" may be selected even if the Audit Report is not publicly available, as long as the SAI has conducted compliance or performance audits and made them available to the public. A "d" response applies if the SAI has not conducted any of the three types of audits, or has not made them available to the public.

Answer:

d. The SAI has not conducted any of the three types of audits, or has not made them available to the public.

Source:

Annual Financial Audit Reports

<http://www.ago.gov.pg/index.php/publications>

[http://www.ago.gov.pg/images/Part\\_1\\_Report\\_2015.pdf](http://www.ago.gov.pg/images/Part_1_Report_2015.pdf)

Audit of the Public Account Part 4 - Public Bodies and their Subsidiaries, Government Owned Companies, National Government Shareholdings in Other Companies (2019)

[http://www.ago.gov.pg/images/Part\\_4\\_Report\\_2019.pdf](http://www.ago.gov.pg/images/Part_4_Report_2019.pdf)

AGO Annual Audit Work Plan 2020

<http://www.ago.gov.pg/images/downloads/AnnualAuditWorkPlan2020.pdf>

<http://www.ago.gov.pg/index.php/8-annual-reports>

Performance Audit and Special Review Reports:

<http://www.ago.gov.pg/index.php/special-and-performance-audit-report>

<http://www.ago.gov.pg/images/downloads/Final-SIP-Report-2013-2016.pdf>

Audit Act and powers and responsibilities of the SAI in PNG under this Act and the Constitution:

[http://www.paclii.org/pg/legis/consol\\_act/aa198971/](http://www.paclii.org/pg/legis/consol_act/aa198971/)

<https://pefa.org/assessments/papua-new-guinea-2015>

Comment:

The Annual Audits have been released by the SAI outside the allowable deadline for the survey. It may be noted that the financial and compliance audits of public institutions are divided into four reports, with the audit reports of the public account and of National Government Departments being the most outdated, while the report on the audits of the Provincial Accounts is slightly more recent, and the report on the statutory Authorities and SOEs being more up to date. However, even the latter report, which is for BY-1, is largely reporting on institutions that have not submitted timely financial statements for audit.

The SAI conducts financial, compliance and performance audits. It's main focus is on the audit of the financial statements of the Government Departments and agencies, broken up into the audit of the national Financial Account based upon the financial statement prepared by the Finance Department, which comprises Report 1; the audits of the respective national Department, Report 2; the report of the Provincial and local level Government, Report 3; and the report covering the Statutory Authorities and State-owned Enterprises, comprising Report 4. As stated in the AGO Annual Work Plan for 2020 the SAI aims to undertake work to a program for progressing financial audits using a risk based methodology and materiality, focus on financial and compliance audits per year, notably on procurements processes, and to conduct a small number of performance audits annually (three for 2020) and likewise a small number of forensic investigative audits per year (five for 2020). Unfortunately, with the delays in access financial statements from respective agencies, the SAI's limited staffing and financial capacity, and the delays between submitting reports to the speaker of Parliament and their tabling in Parliament (a prerequisite before the report become public documents, able to be released by the SAI) results in the reports fallen outside the deadline for the OBS, and really for timely public accountability.

Peer Reviewer

Opinion: Agree

Comments: No published audit for Parts I - III undertaken in recent times. Part 4 relates to the 2019/2020 cycle which runs July to June. Also, as highlighted above - very few audits even of this sector have been undertaken

Government Reviewer

Opinion: Agree

98. What percentage of expenditures within the mandate of the Supreme Audit Institution (SAI) has been audited?



**GUIDELINES:**

Question 98 focuses on the coverage of audits by the Supreme Audit Institution (SAI), asking what percentage of expenditures within the SAI's mandate has been audited.

The SAI's mandate is typically defined in statute. Only expenditures related to budgetary central government (ministries, departments, and agencies) that are within the SAI's mandate should be considered for this question. (Question 99 addresses audits of extra-budgetary funds.) Further, the question does not apply to "secret programs" (for example, security-related expenditures that are confidential). Further, if the mandate gives the SAI the authority to outsource some audits, then those audits count for purposes of this question.

Only the Audit Report identified in Section 1 should be used to answer this question. Financial audits and compliance audits, or a hybrid of the two, can be taken into account to answer this question. Performance audits should not be considered for this question.

To answer "a," all expenditures within the SAI's mandate must be audited. A "b" response applies if at least two-thirds, but not all, expenditures within the SAI's mandate have been audited. A "c" response is appropriate when less than two-thirds of expenditures within the SAI's mandate have been audited. A "d" response applies when no expenditures have been audited.

**Answer:**

d. No expenditures have been audited.

**Source:**

<http://www.ago.gov.pg/index.php/8-annual-reports>

AGO Annual Audit Work Plan 2020

<http://www.ago.gov.pg/images/downloads/AnnualAuditWorkPlan2020.pdf>

**Comment:**

As most of the audits have not been released to the public in a timely manner to meet the requirements of this survey (despite, in many cases, being prepared within the time framework), it has been marked as 'D'

As stated in the AGO's Annual Work Plan for 2020, "Due to the constraints on the staff strength, we are not able to do all the 41 departments and agencies in a particular financial year. The departments to be audited are identified through their respective budget appropriations, prior year audit findings and the level of risks associated with the department". In auditing a 3 year cycle of the AGO planned for 2020 to conduct 20, of the 41 national Departments for 2017, 18 for 2018 and 24 for 2019 (BY-1); 98 Provincial, district and local level audits, out of 493; and 193 out of 424 for statutory authorities and SOEs, including subnational businesses. It is too early to see how far they've achieved their objectives for 2020 (its likely to be markedly lower during the first year of Covid-19, and with a major cut to the SAI's budget during the Supplementary Budget), but this indicates the intended sampling, although in practice there's a major lag in the completion and public release of audit reports, in the face of delays in release of financial statements to the SAI, staffing capacity, and the requirement for the report to be tabled with the National Parliament prior to public release. However, part 4 of the Report for BY-1 has been released within 18 months for Authorities and SOEs, although in many cases this has just been to report the non-receipt or even reticence by the respective public bodies or corporations to submit financial statements for audit.

A major portion of government entities and public funds have been subject to the audit process over the past year, albeit that the reports have not been published in a timely manner, and that for a substantial portion of government entities the audit process is still working through a backlog of earlier years' accounts leaving a large portion of BY-2 accounts unaudited.

Inconsistency of the financial management systems used by public authorities, lack of funding and capacity at the SAI to address the current and accumulated backlog of accounts, combined with poor capacity and compliance to submit accounts for audit in a well prepared and timely manner by many of the roughly 1,000 government entities involved, and procedural restraints, notably requiring the tabling of the reports in the Legislature before they can be released to the public, all combine to restrain the timely coverage of audits of public finance and state institutions. The rationalisation of the financial management systems under the single IFMS, now being rolled out in the provinces, should enable more timely and comprehensive auditing and release of reports in the future, although the IFMS has proven unwieldy and hard to operate, especially where internet (if functional) has limited speed/bandwidth.

**Peer Reviewer**

Opinion: Agree

Comments: no financial audits

**Government Reviewer**

Opinion: Agree

99. What percentage of extra-budgetary funds within the mandate of the Supreme Audit Institution (SAI) has been audited?

**GUIDELINES:**

Question 99 focuses on audits of extra-budgetary funds, asking what percentage of extra-budgetary funds within the mandate of the Supreme Audit Institution (SAI) has been audited. These funds, although technically outside the budget, are governmental in nature and thus should be subject to the same audit requirement as other government programs.

The SAI's mandate is typically defined in statute. Only expenditures related to extra-budgetary funds within the SAI's mandate should be considered for this question. (Question 98 addresses audits of budgetary central government.) Further, if the mandate gives the SAI the authority to outsource some audits, then

those audits count for purposes of this question.

To answer "a," all extra-budgetary funds within the SAI's mandate must be audited. A "b" response applies if extra-budgetary funds accounting for at least two-thirds of, but not all, expenditures associated with extra-budgetary funds within the SAI's mandate have been audited. A "c" response applies if extra-budgetary funds accounting for less than two-thirds of expenditures associated with extra-budgetary funds within the SAI's mandate have been audited. A "d" response applies if extra-budgetary funds have not been audited.

Answer:

d. No extra-budgetary funds have been audited.

Source:

Annual Financial Audit Reports

<http://www.ago.gov.pg/index.php/publications>

Report of the Auditor General of the Public Account of Papua New Guinea

[http://www.ago.gov.pg/images/Part\\_1\\_Report\\_2015.pdf](http://www.ago.gov.pg/images/Part_1_Report_2015.pdf)

Audit of the Public Account Part 4 - Public Bodies and their Subsidiaries, Government Owned Companies, National Government Shareholdings in Other Companies (2019)

[http://www.ago.gov.pg/images/Part\\_4\\_Report\\_2019.pdf](http://www.ago.gov.pg/images/Part_4_Report_2019.pdf)

AGO Annual Audit Work Plan

<http://www.ago.gov.pg/images/downloads/AnnualAuditWorkPlan2020.pdf>

<https://pefa.org/assessments/papua-new-guinea-2015>

[http://www.paclii.org/pg/legis/consol\\_act/aa198971/](http://www.paclii.org/pg/legis/consol_act/aa198971/)

Comment:

Most of the audit reports have not been released to the public in a timely manner to meet the requirements of this survey. However, much of the extra-budgetary funds are held by the Statutory Authorities and SOEs, some of which have been audited in Report 4, until BY-1, within the allowable reporting timeframe for the Survey. However, a large portion had not submitted their financial statements for audit within the timeframe, so the audit report is more like a record of progress with submitting accounts for audit by different bodies, than an actual audit report for many of these public bodies. This includes, the National Gaming Control Board, which in the 2019 Report (4) had submitted its latest financial statements for 2017, MRDC last audited for 2016, with a qualified audit related to major investments, and the National Fisheries Authority (with its major budget related to fisheries licenses, when not accessed by the PMMR Act), which has submitted financial statements for audit for 2017 and 2018, currently being audited, but not yet for 2019. The Sovereign Wealth Fund is not yet ready for audit, as it's not yet received funding with several years of low resource sector revenue. The National Roads Authority administered a road fund from dedicated road usage levies, for maintenance of highways. Its accounts were audited for 2018 and financial statements were submitted to SAI for 2019; (it may be noted that the NRA legislation has subsequently been repealed during 2020 and a successor organisation been authorised, with a road fund with wider responsibilities).

As stated in the 2015 PEFA report (undertaken by the IMF) "Various statutory bodies collect significant amounts of own-source revenue, which are not generally reported in the budget documents or the annual public accounts. A list provided by the DoF indicates there are some 138 such national bodies of varying size and importance. About half of these bodies receive budget funding but also retain significant amounts of own-source revenue. These entities include the Housing Corporation, the Civil Aviation Authority, the Airport Authority and the National Roads Authority, together with various SOEs, some of which also have statutory powers, from MRDC, to Kumul Petroleum, to PNG Power; (Telikom had its regulatory functions separated as have several of the other SOEs).

Each statutory body prepares separate financial statements which disclose their overall financial operations, both budget funded and financed from own-source revenue. A review of these financial statements is provided in Part 4 of the Auditor-General's annual report on public bodies and national government owned companies but no consolidated financial information is presented for Trust Accounts.

The budget documents and public accounts include many hundreds of trust accounts which are used in some cases to by-pass the annual appropriations process under which appropriations lapse at the end of the fiscal year. A 2013 performance audit by the AGO on trust account operations notes the limited scrutiny of their operations and the difficulty of identifying all trust accounts. Data on the balances of unknown trust accounts are not available. External sources of finance. A number of private donors including for example, the Global Foundation for Health provide funding to various national health and education programs. These funds are not shown in the budget documents and departmental appropriations and are retained by those departments. Nor is the expenditure from these funds recorded in government accounting reports." Despite recent efforts by some institutions to exempt themselves from the purview of the Supreme Audit, the Constitution of Papua New Guinea does not limit the SAI, and indeed requires it to audit (or commission audits on) all public bodies, including those set up by an act of Parliament etc (unless specific law specifies otherwise) and even then the SAI has the power to inspect if it chooses, wherever public funds are entailed. Nevertheless, the 2019 Audit of Statutory Authorities and SOEs (Report 4) specifies that they did not attempt to audit companies which did not submit their financial statements that were exempted under the Act, (Report 4, # 81.1 Exclusion from Statutory Audit, page 319, including the state-owned National Development bank, The Ok Tedi Mine, Fresh Produce Development Company and Kumul Mineral Holdings).

Nevertheless, with SOEs the SAI has the power to undertake audits under specific legislation (notably the Public Finances (Management) Act and the Audit Act, noting the exemption of companies in which the State has a minority stake and certain SOEs, like Kumul Minerals ). However, there remains a major backlog, with only minority of Statutory Bodies and SOEs having completed their audits by mid BY-2, as required by law, and for BY-4 only still less than 1/2 had completed their audits. The SAI's 2020 Annual Work Plan provides details of the status of audits, and the Report 4 of the AGO's Annual Financial Audit Reports provides greater detail on the status of submission of financial statements and progress with auditing over several successive years.

Peer Reviewer

Opinion: Agree

Comments: no audits of EBFs

Government Reviewer

Opinion: Agree

100. Does the annual Audit Report(s) prepared by the Supreme Audit Institution (SAI) include an executive summary?

**GUIDELINES:**

*Question 100 asks whether the annual Audit Report includes an executive summary. Only the Audit Report identified in Section 1 should be used to answer this question. The Audit Report can be a fairly technical document, and an executive summary of the report's findings can help make it more accessible to the media and the public.*

*To answer "a," the Audit Report must include at least one executive summary summarizing the report's content. Answer "b" applies if the Audit Report does not include an executive summary, or the Audit Report is not made publicly available.*

**Answer:**

b. No, the annual Audit Report(s) does not include an executive summary.

**Source:**

<http://www.ago.gov.pg/index.php/8-annual-reports>  
AGO Annual Audit Work Plan  
<http://www.ago.gov.pg/images/downloads/AnnualAuditWorkPlan2020.pdf>

**Comment:**

At this stage, partly owing to the delays largely beyond the SAI's control (notably severe delays in receipt of accounts for audit, and extensive delays by the Legislature in tabling the Reports, and therefore enabling them to be released as a 'public document') most Parts of the annual Audit Report (including Part 1, the Audit of the Public Account), fail to meet the 18 month deadline required in this survey. However, in 2020, Part 4 of the Report covering Statutory Authorities and SOEs, etc, for 2019 have come within the time limit. In any case, the annual financial audits (and, incidentally, the performance and special purpose audits) do come with Executive Summaries and the performance audits, which focus on particular themes of public concern, have also incorporated more innovative presentations and summaries of key findings and recommendations, key themes etc, which could capture wider interest. The 2020 Annual Work Plan provides a useful summary of progress with audit for the 1,000+ state bodies and entities requiring audit, and the planned program for auditing them, as well as undertaking performance audit, and special forensic investigatory audits of particular funds or funding mechanisms.

**Peer Reviewer**

Opinion: Agree

Comments: Part 4 includes an Executive Summary but based on the limited coverage of actual audits in 2019 and there being no other audits for the other 3 main audit Parts, this is deemed as having no audit report - so no executive summary

**Government Reviewer**

Opinion: I choose not to review this question

101. Does the executive make available to the public a report on what steps it has taken to address audit recommendations or findings that indicate a need for remedial action?

**GUIDELINES:**

*Question 101 asks whether the executive reports to the public on the steps it has taken to address audit recommendations made by the Supreme Audit Institution (SAI). The ultimate purpose of audits is to verify that the budget was executed in a manner consistent with existing law, and to hold the government accountable for this execution and its future improvement. The extent to which audits achieve the latter depends on whether there is adequate and timely follow-up on the recommendations provided in the SAI's audit reports.*

*To answer "a," the executive must report publicly on the steps it has taken to address all audit findings. A "b" response applies if the executive reports publicly on the steps it has taken to address most, but not all, audit findings. A "c" response applies if the executive reports publicly on the steps it has taken to address only some audit findings. As long as the executive reports publicly on the steps it has taken to address audit finding, answer "a," "b," or "c" may be selected, even if the Audit Report is not made publicly available. A "d" response applies if the executive does not report at all on its steps to address audit findings.*

**Answer:**

d. No, the executive does not report on steps it has taken to address audit findings.

**Source:**

<http://www.ago.gov.pg/index.php/8-annual-reports>  
Part 1: Audit of the Public Account of Papua New Guinea (2014)  
<http://www.ago.gov.pg/images/downloads/Report%20of%20the%20Auditor-General%20-%20Part%201%202014.pdf>

**Comment:**

The public release of the Audit of the Public Account, and specific audit of Departments and other public agencies, fail to meet the 18 month deadline required in this survey (although, some parts of the SAI's Reporting, notably Part 4, covering Statutory Authorities and SOEs, for 2019 has been released within schedule as a public documents in 2020. However, as highlighted in the 2015 PEFA report, there's no systematic government system of response to the SAI's reports. There's no formal response from the Executive, although there are responses in some cases by respective agencies to the points/recommendations raised in the auditor's management letter, and by individual Ministers to questions raised in Parliament in response financial Audit and performance reports. As highlighted in the Auditor General's reports a few (but surprisingly few) of the Government Departments/ Agencies do respond to their draft institutional audit report and management letter from the SAI, upon a written invitation by the Auditor-General, and their responses (if any) are recorded in the Audit report tabled in Parliament and released to the public.

There seem to be few or no repercussions, at this stage, from failure to respond, institutionally, or by government as a while; as the PEFA assessment highlights, this seems to indicate the absence of effective accountability mechanisms in the Government, and the absence of legal recourse...The Public Account Committee in recent years has not focused on the audit reports, but followed up its own independent probes (notably of health procurement), although under new chairmanship since late 2020 the committee is, reportedly (by a Committee member), expected to focus more specifically on following up on Audit reports, in accordance with its mandate.

Peer Reviewer

Opinion: Agree

Comments: Audits have not been completed hence no opportunity for management (executive) response

Government Reviewer

Opinion: Agree

102. Does either the Supreme Audit Institution (SAI) or legislature release to the public a report that tracks actions taken by the executive to address audit recommendations?

**GUIDELINES:**

*Question 102 asks whether the Supreme Audit Institution (SAI) or the legislature track actions by the executive to address audit recommendations. After audit results and recommendations are discussed and validated by the legislature, the executive is normally asked to take certain actions to address the audit findings. For accountability purposes, the public needs to be informed about the status of those actions, and steps the executive has taken to address audit recommendations. In addition to the executive reporting on its actions (see Question 101), the SAI and legislature – as the key oversight institutions – have a responsibility to keep the public informed by tracking the executive's progress in addressing audit recommendations.*

*To answer "a," the SAI or legislature must report publicly on what steps the executive has taken to address all audit findings. A "b" response applies if the SAI or legislature reports publicly on what steps the executive has taken to address most, but not all, audit findings. A "c" response applies if the SAI or legislature reports publicly on what steps the executive has taken to address only some audit findings. As long as the SAI or legislature reports publicly on the steps the executive has taken, answer "a," "b," or "c" may be selected, even if the Audit Report is not made publicly available. A "d" response applies if neither the SAI nor the legislature reports on the executive's steps to address audit findings.*

Answer:

d. No, neither the SAI nor legislature reports on steps the executive has taken to address audit recommendations.

Source:

<http://www.ago.gov.pg/index.php/8-annual-reports>

AGO Annual Audit Work Plan

<http://www.ago.gov.pg/images/downloads/AnnualAuditWorkPlan2020.pdf>

Comment:

The public release of Public Account of Papua New Guinea falls well outside the 18 month time limit required by this survey, although some Parts of the Report, notably Report 4, are released on a timely basis, even if it is unable to provide details of audits for BY-1 or even BY-2 for more than a small portion of Statutory Authorities and SOEs. .

The SAI does provide a management letter highlighting deficiencies identified in the audit and enabling the relevant Government department/agency to respond, advising what action it plans to do to address the issue. That response, if any, (and for the 2019 Audit Report Part 4 on National Public Authorities and SOE few chose to respond) is then included in the final audit report submitted to the Legislature and then made available publicly. The Parliamentary Public Accounts Committee subsequently is meant to examine the audits, which are referred to it by the Parliament, for selected Government Depts./Agencies and is meant to hold Public Hearings with the management of those Departments (although these only recommenced in 2018 after a 5 year gap and only entailed 3 preliminary Hearings, and barely addressed issues raised by the SAI). The outcomes of the Hearing are usually made available during press statements from the Committee Chairman.. The failure by Government agencies to respond to Audits and management letters from the SAI, highlights long standing governance and implementation deficiencies.

The production of annual workplans (notably for 2020) is an attempt to better planning and track the auditing process, to better engage and be more relevant. The 2015 review of the audit mandate and legislation was a further useful effort to engage and potentially reform, but the SAI's role and capacity remains somewhat marginalised by the Executive, and the fact that the majority of MPs (89 'Open' MPs) are focused largely on managing their substantial District grants (DSIP), undermines their readiness to engage actively in Parliamentary processes, notably the Public Accounts Committee, which is essential complementing institution to ensure publicity and follow up from audit reports. It might be added that the Open MPs focus on managing district grants also may undermine their interest in audits and due process, not least because their capacity in the districts to manage procurement and implementation processes in accordance with rules and accountability requirements is limited.

Peer Reviewer

Opinion: Agree

Comments: Based on no audits or management follow up

Government Reviewer

Opinion: Agree

103. Is there an Independent Fiscal Institution (IFI) that conducts budget analyses for the budget formulation and/or approval process?

**GUIDELINES:**

Question 103 examines whether an Independent Fiscal Institution (IFI) exists that contributes budget analyses to the budget formulation and/or approval process. According to the Principles for Independent Fiscal Institutions, adopted by the OECD Council in 2014, "independent fiscal institutions are publicly funded, independent bodies under the statutory authority of the executive or the legislature which provide non-partisan oversight and analysis of, and in some cases advice on, fiscal policy and performance", and with "a forward-looking ex ante diagnostic task". In practice, they come in two main forms:

- Parliamentary budget offices (also known as PBOs) such as the Congressional Budget Office in the United States (<https://www.cbo.gov/>), the Parliamentary Budget Office in South Africa (<https://www.parliament.gov.za/parliamentary-budget-office>), and the Center for Public Finance Studies in Mexico (Centro de Estudios de las Finanzas Públicas, <http://www.cefp.gob.mx/>); or
- Fiscal councils such as the Office for Budget Responsibility in the United Kingdom (<https://obr.uk/>) and the High Council for Public Finances in France (Haut Conseil des finances publiques, <https://www.hcfp.fr/>).

For more information, see von Trapp et al. 'Principles for Independent Fiscal Institutions and Case Studies', OECD Journal on Budgeting 15:2 (special issue, 2016), <https://doi.org/10.1787/budget-15-5jm2795tv625>.

To answer "a," there must be an IFI, and its independence must be set in law. In addition, it must have sufficient staffing and resources, including funding, to carry out its tasks. Answer "b" applies if an IFI exists, but either its independence is not set in law or its staffing and resources are insufficient to carry out its tasks. Answer "c" applies if an IFI exists, but its independence is not set in law and it lacks sufficient staffing and resources. Answer "d" applies if no IFI exists.

If the answer is "a," "b," or "c," please specify in the comments the name and type of IFI that exists (e.g., parliamentary budget office or fiscal council). If the answer is "a" or "b," identify the law that guarantees its independence, and provide evidence in support of the assessment of the adequacy of its staffing and resources. This can include the IFI's total budget allocation over recent years, any press reports that discuss perceived funding shortfalls, assessments by international organizations, and/or information from interviews with staff of the IFI.

Answer:

d. No, there is no IFI.

Source:

The Parliamentary Plans and Estimates Committee should be performing, or at least overseeing part of this function, with a professional executive; this committee which had not been operational for years, except as a rubber stamp. It has been revived and had 2 meetings in 2020 (it includes several provincial governors and other MPs) and commenced conducting more serious oversight of the budget preparation and performance. But as stated by the Deputy Chair, they wish they had the resources to hold more meetings and have an effective and independent secretariat (or IFI) to provide them detailed budget analysis

The National Economic and Fiscal Commission (NEFC) is an independent Constitutional office, which could also perform this role, but currently focuses on the portion of the Budget around inter-government financing, or around 5% of the Budget. It was established at PNG's Independence under Sn 187H of the National Constitution to 'assess and monitor the economic and fiscal policies of the National Government, Provincial Governments and Local Level Government and make recommendations to Government and Parliament on financial allocations etc. For several years NEFC was inoperative but was restored in the early 2000s and has undertaken valuable annual studies of subnational financial and fiscal disbursement of functional grants at the sub-national level. It has a small staff and undertakes valuable research and advises adequacy of funding at the subnational level to meet basic service requirements, and has made a valuable impact on resource allocation and redistribution at the provincial level. It doesn't have pretensions however, to oversee overall national fiscal policy and its application, although its powers (but not funding) could extend to cover wider fiscal management. Neither of these bodies therefore meet the requirement of a functioning IFI for this purpose. Besides, NEFC has not released a fiscal reports since 2018  
<http://www.nefc.gov.pg/>

Comment:

The NEFC was established under the Organic Law on Provincial Governments and Local Level Governments (OLGPLLG). Article 187H - Constitution Article 117 - PNG Organic Law 117 (6) "In the exercise and performance of its powers, functions, duties and responsibilities, the National Economic and Fiscal Commission shall not be subject to direction or control by any person or authority."

Peer Reviewer  
Opinion: Agree  
Comments: No IFI

Government Reviewer  
Opinion: Agree

104. Does the Independent Fiscal Institution (IFI) publish macroeconomic and/or fiscal forecasts?

**GUIDELINES:**

*Question 104 assesses whether an Independent Fiscal Institution (IFI) has a role in producing the macroeconomic forecast (e.g., GDP growth, inflation, interest rates, etc.) and/or the fiscal forecast (revenues, expenditure, deficits, and debt), and if so, what kind of role it has. Macroeconomic and/or fiscal forecasting is a typical core function across IFIs, but their role in forecasting takes several forms (von Trapp et al. 2016, p. 17 and Table 2). Some IFIs produce just a macroeconomic forecast, while others produce a complete fiscal forecast (which also typically requires an underlying macroeconomic forecast). In some cases, the fiscal forecast reflects continuation of current budget policies; such forecasts can be used by the legislature, the media, or the public to assess the projections in the executive's budget reflecting the government's policy proposals.*

*Some IFIs produce the official macroeconomic and fiscal forecasts used in the executive's budget. In other cases, IFIs do not prepare their own independent forecasts, but rather produce an assessment of the official estimates, or provide an opinion on, or endorsement of, the government's forecasts. Some others have no role at all in forecasting.*

*To answer "a", there must be an IFI that publishes both its own macroeconomic AND fiscal forecasts. Answer "b" applies if an IFI publishes its own macroeconomic OR fiscal forecast (but not both). Answer "c" applies if the IFI does not publish a macroeconomic or fiscal forecast, but rather publishes an assessment of the official forecasts produced by the executive and used in the budget. Choose option "d" if there is no IFI; or if there is an IFI that neither publishes its own macroeconomic and/or fiscal forecasts, nor a commentary on the official forecasts for the budget.*

*Macroeconomic forecasts may include indicators relating to economic output and economic growth, inflation, and the labor market, amongst others. Fiscal forecasts may include estimates of revenues, expenditures, the budget balance, and debt. If the answer is "a" or "b," please specify which indicators and estimates are included in the forecasts and whether the forecast is used by government as the official forecast. If the answer is "c," please describe the nature and depth of the assessment (e.g., the length of the commentary, or whether it covers both economic and fiscal issues).*

**Answer:**

d. No, there is no IFI; or the IFI neither publishes its own macroeconomic and/or fiscal forecasts, nor a commentary on the official forecasts produced by the executive.

**Source:**

there is no IFI

National Economic and Fiscal Commission Fiscal Reports,(although not released since 2018), cover only the functional grants provided to the provinces

<https://www.nefc.gov.pg/publications/fiscal-reports.html>

Bank of Papua New Guinea Quarterly Economic Bulletins and 6 monthly Monetary Policy Statements

<https://www.bankpng.gov.pg/monetary-policy/bi-annual-statements/>

<https://www.bankpng.gov.pg/publications-presentations/quarterly-economic-bulletin/>

**Comment:**

Although NEFC has the powers and indeed responsibilities under the Constitution to undertake independent and longer term fiscal assessments, including assessments on prospective Natural resource revenue, over its existence it has concentrated only on Inter-Government financing, notably the total allocation and distribution of funds under various mechanisms (notably the functional grants) made in the National Budget to the sub-national, notably Provincial level of government.

The Parliamentary Committee responsible for Budget overview was inoperative for many years, but has been revived and had 2 meetings in 2020 related to Budget preparation and oversight. The NEFC which has the independence and some of the requisite powers and functions of an IFI, focuses only on a portion of the Budget related to functional grants to provinces.

The Bank of Papua New Guinea (which has independence in law - in principle- to conduct monetary policy) provides some economic and fiscal advice to government in its quarterly economic bulletins and 6 monthly monetary policy statements, and, with the State running a major annual fiscal deficit each year since 2012 (and especially during the year of Covid-19), the Bank's input has been important in securing domestic and international finance from financial markets.

Peer Reviewer  
Opinion: Agree  
Comments: No body to undertake any scrutiny of the fiscal forecasts and underlying assumptions - no independent forecasts or scrutiny of the government's forecasts

Government Reviewer

Opinion: Agree

105. Does the Independent Fiscal Institution (IFI) publish its own costings of new policy proposals, to assess their impact on the budget?

**GUIDELINES:**

*Question 105 assesses whether an Independent Fiscal Institution (IFI) has a costing function that involves assessing the budgetary implications of new policy proposals for both revenues and expenditures, and if so, what kind of role it has. Many IFIs have a costing role, but with substantial diversity in the nature and extent of this work (von Trapp et al 2016, pp. 17-18 and Table 2). Some assess virtually all new policy proposals, while others cost only a selection of new policy proposals. Others only publish opinions on, or scrutinize the costings of, budget measures produced by the executive.*

*To answer "a," the IFI must publish its own costings of all (or virtually all) new policy proposals. Answer "b" applies if the IFI publishes its own costings, but only for major new policy proposals – for instance, only those proposals that cost or save above a certain amount. Answer "c" applies if the IFI publishes its own costings, but only on a limited number of proposals. This could occur, for instance, if the IFI lacked the capacity to assess proposals dealing with certain sectors. Instead of producing a cost estimate, it can also publish an assessment of the estimates produced by the executive. Answer "d" applies if there is no IFI, or if the IFI does not publish its own costings of new policy proposals or provide an assessment of the official costings of new policy proposals.*

**Answer:**

d. No, there is no IFI; or the IFI does not publish its own costings of new policy proposals.

**Source:**

[http://www.nefc.gov.pg/documents/publications/fiscalReports/2018Fiscal\\_Report.pdf](http://www.nefc.gov.pg/documents/publications/fiscalReports/2018Fiscal_Report.pdf)

**Comment:**

An annual fiscal report is released by the National Economic and Fiscal Commission (NEFC), but it's out of date (2018), and only addresses sub-national financing issues, including the equalisation component) but not wider fiscal policies and allocations

**Peer Reviewer**

Opinion: Agree

Comments: No IFI

**Government Reviewer**

Opinion: Agree

106. In the past 12 months, how frequently did the head or a senior staff member of the Independent Fiscal Institution (IFI) take part and testify in hearings of a committee of the legislature?

**GUIDELINES:**

*Question 106 concerns the interaction between two important oversight actors and assesses how frequently the Independent Fiscal Institution (IFI) made high-level inputs to the work of legislative committees. Almost all IFIs interact with the legislature in some form (von Trapp et al 2016, p. 18), but the intensity of the interaction varies. This question assesses this aspect by asking, with reference to the past 12 months, how frequently the head or a senior staff member of the IFI took part and testified in hearings of a committee of the legislature. The intent is to assess the extent to which the IFI staff member in question was not only present at a meeting of a legislative committee, but was an active participant (as opposed to a passive observer, serving only as a resource when called upon). As evidence to support your answer, you can refer to official records of legislative committees, websites and annual reports of the IFI, press releases and media coverage, for example. Choose answer "a" if this occurred five times or more; "b" for three times or more, but less than five times; and "c" for once or twice. Answer "d" should be selected if the head or a senior staff member of the IFI never took part and testified in hearings of a committee of the legislature, or if there is no IFI.*

**Answer:**

d. Never, or there is no IFI.

**Source:**

No IFI exists in PNG, although the National Economic and Fiscal Commission has the independence and some of the powers to perform that role, but it largely only focuses on a small portion of the Budget, namely the functional grants to the provinces.

<https://www.nefc.gov.pg/about/vision-mission.html>

<http://www.parliament.gov.pg/index.php/work-of-committee/permanent/view/plans-and-estimates>

**Comment:**

The relevant Parliamentary Committee (the Plans and Estimates Committee) has been meeting in 2020 to consider the Budget proposal, after a long interval when it didn't exist or was just a rubber stamp,(meeting briefly on

same morning the Budget was tabled) but it has no Independent Fiscal Institution to provide it advice. The nearest thing, the NEFC, doesn't fit this role in practice as its annual Fiscal Report only covers Provincial level financing, and hasn't been released online since 2018. It is not providing general economic advice, although has responsibilities in this regard, but not the funding to do so.

The Plans and Estimates Committee is established at the commencement of each Parliament and for the purposes of consulting with the National Executive Council before any budget or appropriation is prepared for submission to the Parliament, in accordance with Section 209 (3) of the Constitution.

Peer Reviewer

Opinion: Agree

Comments: No IFI

Government Reviewer

Opinion: Agree

107. Does the full legislature and/or a legislative committee debate budget policy prior to the tabling of the Executive's Budget Proposal?

**GUIDELINES:**

*Question 107 asks whether the legislature debated budget policies prior to the tabling of the Executive's Budget Proposal for the most recent budget year before the research cut-off date. In general, prior to discussing the Executive's Budget Proposal for the coming year, the legislature should have an opportunity to review the government's broad budget priorities and fiscal parameters. Often times this information is laid out in a Pre-Budget Statement, which the executive presents to the legislature for debate. (See Questions 54-58.)*

*A number of countries conduct a pre-budget debate in the legislature around six months before the start of the budget year. In some cases, they adopt laws that guide the upcoming budget, for example the Budget Guidelines Law in Brazil and the Spring Fiscal Policy Bill in Sweden. A pre-budget debate can serve two main purposes: 1) to allow the executive to inform the legislature of its fiscal policy intentions by presenting updated reports on its annual and medium-term budget strategy and policy priorities; and 2) to establish "hard" multi-year fiscal targets or spending ceilings, which the government must adhere to when preparing its detailed spending estimates for the upcoming budget year.*

*To answer "a," the full legislature must debate budget policy prior to the tabling of the Executive's Budget Proposal and approve recommendations for the upcoming budget.*

*Answer "b" applies if a legislative committee (but not the full legislature) debates budget policy prior to the tabling of the Executive's Budget Proposal, and approves recommendations for the budget. Option "b" also applies if, in addition to the action by the committee, the full legislature also debates budget policy in advance of the budget, but does not approve recommendations.*

*Answer "c" applies if the full legislature and/or a legislative committee debates budget policy prior to the tabling of the Executive's Budget Proposal, but does not approve recommendations for the budget. Answer "d" applies if neither the full legislature nor any legislative committee debate budget policy prior to the tabling of the Executive's Budget Proposal.*

*In your comment, please indicate the dates of the budget debate, and if both the full legislature and a legislative committee held a debate. Note that a debate does not need to be open to the public, but a public record of the meeting or a public notice that the meeting occurred is required. In addition, please indicate whether the budget debate was focused on a Pre-Budget Statement published by the Executive. If the Executive did not publish a Pre-Budget Statement, then please indicate what served as the focus of the legislature's debate (for instance, a report released by an IFI or some other institution).*

Answer:

c. Yes, the full legislature and/or a legislative committee debates budget policy prior to the tabling of the Executive's Budget Proposal, but it does not approve recommendations for the upcoming budget.

Source:

The Public Finances (Management) Act Sn. 22.3 " Before any National Budget or Appropriation is prepared for Submission to the Parliament, the National Executive Council shall consult with any appropriate Permanent Parliamentary Committee, but this subsection does not confer any right or impose any duty of consultation after the initial stages of the preparation of the National Budget or Appropriation". The Committee with the responsibility for this function is the Plans and Estimates Committee. On the Open Parliament Website it states:- Functions of the Committee: - The Committee shall be established at the commencement of each Parliament and for the purposes of consulting with the National Executive Council before any budget or appropriation is prepared for submission to the Parliament, in accordance with Section 209 (3) of the Constitution. The Committee shall consist of seven Members. The quorum of the Committee shall be three.

[http://www.paclii.org/pg/legis/consol\\_act/pfa1995224/](http://www.paclii.org/pg/legis/consol_act/pfa1995224/)

<http://www.parliament.gov.pg/index.php/work-of-committee/permanent/view/plans-and-estimates>

The committee had been in practice non-functional for many years, but in 2020 the committee was revived and, according to its chairman, held two meetings and undertook some deliberation on the Budget Strategy Paper and the EBP immediately prior to its Tabling to the full House, particularly focusing on the Debt situation. No Treasury or Planning Dept officials briefed the committee, providing excuses, so it operated somewhat in isolation



from the Executive. The Committee lacks the resources to be more fully operational at this stage, but has ambitions to hold more meetings during the Budget cycle during 2021, aimed at overseeing compliance and performance.

Comment:

The Plans and Estimates committee had been in practice non-functional for many years, (or just a rubber stamp), but in 2020 the committee was revived and, according to its chairman, held two meetings and undertook some deliberation on the Budget Strategy Paper and the EBP immediately prior to its Tabling to the full House, particularly focusing on the Debt situation. According to the Committee Chairman, Governor Allan Bird, no Treasury or Planning Dept officials briefed the committee, providing excuses, so it operated somewhat in isolation from the Executive. The Committee lacks the resources to be more fully operational at this stage, but has ambitions to hold more meetings during the Budget cycle during 2021, aimed at overseeing compliance and performance.

There's little or no online record on the activities of parliamentary committees.

Peer Reviewer

Opinion: Agree

Comments: There appears to be limited discussion on the BSP but it is tabled. So 'c' would appear to be just about met

Government Reviewer

Opinion: Agree

Researcher Response

Yes, it's only a borderline "c".

108. How far in advance of the start of the budget year does the legislature receive the Executive's Budget Proposal?

*GUIDELINES:*

*Question 108 examines how far in advance of the start of the most recent budget year the legislature receives the Executive's Budget Proposal. International good practice recommends that the Executive's Budget Proposal should be submitted to the legislature far enough in advance to allow the legislature time to review it properly, or at least three months prior to the start of the fiscal year. (See, for instance, Principle 2.2.2 of the IMF's Fiscal Transparency Handbook (2018) (<https://www.elibrary.imf.org/view/IMF069/24788-9781484331859/24788-9781484331859/24788-9781484331859.xml>)).*

*For the purposes of responding to this question, if – and only if – the most recent budget submission occurred later than usual as a result of a particular event, such as an election, please use a more normal year as the basis for the response. If, however, delays have been observed for more than one budget year, and the legislature has not received the Executive's Budget Proposal in a timely manner on more than one occasion in the last three years, then "d" will be the appropriate answer.*

*To answer "a," the legislature must receive the Executive's Budget Proposal at least three months in advance of the start of the budget year. Answer "b" applies if the legislature receives the Executive's Budget Proposal at least two months, but less than three months, before the start of the budget year. Answer "c" applies if the legislature receives the Executive's Budget Proposal at least one month, but less than two months, before the start of the budget year. Answer "d" applies if the legislature does not receive the Executive's Budget Proposal at least one month prior to the start of the budget year, or does not receive it at all.*

Answer:

d. The legislature receives the Executive's Budget Proposal less than one month before the start of the budget year, or does not receive it all.

Source:

It is standardly tabled in Parliament between 1-2 months of its date of application; For the 2021 Budget it was initially attempted to be tabled on 17th November 2020, for application in the new fiscal year (1st Jan 2021), as recorded in Hansard (Parliament minutes). However, the Opposition submitted a Supreme Court reference seeking the Court's determination whether the Speaker's decision to table the Budget was legitimate, on the basis of whether Parliament was legitimately sitting at the time. The question was whether an Adjournment the previous Friday (13th November) was valid or invalid, as determined by the Speaker. The Court ruled that the Adjournment was legitimate and the Parliament's Session of 17th November therefore invalid. However, after winning a Vote of No Confidence on 16th December the Government tabled the same 2021 EBP, which was approved without debate on the same day.

The record of the initial tabling in Parliament on 17 November, but ruled invalid by the Supreme Court.

<http://www.parliament.gov.pg/uploads/hansard/H-10-20201117-M22-D05.pdf>

The record of the Court Ruling, as presented to Parliament by the Speaker on 14 December, and his response

<http://www.parliament.gov.pg/uploads/hansard/H-10-20201214-M23-D01.pdf>

The record of the same EBP was both tabled and passed on 16th December, including objections raised by the Opposition

<http://www.parliament.gov.pg/uploads/hansard/H-10-20201216-M23-D02.pdf>

Comment:

Clearly, the intent was of the Executive Government was to table the EBP on 17 November, more than one month prior to the start of the new fiscal year. Indeed, it was tabled, minuted and hard copies of the Budget distributed to MPs (at least those present at the time) and released publicly online, but the tabling was subsequently ruled invalid by the Supreme Court. The budget in the meantime was widely discussed in the media, and in presentations by accounting firms and think-tanks. The same Budget was then presented (again) (and passed) on 16th December without debate, except that the Opposition questioned the legitimacy of the process and lack of opportunity to debate. This occurred after the Opposition's Vote of No-Confidence in the Government was rejected in Parliament. On this basis, the Budget was legally only tabled to the Legislature on 16th December, within a month of the start of the new financial year, (although it may be noted that those same Budget documents had already been released one month earlier, with all associated Bills for scrutiny, i.e. more than a month in advance).

Peer Reviewer

Opinion: Agree

Comments: The chronology of events is noted and presented earlier in the response to questions

Government Reviewer

Opinion: Agree

109. When does the legislature approve the Executive's Budget Proposal?

**GUIDELINES:**

*Question 109 examines when the legislature approves the Executive's Budget Proposal. International good practice recommends that the Executive's Budget Proposal should be approved by the legislature before the start of the fiscal year the budget proposal refers to. This gives the executive time to implement the budget in its entirety, particularly new programs and policies.*

*In some countries, the expenditure and revenue estimates of the Executive's Budget Proposal are approved separately; for purposes of this question, at least the expenditure estimates must be approved. Further, approval of the budget implies approval of the full-year budget, not just a short-term continuation of spending and revenue authority.*

*To answer "a," the legislature must approve the Executive's Budget Proposal at least one month before the start of the budget year. Answer "b" applies if the legislature approves the Executive's Budget Proposal less than one month in advance of the start of the budget year, but at least by the start of the budget year. Answer "c" applies if the legislature approves the Executive's Budget Proposal less than one month after the start of the budget year. Answer "d" applies if the legislature approves the Executive's Budget Proposal more than one month after the start of the budget year, or does not approve the budget.*

Answer:

b. The legislature approves the budget less than one month in advance of the start of the budget year, but at least by the start of the budget year.

Source:

Constitution of Papua New Guinea, Section 209 (Parliamentary Authority) and 210 (Executive Initiative) over public finances  
[http://www.paclii.org/pg/legis/consol\\_act/cotisopng534/](http://www.paclii.org/pg/legis/consol_act/cotisopng534/)

The record of the initial tabling in Parliament on 17 November, but ruled invalid by the Supreme Court.  
<http://www.parliament.gov.pg/uploads/hansard/H-10-20201117-M22-D05.pdf>

The record of the Court Ruling, as presented to Parliament by the Speaker on 14 December, and his response  
<http://www.parliament.gov.pg/uploads/hansard/H-10-20201214-M23-D01.pdf>

The record of the same EBP tabled and passed on 16th December, including objections raised by the Opposition  
<http://www.parliament.gov.pg/uploads/hansard/H-10-20201216-M23-D02.pdf>

Parliament of Papua New Guinea, Manual of Practice and Procedures and Parliamentary Standing Orders (including SO no. XXI on Supply Bills, Appropriation and Taxation Laws) <http://www.paclii.org/pg/Parliament/Parliamentary%20Standing%20Orders.htm#PARTXXI>

Comment:

The legislature normally approves the Budget during November one week after it is tabled, prior to its application for the new Budget year, from 1st January. In the case of the 2021, as stated in Q 108, the tabling of the Budget on 17th November was deemed invalid by the Supreme Court, and Parliament was unable to reconvene until 14th December, as a result of a surprise Adjournment gained by the Opposition. On 16th December, the Vote of No Confidence was tabled and rejected by Parliament, and the Government proceeded to table the same Budget that it sought to table on 17 November. It was passed on the same day, 16th December 2020, without debate, only two weeks before the commencement of the new Budget year.

From the Manual of Practice and Procedures and Parliamentary Standing Orders (including SO no. XXI on Supply Bills, Appropriation and Taxation Laws) PART XXI. - FINANCIAL PROCEDURES Supply and Appropriation Bills and taxation proposals. 237.[28] An appropriation or Supply Bill, or a Bill or proposal the principal provisions of which deal with taxation, may be submitted to the Parliament by a Minister without notice. Message from the Governor-General. 238. (1) A proposal for the appropriation of any public money shall not be made unless the purpose of the appropriation has in the same Session been recommended to the Parliament by a message from the Governor-General. (2) An amendment of any such proposal shall not be moved if it would increase, or extend the objects and purposes or alter the destination of, the

appropriation so recommended unless a further message is received. Initiation of taxation proposals. 239. (1) A proposal for the imposition, or for the increase or alleviation, of a tax or duty, or for the alteration of the incidence of such a charge, shall not be made except by a Minister. (2) No Member, other than a Minister, may move an amendment to increase or extend the incidence of the charge defined in that proposal, unless the charge so increased or the incidence of the charge so extended exceeds that already existing by virtue of an Act of the Parliament. Appropriation messages from the Governor-General. 240. (1) An appropriation message from the Governor-General shall be announced by the Speaker, but not during a debate or so as to interrupt a Member whilst he is speaking. (2) A message recommending an appropriation of revenue or moneys for an Appropriation or Supply Bill shall be announced before the Bill to which it relates is presented. (3) A Bill, other an Appropriation or Supply Bill, that requires an appropriation message from the Governor-General under Standing Order 238 may be presented and proceeded with (subject to Part XIX) before the message is announced. (4) In a case to which Subsection (3) applies, the message shall be announced after the Bill has been read a second time. (5) A message recommending appropriation of revenue or moneys for the purposes of an amendment to be moved to a Bill shall be announced before the amendment is moved.

Peer Reviewer

Opinion: Agree

Comments: Budget readings passed on 16/12/2020 and certified 14/01/2021

Government Reviewer

Opinion: Agree

110. Does the legislature have the authority in law to amend the Executive's Budget Proposal?

*GUIDELINES:*

*Question 110 examines the legislature's power to amend—as opposed to simply accept or reject—the budget proposal presented by the executive. This question is about legal authority rather than actions the legislature takes in practice. The legislature's powers to amend the budget can vary substantially across countries.*

*The "a" response is appropriate only if there are no restrictions on the right of the legislature to modify the Executive's Budget Proposal, including its right to change the size of the proposed deficit or surplus. The "b" response would be appropriate if, for instance, the legislature is restricted from changing the deficit or surplus, but it still has the power to increase or decrease funding and revenue levels. The more limited "c" response would apply if, for instance, the legislature can only re-allocate spending within the totals set in the Executive's Budget Proposal or can only decrease funding levels or increase revenues. Finally, response "d" would apply if the legislature may not make any changes (or only small technical changes), or if amendments must first be approved by the executive. In these cases, the legislature is essentially only able to approve or reject the budget as a whole. If the answer is "b" or "c", please indicate the nature of the amendment powers available to the Parliament and how they are limited.*

Answer:

c. Yes, the legislature has authority in law to amend the Executive's Budget Proposal, but its authority is very limited.

Source:

Constitution of Papua New Guinea, Section 209 (Parliamentary Authority) and 210 (Executive Initiative) over public finances:  
[http://www.paclii.org/pg/legis/consol\\_act/cotisopng534/](http://www.paclii.org/pg/legis/consol_act/cotisopng534/)

Parliament of Papua New Guinea, Manual of Practice and Procedures and Parliamentary Standing Orders (including SO no. XXI on Supply Bills, Appropriation and Taxation Laws) Constitution of PNG, Section 210, subsection (2) provides for 'Parliament may reduce, but shall not increase or re-allocate, the amount of incidence of, or change the purpose of, any proposed taxation, loan or expenditure'.  
[http://www.paclii.org/pg/Parliament/Parliamentary%20Standing%20Orders.htm#PART XXI](http://www.paclii.org/pg/Parliament/Parliamentary%20Standing%20Orders.htm#PART%20XXI)

Comment:

The Legislature is not empowered to initiate the raising of taxation, expenditure etc, but is empowered to amend the annual Budget Appropriation and taxation laws, but only downwards (with slightly different restraints upon the allocation approved for the Judiciary). In practice the Budget is presented and accepted in totality, usually after brief debate (assuming the Executive has the numbers), or otherwise rejected if it doesn't have the required numbers. Prior modifications may occur following its consideration by the Plans and Estimates Committee, prior to presentation to Parliament, but in practice this is most unlikely, especially as that committee is currently reported to be inoperative. If the Opposition has the numbers to amend the Budget they may use that power to reject the Budget in totality (in which case a 'Supply Bill' is automatically applied, comprising a portion of the previous year's Budget).

Peer Reviewer

Opinion: Agree

Comments: as highlighted above

Government Reviewer

Opinion: Agree

111. During the most recent budget approval process, did the legislature use its authority in law to amend the Executive's Budget Proposal?

**GUIDELINES:**

*Question 111 assesses whether any formal authority of the legislature to amend the Executive's Budget Proposal is used in practice. The responses to this question should be determined based on action by the legislature related to the Enacted Budget used in the OBS. Choose answer "a" if the legislature used its authority in law to amend the Executive's Budget Proposal during the most recent budget approval process, and amendments were adopted (all, or at least some of them). Answer "a" also applies if the legislature used its authority in law to amend the Executive's Budget Proposal, but the amendments were rejected by executive veto. Answer "b" applies if the legislature used its authority in law to propose amendments to the Executive's Budget Proposal, but none of these amendments were adopted. Answer "c" applies if the legislature has the authority in law to amend the budget, but no amendments were proposed during its consideration. Answer "d" applies when the legislature does not have any authority to amend the budget (that is, Question 110 is answered "d").*

*If the answer is "a" or "b", please specify in the comments the number of amendments introduced by the legislature (and in the case of an "a" response, the number adopted, or if applicable, information about an executive veto) and describe their nature. For example, did the amendments result in an increase or decrease of the deficit? What were the most significant amendments to revenues and to expenditures in terms of the sums involved? How did amendments affect the composition of expenditures? If the answer is "a," please specify which amendments were adopted, and provide evidence for it.*

**Answer:**

c. No, while the legislature has the authority in law to propose amendments to the Executive's Budget Proposal, no amendments were offered.

**Source:**

The 2021 Budget proposal was tabled and passed on 16 December 2020, with debate, and without alteration.

The parliamentary Minutes (Hansard) of the EBK being tabled and passed on 16th December, including objections raised by the Opposition, but without debate of the contents

<http://www.parliament.gov.pg/uploads/hansard/H-10-20201216-M23-D02.pdf>

**Comment:**

**Peer Reviewer**

Opinion: Agree

Comments: Executive proposal passed in full

**Government Reviewer**

Opinion: Agree

112. During the last budget approval process, did a specialized budget or finance committee in the legislature examine the Executive's Budget Proposal?

**GUIDELINES:**

*Question 112 assesses the role of a specialized budget or finance committee during the budget approval stage. Effective committee involvement is an essential condition for legislative influence in the budget process. Specialized committees provide opportunities for individual legislators to gain relevant expertise, and to examine budgets and policy in depth. Yet, the involvement of committees differs across legislatures. Some legislatures have separate committees to examine spending and tax proposals, while others have a single finance committee. Not all legislatures have a specialized budget or finance committee to examine the budget. In addition, there can be differences in the time available for the committee's analysis of the budget.*

*A report with the committee's findings and recommendations is intended to inform the debate in the full legislature, therefore it must be published before the legislature has adopted the budget.*

*Response "a" requires that, in the last budget approval process, a specialized budget or finance committee had one month or more to examine the Executive's Budget Proposal, and it published a report with findings and recommendations prior to the budget being adopted. Response "b" applies where such a committee examined the draft budget and published a report, but within a shorter timeframe of less than one month. Response "c" applies if a committee examined the budget (without regard to the time period), but did not publish a report prior to the adoption of the budget. Response "d" applies where a specialized budget or finance committee did not examine the Executive's Budget Proposal.*

*Please specify in your comment the name of the committee and the number of days it had available to examine the budget. For bicameral legislatures where one house or chamber has greater constitutional authority in budgetary matters, the question applies to the house or chamber (usually the upper or second one) that is decisive. For bicameral legislatures with co-equal houses or chambers, the question should be answered with reference to the one that achieves the higher score for this question. In the case of bicameral legislatures, please note the relevant arrangements in each house or chamber. If applicable, provide a copy of the report. Please note also if a report is published, but only after the budget has been adopted.*

Answer:

d. No, a specialized budget or finance committee did not examine the Executive's Budget Proposal.

Source:

The Plans and Estimates Committee is established at the commencement of each Parliament and for the purposes of consulting with the National Executive Council before any budget or appropriation is prepared for submission to the Parliament, in accordance with Section 209 (3) of the Constitution. However, the committee has been largely moribund for years, without resources and without the Executive properly engaging with it. However, in 2020 the Parliamentary Committee, under its new Chairman (the Governor for East Sepik Province, Hon Alan Bird), has been more active, albeit only two meetings, examining and debating particularly issues related to rising debts levels. The Treasury and Planning staff gave excuses to avoid briefing them, but they did raise concerns to Government. There was no further opportunity to present inputs after the formal tabling of the Budget on 16 December, as it was not debated, but passed immediately after its tabling by the Government that had just demonstrated that they had the numbers in a prior vote of confidence.

<http://www.parliament.gov.pg/index.php/work-of-committee/permanent/view/plans-and-estimates>

Comment:

Peer Reviewer

Opinion: Agree

Comments: As described - no examination of the EBP

Government Reviewer

Opinion: Agree

113. During the last approval process, did legislative committees, responsible for particular sectors (e.g., health, education, defense, etc.), examine spending in the Executive's Budget Proposal related to the sector for which they are responsible?

**GUIDELINES:**

*Question 113 assesses the role of committees of the legislature that are responsible for particular sectors (e.g., health, education, defense, etc.) during the budget approval stage. The role of sectoral committees differs across legislatures. Some legislatures do not involve them in the budget approval process, while others do. In addition, the time available for committee analysis differs.*

*A report with the committee's findings and recommendations is intended to inform the debate in the full legislature, so therefore must be published before the legislature has adopted the budget. Response "a" requires that sector committees had one month or more to examine the Executive's Budget Proposal, and published a report with findings and recommendations prior the budget being adopted. Response "b" applies where such committees examined the draft budget and published a report, but within a shorter timeframe of less than one month. Response "c" applies if sectoral committees examined the budget (without regard to the time period), but did not publish a report prior to the adoption of the budget. Response "d" applies where sectoral committees did not examine the Executive's Budget Proposal.*

*Please note that the examination of sectoral budgets by a specialized budget or finance committee is assessed in Question 112 and should not be considered for this question.*

*Please provide in the comments a brief overview of the committee structure and specify the number of days that sectoral committees had available to examine the budget and to publish their reports. For bicameral legislatures where one house or chamber has greater constitutional authority in budgetary matters, the question applies to the house or chamber (usually the upper or second one) that is decisive. For bicameral legislatures with co-equal houses or chambers, the question should be answered with reference to the one that achieves the higher score for this question. In the case of bicameral legislatures, please note the relevant arrangements in each house or chamber. If applicable, provide a sample copy of at least one of the reports. Please note if a report is published, but only after the budget has been adopted.*

*For purposes of responding to this question, use those sectoral committees that are best performing – that is, the ones that examine the budget the longest and that publish reports.*

Answer:

d. No, sector committees did not examine the Executive's Budget Proposal.

Source:

The Parliamentary committees have almost entirely been non-operational, largely owing to lack of funding. That has been the case with respect to sectoral committees and their meeting on the 2021 Budget

<http://www.parliament.gov.pg/work-of-parliamentary-committees>

Comment:

Peer Reviewer

Opinion: Agree

Comments: No committees operational and debating the EBP

Government Reviewer  
Opinion: Agree

114. In the past 12 months, did a committee of the legislature examine in-year implementation of the Enacted Budget during the relevant budget execution period?

**GUIDELINES:**

*Question 114 is about legislative oversight of budget execution. It assesses whether and how often a committee examined the implementation of the budget during the budget execution period (i.e., financial year) for which it was approved, and whether this resulted in an official report with findings and recommendations. This question does not apply to the ex post review of implementation following the end of the budget year as part of the audit stage, which is assessed separately. Nor does it apply to the legislature's review of the budget that it may undertake as part of the process of considering a supplemental budget during the year. In-year monitoring by the legislature will be affected by the frequency that the executive publishes In-Year Reports.*

*To answer "a," a committee must have examined in-year implementation of the Enacted Budget at least three times during the course of the relevant budget year and published reports with findings and recommendations. Answer "b" applies where this occurred only once or twice during the year.*

*Exception: If a legislature is in session only twice during the year, and it examines the implementation of the budget during both sessions, then it would be eligible for an "a" response.*

*Choose "c" if a committee examined in-year implementation (without regard to frequency), but did not publish any report with findings and recommendations. Answer "d" applies where no committee examined in-year implementation.*

*If the answer is "a" or "b," please specify the name of the committee and when it reviewed budget implementation, and provide a copy of its report(s). If the answer is "c," please specify the name of the committee and when it reviewed budget implementation.*

*For purposes of responding to this question, if more than one committee holds in-year reviews of the budget, use the committee that is best performing – that is, the one that examines in-year implementation the most times and that publishes a report.*

**Answer:**

d. No, a committee did not examine in-year implementation.

**Source:**

[http://www.paclii.org/pg/legis/consol\\_act/pfa1995224/](http://www.paclii.org/pg/legis/consol_act/pfa1995224/)

<http://www.parliament.gov.pg/index.php/workofcommittee/permanent/view/public-accounts>

The Parliamentary Plans and Estimates Committee met twice during the year, once before the tabling of the 2021 Budget and once in mid-year with the Supplementary Budget, and looking at the Budget performance to date and prospects, particularly with respect to debt levels. The Public Accounts Committee (PAC) is established under Sections 215 and 216 the Constitution, with detailed functions and operating rules and obligations set out under Part X of the Sections 72-101 of the Public Finances (management) Act. However, the Parliamentary Committees are operating under very tight finances and the Public Accounts Committee is focused on the accounts from earlier years, plus any special thematic audits.

**Comment:**

The Plans and Estimates Committee was virtually inoperative for many years, but during 2020 under the new Chairmanship of the East Sepik Governor, it held two meetings to examine the Budget situation (both performance and Budget proposals, particularly in the light of the Covid-19 pandemic and response); In this process it had little engagement with the Executive (notably the key line agencies).

The PAC almost entirely operates on the basis of the annual and thematic audit reports from the office of the Auditor-General, which are in many cases several years behind, The PAC is therefore providing little, or virtually no oversight of the performance of the current Budget.

**Peer Reviewer**

Opinion: Disagree

Suggested Answer:

d. No, a committee did not examine in-year implementation.

Comments: Per Hansard 10/09/2020 The MYEFO (Mid year and Economic / Fiscal Outlook) was discussed and tabled along with the supplementary. However, there is no evidence of other in year reports debated by a committee or the legislature as a whole

**Government Reviewer**

Opinion: Agree

**IBP Comment**

For the purposes of cross-country consistency, the response is revised from "c" to "d". This question does not apply to the legislature's review of the budget that it may undertake as part of the process of considering a supplemental budget during the year, nor a revision of the MYR as part of the supplementary budget.

115. Does the executive seek approval from the legislature prior to shifting funds between administrative units that receive explicit funding in the Enacted Budget, and is it legally required to do so?

**GUIDELINES:**

*Question 115 examines whether the executive seeks approval from the legislature prior to shifting funds between administrative units, and whether it is legally required to do so.*

*In some countries, the executive has the power in law to adjust funding levels for specific appropriations during the execution of the budget. This question examines rules around shifting funds between administrative units (ministries, departments, or agencies) or whatever funding unit (or "vote") is specified in the Enacted Budget.*

*The conditions under which the executive may exercise its discretion to shift funds should be clearly defined in publicly available regulations or law. In addition, the amount of funds that the executive is allowed to transfer between administrative units should not be so excessive as to undermine the accountability of the executive to the legislature.*

*To answer "a," the executive is required by law or regulation to obtain prior legislative approval before shifting funds between administrative units, and it does so in practice. Answer "b" applies if the executive obtains legislative approval before shifting funds between administrative units, but is not legally required to do so. Answer "c" applies if the executive is legally required to receive legislative approval before shifting funds, but does not do so in practice. Answer "d" applies if legislative approval is not legally required for the executive to shift funds between administrative units and the executive does not obtain legislative approval in practice. Answer "d" also applies if the executive is authorized to shift an amount considered so excessive as to undermine accountability (roughly equal to 3 percent of total budgeted expenditures). A "d" response applies if the legislature only approves the shifting of funds after it has already occurred.*

*In the comments, please indicate any law or regulation that provides the executive with standing authority to shift funds between administrative units and, if so, describe that authority. Similarly, legislative approval for shifting funds between administrative units typically occurs with the adoption of legislation such as a supplemental budget. But if other formal procedures for gaining approval from the legislature exist, then please provide information about that approval process.*

**Answer:**

d. There is no law or regulation requiring the executive to obtain approval from the legislature prior to shifting funds between administrative units, and in practice the executive shifts funds between administrative units before obtaining approval from the legislature.

**Source:**

Constitution of Papua New Guinea, Part VIII, Division 1 - Public Finances, Subdivision A - Parliament and Finance. Sn. 209, Parliamentary Responsibility: "(i) notwithstanding anything in this Constitution, the raising and expenditure of finance by the National Government, including the imposition of taxation and the raising of loans, is subject to authorisation and control by Parliament, and shall be regulated by an Act of Parliament, and (2) National Budget S. 210 Executive Initiative and S. 211 Accounting etc for Public Moneys  
[http://www.paclii.org/pg/legis/consol\\_act/cotisopng534/](http://www.paclii.org/pg/legis/consol_act/cotisopng534/)  
Public Finances (Management) Act, notably S.24 with respect to reallocations [http://www.paclii.org/pg/legis/consol\\_act/pfa1995224/](http://www.paclii.org/pg/legis/consol_act/pfa1995224/)

Appropriation (General Public Service Expenditure 2021) Bill 2020 Sections 3-11 and the associated briefing notes for Parliament provide for the Adjustment of Appropriation between activities (and for new activities) using the Secretary's Advance, or for Sn 9 by the Treasurer; subject to the ceiling set in the Budget for the Secretary's advance: this includes certain new constraints on the Treasury Secretary in how he applies the authorisation to apply adjustments

<http://www.parliament.gov.pg/index.php/bills-and-legislation/view/supplementary-appropriation-act-2020>

Volume 2A, 2021 Budget Estimates of Revenue and Expenditure: Sn 207 pages 202 and 206 on the Treasury and Finance Miscellaneous Allocation, including the Secretary's Advance [http://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%202a.pdf](http://www.treasury.gov.pg/html/national_budget/files/2021/Volume%202a.pdf)

**Comment:**

So long as the transfers fall within the ceiling set for Secretary's advance (increased from 34.745 million PGK to K60 million in the 2021 Budget - Division 207, page 206, Volume 2 (1A), transfers may be made by the Secretary for the Treasury to new activities or between activities, subject to the more restricted, but still rather open conditions set out in Section 2 of the Appropriation Act.

Any unexpended funds under the appropriation for goods or services or capital goods may be transferred by the Secretary up to 10% of the total appropriation (PGK 1.66 billion, plus 10% of the direct-funded component of the Capital component in the 2021 Budget), again subject to rather open restrictions. Various other transfers are allowed by the Secretary for debt servicing expenditure (@5% of the total), and by the Treasurer for items under Sn 207, subject to their own ceilings and conditions. Above the ceilings specified any transfers between existing activities or to new activities would require approval from the Legislature in a Supplementary Budget

**Peer Reviewer**

Opinion: Agree

Comments: as referenced

**Government Reviewer**

Opinion: Disagree

Suggested Answer: e. Not applicable/other (please comment).

Comments: There is allowance made in the EB Section 3 and Section 4 of the Appropriation Act the allows for transfer of Appropriation from within agencies and inter agencies.

#### Researcher Response

The law (as specified in the Appropriation Act) authorizes the Executive to be able to make transfers up to certain ceilings to be made during the Budget year without specific prior recourse to the Legislature for approval, although it must be subsequently reported and endorsed. So, there is no requirement to obtain prior approval from the legislature (as in 'd').

#### IBP Comment

IBP is in agreement with the researcher's "Response to Review." The current response of "d" is maintained. Given that regardless there is an allowance on Appropriation Act for transfer of Appropriation from within agencies and inter agencies, there is no law or regulation requiring the executive to obtain approval from the legislature prior to shifting funds between administrative units, and in practice, the executive shifts funds between administrative units before obtaining approval from the legislature

116. Does the executive seek approval from the legislature prior to spending excess revenue (that is, amounts higher than originally anticipated) that may become available during the budget execution period, and is it legally required to do so?

#### GUIDELINES:

*Question 116 examines whether the executive receives approval from the legislature prior to spending excess revenue, and whether it is legally required to do so. Good practice requires the legislature to approve changes in revenue or expenditure relative to the Enacted Budget. For example, if additional revenue is collected unexpectedly during the year, which often happens in oil/mineral-dependent countries, and it was not accounted for in the Enacted Budget, there should be a procedure in place to ensure that the legislature approves any proposed use of these "new" funds. If such requirements are not in place, the executive might deliberately underestimate revenue in the budget proposal it submits to the legislature, in order to have additional resources to spend at the executive's discretion, with no legislative control.*

*To answer "a," the executive is required by law or regulation to obtain prior legislative approval before spending any funds resulting from higher-than-expected revenues, and it does so in practice. Answer "b" applies if the executive obtains legislative approval before spending excess revenue, but is not legally required to do so. Answer "c" applies if the executive is legally required to receive legislative approval before spending excess revenue, but does not do so in practice. Answer "d" applies if prior legislative approval is not legally required for the executive to spend excess revenue and the executive does not obtain legislative approval in practice. A "d" response applies if the legislature only approves the additional spending after it has already occurred.*

*Typically, legislative approval of additional spending beyond what was reflected in the Enacted Budget would occur with the adoption of a supplemental budget. But other formal procedures for getting approval from the legislature in advance of it adopting the supplemental budget may exist. If that is the case, then please provide information about that approval process.*

#### Answer:

a The executive is required by law or regulation to obtain approval from the legislature prior to spending excess revenues, and it does so in practice.

#### Source:

Constitution of Papua New Guinea, Part VIII, Division 1 - Public Finances, Subdivision A - Parliament and Finance. Sn. 209, Parliamentary Responsibility: "(i) notwithstanding anything in this Constitution, the raising and expenditure of finance by the National Government, including the imposition of taxation and the raising of loans, is subject to authorisation and control by Constitution of Papua New Guinea, Part VIII, Division 1 - Public Finances, Subdivision A - Parliament and Finance. Sn. 209, Parliamentary Responsibility: "(i) notwithstanding anything in this Constitution, the raising and expenditure of finance by the National Government, including the imposition of taxation and the raising of loans, is subject to authorisation and control by Parliament, and shall be regulated by an Act of Parliament, and (2) National Budget - providing for Supplementary Budgets and Appropriations. S. 210 Executive Initiative and S. 211 Accounting etc for Public Moneys Section 211 (2) Constitution of Papua New Guinea, 'No moneys of or under the control of the National Government for public expenditure or the Parliament and the Judiciary for their respective services, shall be expended except as provided by this Constitution or by or under an Act of the Parliament'  
[http://www.paclii.org/pg/legis/consol\\_act/cotisopng534/](http://www.paclii.org/pg/legis/consol_act/cotisopng534/)

Public Finances (Management) Act, notably S.24 with respect to re-allocations and S. 25 for new allocations. Part IV, Section 22. (1) and (2) Providing for Supplementary Budgets and Appropriations. S. 14 "(1) no moneys shall be paid out of the Consolidated Revenue Fund, except - (a) moneys appropriated under an Act; or..."  
[http://www.paclii.org/pg/legis/consol\\_act/pfa1995224/](http://www.paclii.org/pg/legis/consol_act/pfa1995224/)

Appropriation (General Public Services Expenditure 2021) Bill 2020, Section 2, specifies the conditions under which additional funding received from development partners for capital projects may be utilised and expended as the overall Budget during the year:  
Appropriation Bills 2021.pdf (treasury.gov.pg)

The 2011 Supplementary Budget had been the last time there was unforecast extra revenue which needed to be appropriated:  
[http://www.treasury.gov.pg/html/national\\_budget/files/2011/budget\\_documents/Speech/2011.minister's\\_supp\\_nat\\_bud.speech.pdf](http://www.treasury.gov.pg/html/national_budget/files/2011/budget_documents/Speech/2011.minister's_supp_nat_bud.speech.pdf)  
The 2020 Supplementary Budget: <http://www.parliament.gov.pg/index.php/bills-and-legislation/view/supplementary-appropriation-act-2020>

#### Comment:

There are legal provisions that require legislative authorisation before the government can spend any funding (from any source); additional expenditure in excess of the original appropriation (or transfers in excess of the ceiling allowed) requires the approval of the Legislature through a Supplementary Appropriation, as with the Supplementary (Appropriation) Act 2018 whether it was the result of over-expenditure, and/or is financed



by increased taxation or borrowing, or enhanced revenue (as in 2018), e.g. from higher tax revenue, notably from improved commodity prices.

In practice over several recent years, partly in view of the deficient controls and lagged financial records, including public accounts (notably with 2 prevalent financial management systems functioning), significant or premature over-expenditure may proceed, including for major projects or commitments, leading to additional unforeseen expenditure being carried over until the next year and displacing planned expenditure for that year. By contrast, the 2020 Supplementary Budget authorised a reduction in the annual Budget Appropriation, in the light of substantially reduced revenue, but provided for some reallocation of expenditure, including to cater for the Covid-19 economic Stimulus plan.

Peer Reviewer

Opinion: Agree

Comments: As referenced above

Government Reviewer

Opinion: Agree

117. Does the executive seek approval from the legislature prior to reducing spending below the levels in the Enacted Budget in response to revenue shortfalls (that is, revenues lower than originally anticipated) or other reasons during the budget execution period, and is it legally required to do so?

**GUIDELINES:**

*Question 117 examines whether the executive receives approval from the legislature prior to cutting spending below the levels in the Enacted Budget in response to revenue shortfalls or for any other reason, and whether it is legally required to do so. Good practice requires the legislature to approve changes in revenue or expenditure relative to the Enacted Budget. For example, if less revenue is collected unexpectedly during the year, the legislature should approve or reject any proposed reductions in expenditures that are implemented as a result. If such requirements are not in place, the executive might substantially change the composition of the budget at the executive's discretion, with no legislative control.*

*Typically, legislative approval of proposals to reduce spending below the levels reflected in the Enacted Budget would occur as part of the supplemental budget. But other formal procedures for getting approval from the legislature in advance of it adopting the supplemental budget may exist. If that is the case, then please provide information about that approval process.*

*To answer "a," the executive is required by law or regulation to obtain prior legislative approval before implementing spending cuts in response to revenue shortfalls or for other reasons, and it does so in practice. Answer "b" applies if the executive received legislative approval before implementing such cuts, but is not legally required to do so. Answer "c" applies if the executive is legally required to obtain legislative approval before implementing such cuts, but does not do so in practice. Answer "d" applies if legislative approval is not legally required for the executive to implement such cuts and the executive does not obtain such approval in practice. A "d" response applies if the legislature only approves the spending cuts after they have already occurred.*

Answer:

c. The executive is required by law or regulation to obtain approval from the legislature prior to reducing spending below enacted levels, but in practice the executive implements these cuts before seeking approval from the legislature.

Source:

Constitution of Papua New Guinea, Part VIII, Division 1 - Public Finances, Subdivision A - Parliament and Finance. Sn. 209, Parliamentary Responsibility: "(i) notwithstanding anything in this Constitution, the raising and expenditure of finance by the National Government, including the imposition of taxation and the raising of loans, is subject to authorisation and control by Parliament, and shall be regulated by an Act of Parliament, and (2) National Budget - providing for Supplementary Budgets and Appropriations. S. 210 Executive Initiative and S. 211 Accounting etc for Public Moneys Section 211 (2) Constitution of Papua New Guinea, 'No moneys of or under the control of the National Government for public expenditure or the Parliament and the Judiciary for their respective services, shall be expended except as provided by this Constitution or by or under an Act of the Parliament' [http://www.paclii.org/pg/legis/consol\\_act/cotisopng534/](http://www.paclii.org/pg/legis/consol_act/cotisopng534/)([http://www.paclii.org/pg/legis/consol\\_act/cotisopng534/](http://www.paclii.org/pg/legis/consol_act/cotisopng534/))

Public Finances (Management) Act, notably S.24 with respect to re-allocations and S. 25 for new allocations Appropriation (General Public Services Expenditure 2014) Act 2013, Part IV, Section 22. (1) and (2) Providing for Supplementary Budgets and Appropriations. S. 14 "(1) no moneys shall be paid out of the Consolidated Revenue Fund, except - (a) moneys appropriated under an Act; or..." [http://www.paclii.org/pg/legis/consol\\_act/pfa1995224/](http://www.paclii.org/pg/legis/consol_act/pfa1995224/)

Comment:

The Supplementary (Appropriation) Act 2020 passed in October 2020, reduced the ceiling for the 2020 Appropriation to reflect a major drop in revenue, while approving major transfers within the reduced appropriation to fund Covid-19 health measures, plus the Covid-19 Economic Stimulus Package, with major cuts made to capital expenditure and across the board to recurrent activities. In practice the executive implements some of these cuts before seeking approval, notably through non-release of warrants by Treasury and funds by the Finance Department.

Peer Reviewer

Opinion: Agree

Comments: Situation as described above

Government Reviewer

Opinion: Agree

118. Did a committee of the legislature examine the Audit Report on the annual budget produced by the Supreme Audit Institution (SAI)?

**GUIDELINES:**

*Question 118 is about ex post oversight following the implementation of the budget. It probes whether a committee examined the Audit Report on the annual budget produced by the Supreme Audit Institution (SAI), and whether this resulted in an official report with findings and recommendations. A key issue is how soon after the SAI releases the report does it legislature review it. This question does not apply to the legislative scrutiny of in-year implementation of the Enacted Budget during the relevant budget execution period, which is assessed separately. Also, the question is asking specifically about the SAI's annual report on the execution of the budget, not about other audit reports that the SAI may produce. (This is the Audit Report used for responding to Question 98.)*

*To answer "a," a legislative committee must have examined the annual Audit Report within three months of it being released by the SAI, and then published a report (or reports) with findings and recommendations. (Note that the three-month period should only take into account time when the legislature is in session.)*

*Answer "b" applies when the committee examines it within six months of it being released (but more than three months), and then published a report with its findings and recommendations. Choose "c" if a committee examined the annual Audit Report more than six months after it became available or it did not publish any report with findings and recommendations. Answer "d" applies where no committee examined the annual Audit Report.*

*If the answer is "a" or "b," please specify the name of the committee and when it reviewed the Audit Report, and provide a copy of its report(s). If the answer is "c," please specify the name of the committee and when it reviewed budget implementation. Answers "a," "b," or "c" may be selected if the Audit Report is produced by the SAI but not made publicly available.*

**Answer:**

d. No, a committee did not examine the Audit Report on the annual budget.

**Source:**

The Audit of the Public Account (Part 1) has been referred by Parliament to the Parliamentary Public Accounts Committee for years 2014 and 2015. The reports for the National Government Departments submitted to parliament were also only up to 2014 and 2015. The most recent components of the total government audit sent to Parliament comprise Part 4 (covering the State-Owned Enterprises and Statutory Authorities) for years 2017-2019. After reportedly holding no hearings from 2014 till 2017, the Parliamentary Public Accounts Committee held some hearings in 2019 and 2020, once Parliament referred the reports to the Committee (at least until Covid-19 restrictions more or less restrained normal activities); however, these audits related to many years prior, as highlighted in the Notice Paper for parliament of 16 December 2020, referring audit reports for 2014, 2015 etc to the Public Accounts Committee

<http://www.parliament.gov.pg/uploads/daily-agenda/NP-10-20201216-136.pdf>

**Comment:**

The audit of the Public Account (in its entirety) is several years behind schedule, although some components (notably, Part 4 on SOEs and Statutory Authorities) is more timely (to 2019), but, although referred, not considered by the Public Accounts Committee in 2020 in any case

**Peer Reviewer**

Opinion: Agree

Comments: No meaningful audit undertaken

**Government Reviewer**

Opinion: Agree

119. Was the process of appointing (or re-appointing) the current head of the SAI carried out in a way that ensures his or her independence?

**GUIDELINES:**

*Question 119 concerns the appointment process of the current head of the Supreme Audit Institution (SAI). Appointment procedures vary greatly across countries, as well as across different types of SAIs. Moreover, conventions and informal practices can greatly affect the de facto independence of the head of the SAI. While these factors make it difficult to devise a single metric against which all SAIs can be assessed with regard to this particular aspect, this question focuses on whether the legislature or judiciary must appoint or approve the appointment of the head of the SAI as a way to ensure the SAI's independence from the executive. However, if the appointment is carried out in another way that nonetheless ensures the independence of the SAI head, then that approach could be also considered.*

*To answer "a," the legislature or judiciary must appoint (or re-appoint) the head of the SAI, or approve the recommendation of the executive, as a way that ensure his or her independence from the executive. (As noted above, alternative approaches may also be acceptable.) Choose "b" if the appointment process does not ensure the independence of the head of the SAI, e.g. the executive may appoint the head of the SAI without the final consent of the legislature or*

judiciary.

Irrespective of which answer you selected, provide a description of how the head of the SAI is appointed.

Answer:

b. No, the executive may appoint the head of the SAI without the final consent of the legislature or judiciary.

Source:

[http://www.paclii.org/pg/legis/consol\\_act/cotisopng534/](http://www.paclii.org/pg/legis/consol_act/cotisopng534/) ([http://www.paclii.org/pg/legis/consol\\_act/cotisopng534/](http://www.paclii.org/pg/legis/consol_act/cotisopng534/)) - The Constitution of Papua New Guinea 213. ESTABLISHMENT OF THE OFFICE OF AUDITOR-GENERAL. (2) The Auditor-General shall be appointed by the Head of State, acting with, and in accordance with, the advice of the National Executive Council given after receiving reports from the Public Services Commission and the Public Accounts Committee. (3) In the performance of his functions under this Constitution, the Auditor-General is not subject to the control or direction of any person or authority.

The appointment is also made in accordance with the provisions of appointing a Departmental Head (section 27 and 28) under the Public Services (Management) Act, wherein under section 20, the Auditor General is deemed a Departmental head. Under the Act the National Executive Council makes Departmental appointments on the recommendation of a five member Ministerial Committee, chaired by the Minister for Public Service. <http://www.parliament.gov.pg/uploads/acts/14A-22.pdf>

It may be noted that in the 2014 Amendment to the PS(M)A, the screening function of the Public Services Commission for all Departmental Head appointments was removed, but this was overturned on 28 March 2019 by the High Court on an appeal by the PSC.

<https://www.thenational.com.pg/guidelines-set-for-appointing-heads-of-govt-departments/>

Comment:

Appointments must comply with the requirements specified in the Constitution and the Public (Management) Act, the latter related to Departmental heads generally, which for this purpose the Auditor General is deemed to be one. Departmental Heads are appointed by the National Executive Council on the recommendation of a Ministerial Executive Appointments Committee (Section 28) comprising: (a) the Minister responsible for Public Services employment functions; and (b) the Minister responsible for the portfolio functions of the department concerned; and (c) the Minister responsible for Treasury functions; and (d) the Minister responsible for National Planning functions; and (e) the Minister responsible for Justice and Attorney General function

The current Auditor General (Mr Gordon Kega) is holding office in an acting capacity, having been appointed by the Governor General on advice by National Executive Council on 14 June 2018, effective 6 July 2018.

The new Government formed in May 2019 announced that acting appointments should only apply for a maximum of 3 month, and positions, including that of the Auditor General will be advertised soon (as of late July 2019). However, as of the end of 2020 a substantive appointment is yet to have been made as Auditor General. It's often felt that, despite the legal independence of the Auditor General, an acting appointee may operate less independently, as he may be seeking to be confirmed to the position, and therefore be disinclined to rock the boat. This is particularly the case in PNG, where appointments are generally perceived as not being made on merit, but rather by province/region/ loyalty and other such affiliations.

(It may be noted that on 10 March 2021, outside the term of this survey, the Acting Auditor General, Mr Kega, was appointed to the position on a substantive basis, as per Gazette no 142; issue have been raised over the confirmation, however, notably on the basis that he was not on the shortlist submitted to the National Executive Council - Cabinet- by the Public Services Commission as specified in the Constitution and the Public Services (Management) Act.)

Peer Reviewer

Opinion: Agree

Comments: Defined in Constitution and PFMA

Government Reviewer

Opinion: Agree

120. Must a branch of government other than the executive (such as the legislature or the judiciary) give final consent before the head of the Supreme Audit Institution (SAI) can be removed from office?

**GUIDELINES:**

*Question 120 covers the manner in which the head or senior members of the SAI may be removed from office. This question draws on best practices identified in the Lima Declaration of Guidelines on Auditing Precepts (<http://internationalbudget.org/wp-content/uploads/LimaDeclaration.pdf>), including measures intended to guarantee the office's independence from the executive.*

*To answer "a," the head of the SAI may only be removed by the legislature or judiciary, or the legislature or judiciary must give final consent before the head of the SAI is removed. For example, the legislature or judiciary may give final consent following a certain external process, such as a criminal proceeding. So while the executive may initiate a criminal proceeding, the final consent of a member of the judiciary – or a judge – is necessary to render a verdict of wrongdoing that may lead to the removal from office of the head of the SAI. Answer "b" applies if the executive may remove the head of the SAI without the final consent of*

the judiciary or legislature.

Answer:

a. Yes, the head of the SAI may only be removed by the legislature or judiciary, or the legislature or judiciary must give final consent before he or she is removed.

Source:

Source: ([http://www.pacii.org/pg/legis/consol\\_act/olotgotraioc552/](http://www.pacii.org/pg/legis/consol_act/olotgotraioc552/)) ORGANIC LAW ON THE GUARANTEE OF THE RIGHTS AND INDEPENDENCE OF CONSTITUTIONAL OFFICE HOLDERS FROM THE PAPUA NEW GUINEA CONSTITUTION.

PART 3 REMOVAL FROM OFFICE; S 4-8 (and S9 with respect to suspension) 5. REFERRAL OF MATTERS TO THE TRIBUNAL. (1) If the appointing authority is satisfied that the question of the removal from office of a constitutional office-holder should be investigated, it shall, by notice in writing to the Chief Justice, request that he appoint three Judges to be the Chairman and members of the tribunal to hear and determine the matter. 7. GROUNDS OF REMOVAL. A constitutional office-holder may be removed from office only– (a) for inability (whether arising from physical or mental infirmity or otherwise) to perform the functions and duties of his office; or (b) for misbehaviour; or (c) in accordance with Division III.2 (leadership code) of the Constitution, for misconduct in office; or (d) for a breach or contravention of a condition of employment laid down in the Organic Law relating to the Office-holder. 8. REMOVAL FROM OFFICE. (1) The appointing authority shall, at the same time as it takes action under Section 5, refer the matter of the removal of the constitutional office-holder from office, together with a statement of the reasons for its opinion, to the tribunal for investigation and report back to it. (2) If the tribunal reports that the constitutional office-holder should be removed from office, the appointing authority shall, by notice in writing to the office-holder, remove him from office. (3) The appointing authority shall send a copy of the notice, together with a copy of the report of the tribunal to the Speaker for presentation to the Parliament.

Comment:

The SAI is a Constitutional Office holder who may only be removed from office following referral by the appointing Authority (which is the National Executive Council) to an Office Holders Rights Tribunal, comprising 3 judges, appointed by the Chief Justice, which must authorise that the Office Holder should be removed, following consideration of the evidence, before the appointing authority may proceed to effect that action, on the grounds permissible under the Organic Law.

PNG's Auditor General, Mr Nauga, had been appointed for a 6 year term in March 2012. In March 2018 he was arrested and charged for corruption by the police fraud squad and appeared in Court in April and due to reappear in May 2018, but by then his term of office had already concluded. The Prime Minister stated that he was subject to criminal charges and his position should be advertised. In August 2018 the Court acquitted him of all charges, however as his term had already expired and another acting officer had been appointed it cannot be said he was improperly removed from office.

<https://www.radionz.co.nz/international/pacific-news/353702/png-auditor-general-arrested-and-charged-with-fraud>

<https://postcourier.com.pg/nauga-cleared-court/>

Peer Reviewer

Opinion: Agree

Comments: as described

Government Reviewer

Opinion: Agree

121. Who determines the budget of the Supreme Audit Institution (SAI)?

*GUIDELINES:*

*Question 121 asks who determines the budget of the Supreme Audit Institution (SAI). To ensure objective audits of government budgets, another important component of the SAI's independence from the executive is the extent to which the SAI's budget is determined by a body other than the executive, and whether the SAI has adequate resources to fulfill its mandate.*

*Answer "a" applies if the funding level is broadly consistent with the resources the SAI needs to fulfill its mandate, AND either the SAI determines its own budget and then submits it to the executive (which accepts it with little or no change) or directly to the legislature, or the budget of the SAI is determined directly by the legislature or judiciary (or some independent body). Answer "b" applies if the SAI's budget is determined by the executive (absent a recommendation from the SAI), and the funding level is broadly consistent with the resources the SAI needs to fulfill its mandate. Answer "c" applies if the legislature or judiciary (or some independent body) determines the SAI's budget, but the funding level is not consistent with the resources the SAI needs to fulfill its mandate. Answer "d" applies if the executive determines the SAI's budget, and the funding level is not consistent with the resources the SAI needs to fulfill its mandate. Please provide evidence in support of the assessment that the funding level is or is not broadly consistent with the resources the SAI needs to fulfill its mandate.*

Answer:

d. The budget of the SAI is determined by the executive, and the funding level is not consistent with the resources the SAI needs to fulfill its mandate.

Source:

The SAI proposes its own Budget, submits it to the Executive, which determines its allocation, and submits that to the Legislature for approval, as

part of its Budget Proposal, which is invariably accepted in total. The Funding is inconsistent with the resources needed to fulfill its mandate, after the Executive has made its invariable cuts to achieve its fiscal objectives (and for other possible objectives, including potentially clipping the SAI's wings). The 2021 Budget allocation has entailed a 5.3 million PNG Kina reduction from the 2020 allocation of K25.3 million (prior to a reduction of K0.94 million in the 2020 Supplementary Budget, in response to the Covid-19 revenue squeeze). The 2019 allocation had been K17.7 million.

2021 Budget Estimates; Volumes 2D. Auditor General Page 1

[http://www.treasury.gov.pg/html/national\\_budget/files/2021/Volume%202d.pdf](http://www.treasury.gov.pg/html/national_budget/files/2021/Volume%202d.pdf)

2020 Supplementary Budget reduction 502

[http://www.parliament.gov.pg/uploads/acts/20A\\_22.pdf](http://www.parliament.gov.pg/uploads/acts/20A_22.pdf)

Comment:

The 2020 Budget saw an overdue Budget increase for the SAI as required to redress ongoing inflation and to help catch up with the backlog of audits for the over 1,000 or so State entities required to be audited. The allocation for 2020 was reduced in the Supplementary Budget, in response to the revenue squeeze under Covid-19. The 2021 Budget has reversed the 2020 budget increase, partly in the face of the continued fiscal squeeze (with Covid and severe public borrowing); however, the allocation is severely inadequate for the task of auditing the entire public sector, as required, let alone addressing the accumulated backlog of annual and special purpose audits

Peer Reviewer

Opinion: Agree

Comments: as described

Government Reviewer

Opinion: Agree

122. Does the Supreme Audit Institution (SAI) have the discretion in law to undertake those audits it may wish to?

*GUIDELINES:*

*Question 122 explores the scope of the investigative powers of the Supreme Audit Institution (SAI) as prescribed in law.*

*Question 97 asks which of the three types of audits – financial, compliance, and performance – the SAI conducts. This question asks if the SAI is constrained by law (rather than by a lack of capacity or an inadequate budget) from undertaking any form of audit or investigating irregularities in any program or activity.*

*There are numerous examples of limitations. For instance, some SAIs are not permitted by their legal mandate to audit joint ventures or other public-private arrangements. Others are only allowed to undertake financial audits, precluded from conducting performance or value-for-money audits. The SAIs in some countries do not have the legal mandate to review arrangements involving oil or stabilization funds, or other types of special or extra-budgetary funds. The SAI may also not have the ability to audit commercial projects involving the public and private sector.*

*To answer “a,” the SAI must have full discretion in law to decide which audits to undertake. Answer “b” applies if some limitations exist, but the SAI enjoys significant discretion to undertake those audits it wishes to. Answer “c” applies if the SAI has some discretion, but significant legal limitations exist. Answer “d” applies if the SAI has no power at all to choose which audits to undertake*

*Consulting the Lima Declaration of Guidelines on Auditing Precepts (<http://internationalbudget.org/wp-content/uploads/LimaDeclaration.pdf>) may be useful in answering this question as its provisions serve to define the appropriate scope of a SAI's legal mandate and jurisdiction.*

Answer:

a. The SAI has full discretion to decide which audits it wishes to undertake.

Source:

[http://www.paclii.org/pg/legis/consol\\_act/cotisopng534/](http://www.paclii.org/pg/legis/consol_act/cotisopng534/) ([http://www.paclii.org/pg/legis/consol\\_act/cotisopng534/](http://www.paclii.org/pg/legis/consol_act/cotisopng534/)) Constitution of Papua New Guinea, Subdivision B: Auditor-General 213. ESTABLISHMENT OF THE OFFICE OF AUDITOR-GENERAL. (3) In the performance of his functions under this Constitution, the Auditor-General is not subject to the control or direction of any person or authority. 214. FUNCTIONS OF THE AUDITOR-GENERAL. (1) The primary functions of the Auditor-General are to inspect and audit, and to report at least once in every fiscal year (as provided by an Act of the Parliament) to the Parliament on the public accounts of Papua New Guinea, and on the control of and on transactions with or concerning the public moneys and property of Papua New Guinea, and such other functions as are prescribed by or under a Constitutional Law. (2) Unless other provision is made by law in respect of the inspection and audit of them, Subsection (1) extends to the accounts, finances and property of– (a) all arms, departments, agencies and instrumentalities of the National Government; and (b) all bodies set up by an Act of the Parliament, or by executive or administrative act of the National Executive, for governmental or official purposes. (3) Notwithstanding that other provision for inspection or audit is made as provided for by Subsection (2), the Auditor-General may, if he thinks it proper to do so, inspect and audit, and report to the Parliament on, any accounts, finances or property of an institution referred to in that subsection, insofar as they relate to, or consist of or are derived from, public moneys or property of Papua New Guinea. (4) An Act of the Parliament may expand, and may provide in more detail for, the functions of the Auditor-General under Subsections (1), (2) and (3), and may confer on the Auditor-General additional functions and duties not inconsistent with the performance of the functions and duties conferred and imposed by those subsections. [http://www.paclii.org/pg/legis/consol\\_act/pfa1995224/](http://www.paclii.org/pg/legis/consol_act/pfa1995224/)

Public Finances (Management) Act: S. 48 (defining a Public Body), 49 (defining a subsidiary corporation of a public body, e.g. if 50%+ of its capital is held by a Public Body or publicly-owned corporation, etc) and 63 (the obligations of public bodies to submit accounts to the SAI) and give the SAI authority to audit State-owned enterprises and majority owned-controlled subsidiaries, although registered under the Companies Act, and not (necessarily) specifically those covered by the Constitutional mandate alone.

[http://www.paclii.org/pg/legis/consol\\_act/aa198971/](http://www.paclii.org/pg/legis/consol_act/aa198971/)

Audit Act 1989 (amended 1995) 3.

**FUNCTIONS AND DUTIES OF THE AUDITOR-GENERAL.** 4. **POWERS OF THE AUDITOR-GENERAL.** (1) For the purpose of the performance of his functions and duties under this Act, the Auditor-General may— (a) authorize any person to inspect and audit any accounts and records that are authorized or required by any law to be inspected or audited by the Auditor-General, and to report to him on the inspection and audit; and (b) summon any person— (i) to appear personally before him at a time and place specified by him in writing under his hand; and (ii) to produce to him all accounts and records in the possession or under the control of that person that appear to the Auditor-General to be necessary for the purposes of any inspection or audit authorized or required by any law to be made by the Auditor-General; and (c) examine on oath or affirmation any person respecting— (i) the collection, receipt, expenditure or issue of public moneys; and (ii) the receipt, custody, disposal, issue or use of stores and other property of the State; and (iii) all other matters and things necessary for the due exercise and performance of the powers, functions and duties conferred or imposed on the Auditor-General; and (d) ask such questions of, and make such observations to, any person, and call for such accounts and records and explanations, as he thinks necessary; and (e) without fee, cause searches to be made in, and copies or extracts to be taken from, any document, register or record in any Department, Organization or Agency for which the Auditor-General is the auditor.

[http://www.paclii.org/pg/legis/consol\\_act/ca1997107/](http://www.paclii.org/pg/legis/consol_act/ca1997107/) -Companies Act 1997

Comment:

The Auditor General (SAI) is an independent Constitutional office, required and empowered under the Constitution to undertake routine annual audits of all public bodies, but also to inspect and audit and report to the Parliament on any accounts, finances or property of a body, as it sees fit, insofar as they relate to, or consist of, or are derived from public moneys or property. On this legal basis the SAI should be rated 'a', however some efforts in recent years apparently to place some State-owned enterprises - such as Kumul Petroleum Ltd, or entities with Statutory authority, notably Mineral Resources Development Company, outside the remit of the SAI (although the SAI states that he retains the power) have seemed to undermine the SAI's capacity to examine the books of some entities, (although the main constraints to application of its authority are budgetary, and the disinclination of public bodies to submit financial returns to the SAI in a timely manner, rather than specifically the legal mandate).

Peer Reviewer

Opinion: Agree

Comments: SAI sets own Audit plans and implements

Government Reviewer

Opinion: Agree

123. Are the audit processes of the Supreme Audit Institution (SAI) reviewed by an independent agency?

**GUIDELINES:**

*Question 123 assesses whether and to what extent the audit processes of the Supreme Audit Institution (SAI) are subject to review by an independent agency. The latter could be a peer SAI, an international organization, an academic institution with relevant expertise, or an independent domestic agency with quality assurance functions in the area of financial reporting.*

*To answer "a," an independent agency must conduct and publish a review of the audit processes of the SAI on an annual basis. Answer "b" applies if a review was carried out within the past five years, and published, but it is not conducted annually, but. Choose answer "c" if the SAI has an internal unit that reviews the audit processes of the SAI on a regular basis, but an independent agency does not conduct such a review. Answer "d" applies if the audit processes of the SAI are reviewed neither by an independent agency nor by a unit within the SAI.*

*If the answer is either "a" or "b," please specify the name of the independent agency and when last it conducted such a review, and provide a copy of the published report. If the answer is "c," please specify the name of the unit within the SAI that is tasked with conducting such reviews.*

Answer:

d. No, the audit processes of the SAI are reviewed neither by an independent agency nor by a unit within the SAI.

Source:

There is a technical branch within the Office of the Auditor General that is responsible for the Quality Assurance over the audit practices and methodology which includes a technical assistance project (Australian Government funded) that provides support to the AG's office which also provides the standards and training.

Comment:

There is no evidence of any internal reviews of audit processes.

Peer Reviewer

Opinion: Agree

Comments: I agree that there is no evidence of such an audit being carried out - but this should be verified Article 28 of the Audit Act 1989 provides the process for this. It should be specifically confirmed and source of confirmation provided. Article 28 states 28 AUDIT OF OFFICE OF AUDITOR-GENERAL. (1) The Head of State, acting on the advice of the Auditor-General, shall appoint a person who is a Registered Public Accountant under the Accountants Act 1996 to audit the accounts and records of the Office of the Auditor-General. (2) The person appointed under Subsection (1) shall, in

conducting an audit of and preparing a report on the accounts and records of the Auditor-General, have the same powers, and be subject to the same requirements as the Auditor-General when auditing and reporting on the accounts and records of a public body.

Government Reviewer

Opinion: Agree

Comments: I agree however I have no knowledge of their process in this line.

IBP Comment

The peer reviewer's comment is well received. Per follow-up discussion with the researcher is confirmed that "there is no independent auditing of the audit process, although the Australian Audit Office does have a support team working with the Auditor General's Office, but not specifically auditing their work." The current response of "D" is maintained.

124. In the past 12 months, how frequently did the head or a senior staff member of the Supreme Audit Institution (SAI) take part and testify in hearings of a committee of the legislature?

**GUIDELINES:**

*Question 124 concerns the interaction between two important oversight actors and assesses how frequently the Supreme Audit Institution (SAI) made high-level inputs to the work of legislative committees. Many SAIs interact with the legislature in some form, but the nature and intensity of the interaction varies. This question probes this aspect by asking, with reference to the past 12 months, how frequently the head or a senior staff member of the SAI took part and testified in hearings of a committee of the legislature. The intent is to assess the extent to which the SAI representative in question was not only present at a meeting of a legislative committee, but was an active participant (as opposed to a passive observer, serving only as a resource when called upon). You can refer to official records of legislative committees, websites and annual reports of the SAI, press releases and media coverage, for example. Choose answer "a" if this occurred five times or more; "b" for three times or more, but less than five times; "c" for once or twice, and "d" for never.*

Answer:

d. Never.

Source:

Annual audit work plan for 2020

<http://www.ago.gov.pg/images/downloads/AnnualAuditWorkPlan2020.pdf>

<http://www.ago.gov.pg/images/downloads/AGO-Corporate-Plan-2017-2021.pdf>

<http://www.ago.gov.pg/docs/ComplianceAuditReportPt2UploadedJuly2019.pdf>

Public Accounts Committee Facebook site: [https://www.facebook.com/report.to.pac/?\\_\\_xts\\_\\_\[0\]=68.ARCF31GdPs2NwxgboYcf5ePPqbYkEyrzo2TMNtrdFGPrT7C\\_9Cj5jaNJnmMzx37Gq3-tq4XqB3oAZ4ZpYJiP7Cd\\_HIQP30Uwk5iLVPttMgwZb7mdnIG61u04aDY8sHayu6NujfkWFDNze4XaEa\\_BFxaNvdI4ZsC3sQsFiUDxfJCUaV7IjOCpr8ku07eJXVmqLcSSsijaJXgzUm36X3sG0S4IjjLeOQxfH2Q0jZC\\_6vgJPupUGM4IQYJvKLozDvITDqPlize0r3j\\_7pzjzdBuTGqpwPV3XtpOFaka\\_Cf6TqOQrJRzsBd44kLRA\\_BPICts8DwulekkPYxZ5hXEApGB0&\\_rdc=1&\\_rdr](https://www.facebook.com/report.to.pac/?__xts__[0]=68.ARCF31GdPs2NwxgboYcf5ePPqbYkEyrzo2TMNtrdFGPrT7C_9Cj5jaNJnmMzx37Gq3-tq4XqB3oAZ4ZpYJiP7Cd_HIQP30Uwk5iLVPttMgwZb7mdnIG61u04aDY8sHayu6NujfkWFDNze4XaEa_BFxaNvdI4ZsC3sQsFiUDxfJCUaV7IjOCpr8ku07eJXVmqLcSSsijaJXgzUm36X3sG0S4IjjLeOQxfH2Q0jZC_6vgJPupUGM4IQYJvKLozDvITDqPlize0r3j_7pzjzdBuTGqpwPV3XtpOFaka_Cf6TqOQrJRzsBd44kLRA_BPICts8DwulekkPYxZ5hXEApGB0&_rdc=1&_rdr)

Comment:

At this stage the SAI is tightly funded and struggling to perform its basic audit functions of public bodies, and occasional performance audits. Its current corporate plan (2017-2021) gives a priority under its Key Focus Area 3 (Clients and Stakeholders) to "strengthen client and stakeholder relationships and investigate ways in which members of the public can provide information to the AGO". It has not yet established a formal mechanism for public input and feedback and therefore is not providing public feedback on their audit proposals and input, although it does attend consultative meetings, including by CIMC, explaining issues and challenges, including reporting on. Despite Covid-19 limiting consultations, the Public Accounts Committee (PAC) held some hearings during 2020, notably on pharmaceutical procurement. It may be noted that although the Auditor General released a report in 2019 on Health Department procurement in 2015, the PAC inquiry (and other PAC work during 2019-2020) was however conducted independently of the Auditor General. With a new PAC Chairman at the end of 2020 there is reportedly (according to Committee members) a commitment to working together as required under the Constitution.

Peer Reviewer

Opinion: Agree

Comments: As described

Government Reviewer

Opinion: Agree

125. Does the executive use participation mechanisms through which the public can provide input during the formulation of the annual budget (prior to the budget being tabled in parliament)?

**GUIDELINES:**

*This question reflects the GIFT principles on "Inclusiveness" and "Timeliness" and assesses the extent to which the participation mechanism(s) used by the*

executive are truly interactive and involve a two-way conversation between citizens and the executive.

The drafting of this question and its answers are partially drawn from the IAP2 Spectrum of Public Participation, in particular with regards to the concepts of "involvement" (option "a" in the responses) and "consultation" (option "b"). See:

[https://cdn.ymaws.com/www.iap2.org/resource/resmgr/foundations\\_course/IAP2\\_P2\\_Spectrum\\_FINAL.pdf](https://cdn.ymaws.com/www.iap2.org/resource/resmgr/foundations_course/IAP2_P2_Spectrum_FINAL.pdf).

Please consider only participation mechanisms that the Ministry of Finance, lead budget agency, or central coordinating agency designated by the government to implement participation mechanisms ("the executive") is currently using to allow the public to participate in the formulation of the annual budget, including annual pre-budget discussions. Participation mechanisms used only by line ministries should not be used to answer this question. If there is more than one mechanism used by the executive, please select the deepest or most interactive mechanism that reflects the government's efforts to incorporate citizens' input into the formulation of the annual budget. The participation mechanisms can involve a range of different issues, such as spending and tax policy, funding and revenue levels, and macro-fiscal planning.

To answer "a," the executive must use open participation mechanisms that involve the public in the formulation of the annual budget. This means that a public process is in place whereby CSOs and/or individual members of the public and government officials interact, and have the opportunity to express their opinions to each other in what can be considered a public dialogue between them (i.e., in-person and online discussion forums). Additionally, the mechanism should be open to any CSO and/or individual members of the public who wish to participate. By selecting this answer, the researcher must present evidence to support the presence of a public dialogue among citizens and government officials. Examples include public meetings and online deliberative exchanges.

Answer "b" applies if an open consultation mechanism is in place whereby members of the public (i.e., individuals and/or CSOs as well as academics, independent experts, policy think tanks, and business organizations) can provide their input in the formulation of the annual budget. This answer applies if the government is using a mechanism that is structured and well established, and not ad-hoc. The researcher must present evidence to support the presence of consultative processes through which the executive seeks out inputs from citizens. Examples include surveys, focus groups, report cards, published policy consultation exercises, and online platforms that government officials actively manage to solicit inputs.

Answer "c" applies if the executive has established a mechanism or mechanisms to allow citizens to participate in the budget formulation phase, but:

1) The mechanisms are not structured and happen only on ad-hoc basis, or not regularly.

and/or

2) The executive consults with and/or interacts with, citizens, but there is discretion in who is allowed to participate, and the executive determines fully or partially such selection process by inviting specific groups (for example by making an open call but just to experts from a particular sector, or naming specific organizations). While it is not possible for all citizens and/or CSOs to participate in this or other phases of the budget process, options "a" and "b" apply if the government does not exercise any discretion in determining who is allowed to participate. While there is likely going to be self-selection, it is important that the selection is not made by the executive.

In cases where there is discretion in who is allowed to participate, to select answer choice "c", there should be some sort of public record (held in public, minutes of meetings released to public) so that the all CSOs and individual members of the public can have knowledge of the meeting, who participated, and what was discussed.

Examples of mechanisms that might qualify as a "c" response include hotlines, Facebook announcements, and one-off meetings with NGOs in which there is a public record.

The researcher must present evidence to support selection of a "c" response.

Answer "d" applies if the requirements for a "c" response or above are not met or if the executive does not use public participation mechanisms during the budget formulation stage.

Answer:

d. The requirements for a "c" response or above are not met.

Source:

Despite the mechanisms and general commitments to dialogue, in 2020 no such budget consultation occurred.

<http://cimcpng.net/index.php/forums/national-development-forum>

PNG National Planning and Monitoring Responsibility Act 2016 - requires the annual Budget complies with a national planning framework, including linkage to the Medium Term Development Plan, and requires the release of an Annual Budget Framework paper, four months before the tabling of the National Budget, (but there's no specific reference to public consultation in the Act, other than in associated policies, such as for development cooperation etc.

<http://www.planning.gov.pg/images/dnpm/pdf/PlanningAct2016.pdf> PNG Development Cooperation Policy (Feb 2018), specifying the requirements for consultation, including with civil society, in the planning and utilisation of development assistance.

<http://www.planning.gov.pg/> (currently their website is down)

Medium Term Development Plan 3 (MTDP3 2018-22), which was developed with extensive consultation, including 4 regional forums and a national consultation summit, is the mechanism against which annual budget allocations are meant to be determined over the next 3 years. The MTDP highlights (notably Sn 7.7 P 74) the M & E Stakeholders

The PNG Development Cooperation Policy 2018-22 (updated by the Dept of National Planning) specifies the process of dialogue process (4.3 Page 20) for the Development Assistance component of the National Budget, including the mechanism for annual dialogue with stakeholders, including through CIMC, bringing together CSOs, private sector and other participants

Comment:

There is no formal requirement to engage with the public during the Budget formulation process. There is recognition expressed by Government of the need, as with the commitment to extensive consultation for the Medium Term Development Plan 3 during 2018, and under the Government's



commitment in its first National Action Plan (2018-2020) for to the Open Government Partnership.

The Consultative Implementation and Monitoring Council (CIMC) process provides an avenue for contributing to aspects of the Budgetary process, notably through the routine 4 regional and National Development forums (co-funded by Government and a development partner), and actively supported by the Planning Ministry. However, during 2020, partly in the face of the Covid-19 pandemic and restrictions, while there was a little (ad-hoc) dialogue in the preparation of either the Economic Stimulus Plan, there was almost no consultation during the preparation of the 2021 Budget with the public or specific stakeholder groups (e.g. the business sector); there were a few invitations for feedback on some aspects of the budget and economic policies from a few targeted individuals and institutions only, and CIMC was inadequately funded to conduct major forums (online or otherwise, with 50% public funding cut in the Supplementary Budget and no core funding from development partners)

Peer Reviewer

Opinion: Agree

Comments: as described

Government Reviewer

Opinion: Agree

126. With regard to the mechanism identified in question 125, does the executive take concrete steps to include vulnerable and under-represented parts of the population in the formulation of the annual budget?

**GUIDELINES:**

*This question reflects the GIFT principle of "Inclusiveness", and examines the executive's effort to actively reach out to citizens who are from socially vulnerable groups and/or underrepresented in national processes. The emphasis here is on the executive's efforts to seek out the views of members of the public from socially vulnerable groups and/or who are underrepresented in the process.*

*To answer "a," the executive must actively seek out individuals from at least one vulnerable and underrepresented community and/or civil society organization representing vulnerable and underrepresented individuals and communities. The researcher must provide evidence to show the government's efforts and actions. The researcher must speak with the relevant government official(s), and subsequently double check with an alternative source, such as representatives of vulnerable/underrepresented groups.*

*Answer "b" applies if the executive does not take concrete steps to incorporate vulnerable/underrepresented individuals, or organizations representing them, into participation mechanisms or if the executive does not use public participation mechanisms during the budget formulation stage.*

Answer:

b. The requirements for an "a" response are not met.

Source:

<http://www.planning.gov.pg/> (the Site is currently down): see the Medium Term Development Plan 3 and its priorities determined during extensive consultations during 2018 and the linkages between MTDP3 and the annual Budget planning and monitoring process.

New frameworks have been introduced, notably linked with the priorities set out in the Medium Term Development Plan 3 (2018-22), which was development with wide public consultation in 2018, and also incorporates the priorities set out in the SDGs, and linked by the National Planning and Monitoring Act 2016 to the annual Budget process, including the State-Civil Society Partnership, but at this stage it is still only being rolled out, and not applied at all during 2020 for the 2021 Budget.

The National Economic and Fiscal Commission (NEFC) normally provides an annual report on inter-governmental financing, particularly in relation to the funding capacity of provinces to deliver certain core functions and services (but only reviewing grants that comprise about 4% of total public expenditure), although since 2018 no such report has been publicly released. As it's 2018 report states "overall, it is NEFC's intention that the various publications that NEFC produces will periodically enable the villagers and the community at large to become informed recipients of government services, so much so that he or she may now be in a position to demand from the relevant authorities, improvements, in those basic rural services".

[http://www.nefc.gov.pg/documents/publications/fiscalReports/2018Fiscal\\_Report.pdf](http://www.nefc.gov.pg/documents/publications/fiscalReports/2018Fiscal_Report.pdf)

Comment:

The MTDP 3 includes a focus on addressing 'disparities in wealth creation and distribution' (section 3.2.1 P 15), with measures such as Financial Inclusion (Sn 3.3.7), although the linkages between challenges identified and the proposed outcomes to address them seem tenuous. The State-Civil Society partnership process being developed by CIMC with civil society partners and the Department of National Planning and other government agencies, is still in a formative stage, and made little progress during 2020 with Covid-19 restrictions and budget cuts, with very limited influence on budget allocations including for targeted disadvantaged segments of society.

Peer Reviewer

Opinion: Agree

Comments: as described

Government Reviewer

Opinion: Agree

127. During the budget formulation stage, which of the following key topics does the executive's engagement with citizens cover?

For the purpose of this question, key topics are considered to be:

1. Macroeconomic issues
2. Revenue forecasts, policies, and administration
3. Social spending policies
4. Deficit and debt levels
5. Public investment projects
6. Public services

**GUIDELINES:**

*This question reflects the GIFT principles of "Transparency" and "Timeliness". Please consider all of the mechanisms currently used by the executive to promote public participation during the formulation of the annual budget.*

*Please note that while the public engagement can/may cover other topics -- and for this reason the other questions assessing the executive's engagement with the public during budget formulation can be answered on the basis of engagement on topics other than the six listed above -- for the purpose of answering this question, "key topics" are considered to be only the ones listed above. If the executive's engagement with the public covers topics other than the six listed above, please specify these topics in the comments.*

*Note also that this question assesses only the coverage of public engagement (i.e., "what issues is the public invited to engage on?") and issues related to the depth of engagement or selectivity of engaged are not dealt with by this question.*

*If written materials about the public engagement, such as an invitation, do not specify the coverage of the public engagement, but the researcher has personally participated in the engagement, s/he may respond to this question based on firsthand experience of the coverage of the public engagement.*

*Answer "d" applies if requirements for a "c" response or above are not met or if the executive does not use public participation mechanisms during the budget formulation stage.*

Answer:

d. The requirements for a "c" response or above are not met.

Source:

In 2020 there was almost no public consultation related to the 2021 Budget, and economic, fiscal and social circumstances had changed substantially since the 2018-22 Medium Term Development Plan<sup>3</sup> was prepared with extensive public dialogue in 2018, particularly with the onset of Covid-19 in PNG. Nevertheless, Chapter 5 of the Volume 1 (expenditure) emphasises that expenditure remains substantially allocated on the basis of the MTDP3 and its KPIs.

[http://www.treasury.gov.pg/html/national\\_budget/files/2021/2021%20Budget%20Volume%201.pdf](http://www.treasury.gov.pg/html/national_budget/files/2021/2021%20Budget%20Volume%201.pdf), Expenditure and the priorities determined partly by MTDP3, together with Covid-19 and fiscal constraints..

<http://www.planning.gov.pg/> (the website for the Department of National Planning and Monitoring is currently down, where the MTDP3 2018-2022 and related planning documents can be sourced)

Department of National Planning and Monitoring Facebook page, which includes dates for commencement of 2021 Budget preparation (3 Sept 2020) [https://www.planning.gov.pg/?fbclid=IwAR2nfzspIMf0vaT1HwHSAQNapmX1zonSTfWIDGBryKyktDXAu\\_k7ZrLjT6k](https://www.planning.gov.pg/?fbclid=IwAR2nfzspIMf0vaT1HwHSAQNapmX1zonSTfWIDGBryKyktDXAu_k7ZrLjT6k)

Comment:

In 2018 there was relatively extensive public consultation related to the preparation of the Medium Term Development Plan 3 (2019-2022), particularly with respect to public expenditure and notably the 'development budget'. The 2021 Budget is still partially framed around the Medium Term Fiscal Strategy, 2018-22, including Expenditure, although with a severely changed fiscal and debt scenario in 2020, notably in the face of Covid-19, other major determining factors have also come to play in the preparation of the 2021 Budget.

The MTDP3 consultations commenced with a 3 day summit covering fiscal, demographic through to sectoral issues; it was followed up by 4 regional development forums run by the Department for National Planning and Monitoring, together with CIMC, and launched in October 2018. In 2020 there was no consultation process for the Budget preparation except a few specific targeted requests from a few institutions/individuals with respect to specific components.

Peer Reviewer

Opinion: Agree

Comments: does not engage the citizens on any aspects

Government Reviewer

Opinion: Agree

128. Does the executive use participation mechanisms through which the public can provide input in monitoring the implementation of the annual budget?

**GUIDELINES:**

*This question reflects the GIFT principles on "Inclusiveness" and "Timeliness" and assesses the extent to which the participation mechanism(s) used by the executive are truly interactive and involve a two-way conversation between citizens and the executive.*

*The drafting of this question and its answers are partially drawn from the IAP2 Spectrum of Public Participation, in particular with regards to the concepts of "involvement" (option "a" in the responses) and "consultation" (option "b"). See:*

[https://cdn.ymaws.com/www.iap2.org/resource/resmgr/foundations\\_course/IAP2\\_P2\\_Spectrum\\_FINAL.pdf](https://cdn.ymaws.com/www.iap2.org/resource/resmgr/foundations_course/IAP2_P2_Spectrum_FINAL.pdf)

*Please consider only participation mechanisms that the Ministry of Finance, lead budget agency, or central coordinating agency designated by the government to implement participation mechanisms ("the executive") is currently using to allow the public to participate in monitoring the implementation of the annual budget. If the executive has designated a central coordinating agency to implement participation mechanisms throughout the national budget process, researchers may consider these mechanisms. Participation mechanisms used only by line ministries should not be used to answer this question. If there is more than one mechanism used by the executive, please select the deepest or most interactive mechanism that reflects the government's efforts to incorporate citizens' input into the implementation of the annual budget. The participation mechanisms can involve a range of different issues, such as revenue administration, public service delivery, public investment project implementation, including procurement, and the administration of social transfer schemes.*

*To answer "a," the executive must use open participation mechanisms that involve the public in the implementation of the annual budget. This means that a public process is in place whereby CSOs and/or individual members of the public and government officials interact, and have the opportunity to express their opinions to each other in what can be considered a public dialogue between them (i.e., in-person and online discussion forums). Additionally, the mechanism should be open to any CSO and/or individual members of the public who wish to participate. By selecting this answer, the researcher must present evidence to support the presence of a public dialogue among citizens and government official. Examples include public meetings, online, deliberative exchanges, procurement complaint mechanisms, and social monitoring and dialogue.*

*Answer "b" applies if an open consultation mechanism is in place whereby members of the public (i.e., individuals and/or CSOs as well as academics, independent experts, policy think tanks, and business organizations) can provide their input on the implementation of the annual budget. This answer applies if the government is using a mechanism that is structured and well established, and not ad-hoc. The researcher must present evidence to support the presence of consultative processes through which the executive seeks out inputs from citizens. Examples include public hearings, surveys, focus groups, report cards, and online platforms that government officials actively manage to solicit inputs.*

*Answer "c" applies if the executive has established a mechanism or mechanisms to allow citizens to provide input on budget implementation, but:*

*1) The mechanisms are not structured, happen only on ad-hoc basis, or not regularly.*

*and/or*

*2) The executive consults with and/or interacts with, citizens, but there is discretion in who is allowed to participate, and the executive determines fully or partially such selection process by inviting specific groups (for example by making an open call but just to experts from a particular sector, or naming specific organizations). While it is not possible for all citizens and/or CSOs to participate in this or other phases of the budget process, options "a" and "b" apply if the government does not exercise any discretion in determining who is allowed to participate. While there is likely going to be self-selection, it is important that the selection is not made by the executive.*

*In cases where there is discretion in who is allowed to participate, to select answer choice "c", the researcher must have evidence that the government is holding participation mechanisms that have some sort of public record (held in public, minutes of meetings released to public) so that all CSOs and members of the public can have knowledge of the meeting, who participated, and what was discussed.*

*Examples include hotlines, Facebook announcements, one-off meetings with NGOs in which there is a public record.*

*The researcher must present evidence to support selection of a "c" response.*

*Answer "d" applies if the requirements for a "c" response or above are not met or if the executive does not use public participation mechanisms during the budget implementation stage.*

Answer:

d. The requirements for a "c" response or above are not met.

Source:

CIMC National Development Forum 2018; this is a joint government-civil society-private sector system of consultation, linked through the National Planning Ministry and framework, including the National Planning and Monitoring Act. Although administered by a civil society organisation, it is established under a Cabinet Decision and part funded in the Budget, and chaired by the Minister for National Planning, who tables the recommendations from the consultations with the Cabinet.

However, in 2020, owing to a combination of severe cut in Government funding (largely owing to the Covid-19 pandemic), lack of support from development partner support (partly for the same reasons) and the Covid-19 restrictions, the Regional and National Development Forums did not occur, leaving neither capacity to monitor budgetary performance in 2020, nor to influence the 2021 Budget.

The CIMC sector committees, including the Budget Tracking Committee, review and provide feedback to the Government on aspects of public sector performance and budget performance, but with Covid-19 restrictions on meetings and very limited internet capacity and uptake of social media meetings in PNG there were few Sector Committee meetings, and none specifically focused on the 2021 Budget.

Some monitoring of resource sector revenue is occurring through the EITI process and the preparation of the annual report. Civil society is represented in the Multi-Stakeholder Group, and provides ongoing feedback to CSOs during the year, subject to limited resources available.

In 2020 the Open Government Partnership (OGP) National Action Plan, 2018-2020 was extended to 2021, in view of the limited progress on some components, particularly in the light of Covid-19 restrictions on meetings. This included delays in finalising the arrangements and implementation for Fiscal Transparency, EITI, Public Participation and Freedom of Information. The OGP is also undertaken as a collaborative Government-Civil Society platform for progressing open government mechanisms, chaired by the Minister for National Planning. The EITI Secretariat is funded by the Treasury and housed in the Treasury, although operationally autonomous and reporting to MSG, chaired by the Treasurer.

<http://www.planning.gov.pg/> (the Planning Dept website is currently down); the Department of National Planning and Monitoring does have a functioning Facebook site, which enables feedback, but it is not used in any systematic manner

<https://www.facebook.com/cimcpng/> (CIMC Facebook site)

<https://www.opengovpartnership.org/countries/papua-new-guinea>

<https://eiti.org/papua-new-guinea>

**Comment:**

Treasury and National Planning conducted no public consultations on the 2021 Budget themselves, except dialogue with some specific think tanks and individuals.

The CIMC process is a unique PNG model, which is government endorsed and part-funded, managed by a civil society organisation, but chaired by the Minister for National Planning (who is responsible for the 'Development' component of the Annual Budget - notably Volume 3). The recommendation from the development forums and sector committees held each year are presented to the Cabinet (sometimes, however, after a long delay), and referred to in some Government policy documents (such as the PNG Development Cooperation Policy 2018-22) as the required consultative process. However, in 2020, although there were several of the CIMC Sector Committee meetings, the larger regional and National Development Forums, which provide greater (though not systematic) Budget monitoring, updates and planning consideration never materialised, owing to funding and Covid-19 restraints.

The Open Government Partnership National Action Plan (OGP NAP 2018-20) was approved by the Government in October 2018, including a commitment to Fiscal Transparency, EITI, Public Participation and Freedom of Information. The EITI component is the most advanced, with annual reviews and reporting being conducted, with civil society participation oversight of revenue, and other governance components, in accordance with the EITI global and certain local standards. Wider public consultation is limited by resource constraints.

Nevertheless, the (extended) OGP 2018-20 National Action Plan has not yet progressed the needed Budget consultation process at this stage, and during 2020 most of the planned Fiscal Transparency meetings were deferred, largely owing to the Treasury staff being constantly diverted to preparing Covid-19 related Budget updates, new fiscal plans and forecasts, the Supplementary Budget and other Budget material, but in the process squeezing out consultations.

**Peer Reviewer**

Opinion: Agree

Comments: No public participation in the process.

**Government Reviewer**

Opinion: Agree

129. With regard to the mechanism identified in question 128, does the executive take concrete steps to receive input from vulnerable and underrepresented parts of the population on the implementation of the annual budget?

**GUIDELINES:**

*This question reflects the GIFT principle of "Inclusiveness", and examines the executive's effort to actively reach out to citizens who are from socially vulnerable groups and/or underrepresented in national processes. The emphasis here is on national government's efforts to obtain input from members of the public who are from socially vulnerable groups and/or underrepresented in national processes during the implementation of the annual budget.*

*To answer "a," the executive must actively seek out individuals from at least one vulnerable and underrepresented community and/or civil society organization representing vulnerable and underrepresented individuals and communities. The researcher must provide evidence to show the government's efforts and actions. The researcher must speak with the relevant government official(s), and subsequently double check with an alternative source, such as representatives from vulnerable/underrepresented groups.*

*Answer "b" applies if the national executive does not take concrete steps to incorporate vulnerable/underrepresented individuals, or organizations representing them, into participation mechanisms or if the executive does not use public participation mechanisms during the budget implementation stage.*

**Answer:**

b. The requirements for an "a" response are not met.

**Source:**

The 2018 consultative process for the preparation of the Medium Term Development Plan 3 was intended to determine the Budget priorities for the period 2019-22, and although Covid-19 and other circumstances have significantly altered some priorities and constraints, the 2021 Budget does priorities the MTDP3 KRIs, which are in turn linked to the SDGs, including consideration of special needs etc.

<http://www.planning.gov.pg/> (the Planning Website is currently offline-)

<http://planning.gov.pg/images/dnpm/pdf/PlanningAct2016.pdf> (<http://planning.gov.pg/images/dnpm/pdf/PlanningAct2016.pdf>) National

Development and Monitoring Responsibility Act <http://www.cimcpng.net/index.php/forums/national-development...>  
<http://cimcpng.net/index.php/forums/national-development-forum>  
<https://www.facebook.com/cimcpng/>

**Comment:**

The 2018 consultative process for the preparation of the Medium Term Development Plan 3, which is intended to determine the Budget priorities for the period 2019-22, included the National Development Summit, 4 Regional Development Forums (conducted by the Planning Dept with CIMC) and, at the end the National Development Forum (which followed on from a transport forum and the State-Civil Society Partnership Forum, both of which gave a particular focus on the needs of persons with disabilities). However, although some specific recognition is given in relation to equity in the Covid-19 response in the 2020 Supplementary Budget and the 2021 Budget no specific consultations on the Budget were held with those with special needs.

The MTDP3 does give some emphasis on disadvantaged groups, notably in section 4.4 Key Result Area 3: Sustainable Social Development (page 32) addressing health and education, sports and youth, Sn. 3.5 equal

**Peer Reviewer**

Opinion: Agree

Comments: As previous question - no public participation as a whole or from individual subgroups

**Government Reviewer**

Opinion: Agree

130. During the implementation of the annual budget, which of the following topics does the executive's engagement with citizens cover?

For the purpose of this question, key topics are considered to be:

1. Changes in macroeconomic circumstances
2. Delivery of public services
3. Collection of revenue
4. Implementation of social spending
5. Changes in deficit and debt levels
6. Implementation of public investment projects

**GUIDELINES:**

*This question reflects the GIFT principles of "Transparency" and "Timeliness". Please consider all of the mechanisms currently used by the executive to promote public participation during the implementation of the annual budget.*

*Please note that while the public engagement can/may cover other topics – and for this reason the other questions assessing the executive's engagement with the public during budget implementation can be answered on the basis of engagement on topics other than the six listed above – for the purpose of answering this question, "key topics" are considered to be ONLY the ones listed above. If the executive's engagement with the public covers topics other than the six listed above, please specify these topics in the comments.*

*Note also that this question assesses only the coverage of public engagement (i.e., "what issues is the public invited to engage on?") and issues related to the depth of engagement or selectivity of engaged are not dealt with by this question.*

*If written materials about the public engagement, such as an invitation, do not specify the coverage of the public engagement, but the researcher has personally participated in the engagement, s/he may respond to this question based on firsthand experience of the coverage of the public engagement.*

*Answer "d" applies if requirements for a "c" response or above are not met or if the executive does not use public participation mechanisms during the budget implementation stage.*

**Answer:**

d. The requirements for a "c" response or above are not met.

**Source:**

<http://planning.gov.pg/images/dnpm/pdf/PlanningAct2016.pdf> (<http://planning.gov.pg/images/dnpm/pdf/PlanningAct2016.pdf>) National Development and Monitoring Responsibility Act  
Dept of National Planning and Monitoring Facebook page: <https://www.facebook.com/pngnatplan> (their website is currently down 'for maintenance')

Commitments by the Government under PNG's first OGB National Action Plan 2018-2020  
<https://www.opengovpartnership.org/documents/papua-new-guinea-action-plan-2018-2020>  
(<http://www.cimcpng.net/index.php/about/what-is-cimc>)  
<https://www.facebook.com/cimcpng/>  
<https://eiti.org/papua-new-guinea> (CIMC Facebook page)  
<http://cimcpng.net/index.php/forums/national-development-forum>

Comment:

Apart from the release of revenue and expenditure material by the Treasury in the Mid-Year Economic and Fiscal Outlook report, the End of Year Report, the EITI reporting for the annual EITI report (which is monitored during the preparation stages during the year) and the ongoing efforts of CIMC with respect to sharing some budget information during the year, including expenditure under the large Constituency Development Funds (which was largely curtailed during 2020 owing to Covid-19 and financial constraints), there is little ongoing effort at dialogue or provision of pertinent material for that purpose by the central agencies, although commitments requiring public engagement are in place under PNG's first OGP National Action Plan, and the National Planning and Monitoring Responsibility Act and associated policies, at least on paper (in law and under Government decisions). There is notional, but unfocused public engagement and opportunity for feedback, through the Department of National Planning Facebook page.

Peer Reviewer

Opinion: Agree

Comments: No engagement of any of the topics

Government Reviewer

Opinion: Agree

131. When the executive engages with the public, does it provide comprehensive prior information on the process of the engagement, so that the public can participate in an informed manner?

Comprehensive information must include at least three of the following elements:

1. Purpose
2. Scope
3. Constraints
4. Intended outcomes
5. Process and timeline

*GUIDELINES:*

*This question relates to the GIFT principle of "Openness," and addresses whether the executive provides relevant information on the process of the engagement before public participation takes place, in order to help citizens engage effectively. The question addresses whether the "rules of the public engagement" are clearly spelled out, in advance and in detail, so that those members of the public who want to engage know how to do so, in terms of when they can do so, what they are expected to provide input on, by when, to whom, etc. This question does not cover the substance of the engagement, which is covered by questions 127 and 130.*

*Non-comprehensive information means that the government provides information that includes at least one but less than three of the elements listed above.*

*Purpose refers to a brief explanation of why the public engagement is being undertaken, including the executive's objectives for its engagement with the public.*

*Scope refers to what is within the subject matter of the engagement as well as what is outside the subject matter of the engagement. For example, the scope may include how a current policy is administered but exclude the specifics of the policies themselves.*

*Constraints refers to whether there are any explicit limitations on the engagement. An example of a constraint could be that any policy changes must not cost (or forgo revenue) more than a specific amount or have no net fiscal cost.*

*Intended outcomes refers to what the executive hopes to achieve as a result of the engagement. Examples of intended outcomes could be revising a policy to better reflect citizen or service-user views or to improve the way in which a particular program is administered.*

*Process refers to the methods by which the public engagement will take place and the discrete steps in the process. For example, the process may simply be a one-off Internet-based consultation, with a summary published of public inputs and the official response. The process may involve simultaneous or overlapping steps, and may be conducted in one round or in two or more rounds of engagement.*

*Timeline refers to the specific dates on which the discrete steps in the process will take place, or during which they will be completed, and clear start and end dates for the overall engagement.*

*Answer "d" applies if the executive does not use public participation mechanisms during the budget implementation or formulation stage.*

Answer:

d. The requirements for a "c" response or above are not met.

Source:

The National Planning Consultative Summit in 2018, and the subsequent Regional Development Forums (conducted with CIMC) were the mechanism to brief and secure public and private sector feedback on the Medium Term Development Plan 3 (MTDP3 2018-22), which is intended to be the basis for Budget allocations over that period. The MTDP3 remains the basis of expenditure planning, at least as stated in the Budget documents, albeit that economic and fiscal circumstances have changed substantially since 2018, notably with the Covid-19 situation badly undermining revenue and

potential expenditure during 2020 and 2021. During 2020, for the 2021 Budget, there was no organized or systematic public consultation process.

[http://www.treasury.gov.pg/html/national\\_budget/files/2021/2021%20Budget%20Volume%201.pdf](http://www.treasury.gov.pg/html/national_budget/files/2021/2021%20Budget%20Volume%201.pdf) Notably Chapter 5 expenditure)  
[http://www.inapng.com/pdf\\_files/20180316-NPC%20Final%20Summit-Program.pdf](http://www.inapng.com/pdf_files/20180316-NPC%20Final%20Summit-Program.pdf)  
<http://cimcpng.net/images/CIMCNewsletter.pdf>  
<http://www.planning.gov.pg/> (the Planning Department website has been down for a while)  
<http://planning.gov.pg/images/dnpm/pdf/PlanningAct2016.pdf> (<http://planning.gov.pg/images/dnpm/pdf/PlanningAct2016.pdf>) National Development and Monitoring Responsibility Act <http://www.cimcpng.net/index.php/about/what-is-cimc> (<http://www.cimcpng.net/index.php/about/what-is-cimc>)

**Comment:**

The consultation process for the MTDP3 in 2018 was extensive and well publicised. It entailed extensive briefings, but also breakout and feedback sessions, held in the 3 day Summit in February, and the subsequent four 2 day regional forums. Even after it was launched on 29th September the public was invited to provide feedback for potential further revision, including during the CIMC National Development Forum at the end of October. In reality the expenditure plans in the MTDP might be considered highly ambitious, and much of the feedback may not have been incorporated, but much effort to consult or be seen to consult occurred. The MTDP3 remains the basis of expenditure planning, as stated in the Budget documents, albeit the economic and fiscal circumstances (and some political priorities) have changed substantially since 2018, notably with the Covid-19 situation badly undermining revenue, levels of debt and potential expenditure during 2020 and 2021. During 2020, for the 2021 Budget, there was no organized or systematic public consultation process.

**Peer Reviewer**

Opinion: Agree

Comments: No meaningful engagement and hence no prior information

**Government Reviewer**

Opinion: Agree

132. With regard to the mechanism identified in question 125, does the executive provide the public with feedback on how citizens' inputs have been used in the formulation of the annual budget?

**GUIDELINES:**

*This question reflects the GIFT principles of "Transparency" and "Sustainability", and examines the extent to which the executive provides information to citizens on which public inputs were received, which ones are used in the formulation of the annual budget, and how/why.*

*By "written record", we mean a document that is produced and released by the lead budget agency (Ministry of Finance, Treasury) that has set up and holds the participation activity.*

*Answer "a" applies when the executive provides a written document with:*

- *The inputs (e.g., a written transcript) received from the public and*
- *A detailed report on how the inputs were used or not used (such report should include information on which inputs were used or not used, why, and how)*

*Answer "b" applies when the executive provides a written document that includes:*

- *The inputs (e.g., a written transcript) received from the public and*
- *A not-so-detailed report, such as a document with a few paragraphs, on how public inputs were used or not used. This document only gives a general idea on how those inputs were used or not used.*

*Answer "c" applies when the executive provides a written document that includes:*

- *The inputs (e.g., a written transcript) received from the public or*
- *A report (being it detailed or not-so-detailed) on how public inputs have been used or not used.*

*Answer "d" applies if the requirements for a "c" response or above are not met or if the executive does not use public participation mechanisms during the budget formulation stage.*

**Answer:**

d. The requirements for a "c" response or above are not met.

**Source:**

<http://planning.gov.pg/images/dnpm/pdf/PlanningAct2016.pdf> (unfortunately, the Department of National Planning's website is currently down 'for maintenance')  
National Development and Monitoring Responsibility Act <http://www.cimcpng.net/index.php/about/what-is-cimc>

[http://www.inapng.com/pdf\\_files/MTDP%20III%20Vol1-%20Web-compressed.pdf](http://www.inapng.com/pdf_files/MTDP%20III%20Vol1-%20Web-compressed.pdf) (Volume 1, MTDP3 2018-22)

**Comment:**

Some information is provided by civil society to government, notably in 2018 through the preparation process for the Medium Term Development Plan 3 (2018-22) which is meant to provide the expenditure framework and priorities for the 2019 and subsequent annual Budgets (as highlighted in Vol 1, Chapter 5 of the 2022 Budget and the MTDP3 documents). The Civil Society and private Sector contributions are acknowledged in the opening statements and acknowledgements from the Minister and Secretary for National Planning in the MTDP3, but how and where their contribution might have been incorporated into the Plan is not spelt out, and in many respects might not be readily apparent, and there was no process of systematic consultation for the 2021 Budget

**Peer Reviewer**

Opinion: Agree

Comments: no engagement, input or feedback

**Government Reviewer**

Opinion: Agree

133. With regard to the mechanism identified in question 128, does the executive provide the public with information on how citizens' inputs have been used to assist in monitoring the implementation of the annual budget?

**GUIDELINES:**

*This question reflects the GIFT principles of "Transparency" and "Sustainability", and examines the extent to which the executive provides information to citizens on which public inputs were received during the implementation of the annual budget, which ones are taken into account to improve budget monitoring, and how/why.*

*By "written record", we mean a document that is produced and released by the lead budget agency (Ministry of Finance, Treasury) that has set up and holds the participation activity.*

*Answer "a" applies when the executive provides a written document with:*

- *The inputs (e.g., a written transcript) received from the public and*
- *A detailed report on how the inputs were used or not used (such report should include information on which inputs were used or not used, why, and how)*

*Answer "b" applies when the executive provides a written document that includes:*

- *The inputs received (e.g., a written transcript) from the public and*
- *A not-so-detailed report, such as a document with a few paragraphs, on how public inputs were used or not used. This document only gives a general idea on how those inputs were or were not taken into account by the executive during budget monitoring.*

*Answer "c" applies when the executive provides a written document that includes:*

- *The inputs (e.g., a written transcript) received from the public or*
- *A report (being it detailed or not-so-detailed) on how public inputs have been used or not used.*

*Answer "d" applies if the requirements for a "c" response or above are not met or if the executive does not use public participation mechanisms during the budget implementation stage.*

**Answer:**

d. The requirements for a "c" response or above are not met.

**Source:**

<http://planning.gov.pg/images/dnpm/pdf/PlanningAct2016.pdf> (<http://planning.gov.pg/images/dnpm/pdf/PlanningAct2016.pdf>) National Development and Monitoring Responsibility Act

**Comment:**

Information is normally provided to government, notably through the CIMC process, notably at the CIMC Council meeting on issues related to the Budget, but during 2020, although there were CIMC sector Committees, there were no major CIMC regional or national development forums, in view of Covid-19 restrictions and funding constraints, and there was no other systematic for feedback and incorporation in the budget by Treasury or Planning Departments,



Peer Reviewer  
Opinion: Agree  
Comments: As with previous answers - no engagement

Government Reviewer  
Opinion: Agree

134. Are participation mechanisms incorporated into the timetable for formulating the Executive's Budget Proposal?

**GUIDELINES:**

*This question reflects the GIFT principles on "Sustainability," "Timeliness" and "Complementarity" and addresses whether the executive is able to link participation mechanisms to the administrative processes that are used to create the annual budget.*

*Please note that "timetable" refers to a document setting deadlines for submissions from other government entities, such as line ministries or subnational government, to the Ministry of Finance or whatever central government agency is in charge of coordinating the budget's formulation. This document is sometimes referred to as the budget calendar and is the same document referenced in Question 53.*

*Answer "a" applies if the national executive establishes a clear set of guidelines that enable citizens and civil servants to understand when participation mechanisms should be used to enable citizen inputs to be incorporated into the annual budget. For answer choice "a", the timetable must be available to the public prior to the budget preparation process beginning.*

*Answer "b" applies if the executive does not establish a clear set of guidelines that enable citizens and civil servants to understand when participation mechanisms should be used to enable citizen inputs to be incorporated into the annual budget or if the executive does not use public participation mechanisms during the budget formulation or implementation stage.*

Answer:

b. The requirements for an "a" response are not met.

Source:

(note that the Planning Dept website has been down for a while)

<http://planning.gov.pg/images/dnpm/pdf/PlanningAct2016.pdf> (<http://planning.gov.pg/images/dnpm/pdf/PlanningAct2016.pdf>) National

Development and Monitoring Responsibility Act <http://www.treasury.gov.pg/html/legislation/files/bills/fisc...>

([http://www.treasury.gov.pg/html/legislation/files/bills/fiscal\\_responsibility\\_ammend-budg-ammend-bill\\_2010.pdf](http://www.treasury.gov.pg/html/legislation/files/bills/fiscal_responsibility_ammend-budg-ammend-bill_2010.pdf)) Fiscal Responsibility Act

Comment:

The timetable required for releasing the end of year and mid year fiscal reports are specified in the Fiscal Responsibility Act, along with the date for the Budget Strategy Paper, Under the National Planning and Monitoring Responsibility Act an annual budget framework paper must be released 4 months before the tabling of the Budget (although it's been far short of this every year), linking the Budget to the Medium Term Development Plan, which is part of the National Planning Framework and targets the National Service Delivery Frameworks, setting out minimum standards for public sector service delivery. The process requires extensive consultation and timely reporting, although apart from releasing documents to the public online, the public consultation, reporting and feedback process in practice is absent (there is a Planning Dept Facebook page, but this is more about PR than raising awareness and gaining feedback.) . (Hitherto the Treasury circulars used to specify dates for public input into the annual budget process, but this circular was not available in recent years and then made no mention of public input). The CIMC consultative process also was heavily constrained in 2020 owing to Covid-19 restrictions and inadequate funding.. The MTDP 3 (2018-22) which was prepared over several months during 2018, and forms the basis for development expenditure in the 2021 Budget and beyond

Peer Reviewer  
Opinion: Agree  
Comments: As described above

Government Reviewer  
Opinion: Agree

135. Do one or more line ministries use participation mechanisms through which the public can provide input during the formulation or implementation of the annual budget?

**GUIDELINES**

*While questions 125 – 134 focus only on participation mechanisms that the Ministry of Finance, lead budget agency, or central coordinating agency currently use to allow the public to participate in the national budget process, this question asks about participation mechanisms used by line ministries to allow the public to participate in national budget processes. Thus, participation mechanisms used by the Ministry of Finance, lead budget agency, or central coordinating agency should not be used to answer this question. If there is more than one mechanism used by a line ministry or if multiple line ministries use participation*

mechanisms, please select the deepest or most interactive mechanism that reflects the government's efforts to incorporate citizens' input into the formulation and/or implementation of the annual budget.

This question reflects the GIFT principles on "Inclusiveness" and "Timeliness" and assesses the extent to which the participation mechanism(s) used by the executive are truly interactive and involve a two-way conversation between citizens and the executive.

The drafting of this question and its answers are partially drawn from the IAP2 Spectrum of Public Participation, in particular with regards to the concepts of "involvement" (option "a" in the responses) and "consultation" (option "b"). See:

[https://cdn.ymaws.com/www.iap2.org/resource/resmgr/foundations\\_course/IAP2\\_P2\\_Spectrum\\_FINAL.pdf](https://cdn.ymaws.com/www.iap2.org/resource/resmgr/foundations_course/IAP2_P2_Spectrum_FINAL.pdf)

To answer "a," a line ministry must use open participation mechanisms that involve the public in the formulation or implementation of the annual budget. This means that a public process is in place whereby CSOs and/or individual members of the public and government officials interact, and have the opportunity to express their opinions to each other in what can be considered a public dialogue between them (i.e., in-person and online discussion forums). Additionally, the mechanism should be open to any CSO and/or individual members of the public who wish to participate. By selecting this answer, the researcher must present evidence to support the presence of a public dialogue among citizens and government official. Examples include public meetings and online deliberative exchanges.

Answer "b" applies if an open consultation mechanism is in place whereby members of the public (i.e., individuals and/or CSOs as well as academics, independent experts, policy think tanks, and business organizations) can provide their input in the formulation or implementation of the annual budget. This answer applies if the government is using a mechanism that is structured and well established, and not ad-hoc. The researcher must present evidence to support the presence of consultative processes through which a line ministry seeks out inputs from citizens. Examples include surveys, focus groups, report cards, published policy consultation exercises, and online platforms that government officials actively manage to solicit inputs.

Answer "c" applies if a line ministry has established a mechanism or mechanisms to allow citizens to participate in the budget formulation phase, but:

1) The mechanisms are not structured and happen only on ad-hoc basis, or not regularly.

and/or

2) A line ministry consults with and/or interacts with, citizens, but there is discretion in who is allowed to participate, and the line ministry determines fully or partially such selection process by inviting specific groups (for example by making an open call but just to experts from a particular sector, or naming specific organizations). While it is not possible for all citizens and/or CSOs to participate in this or other phases of the budget process, options "a" and "b" apply if the government does not exercise any discretion in determining who is allowed to participate. While there is likely going to be self-selection, it is important that the selection is not made by the executive.

In cases where there is discretion in who is allowed to participate, to select answer choice "c", there should be some sort of public record (held in public, minutes of meetings released to public) so that the all CSOs and individual members of the public can have knowledge of the meeting, who participated, and what was discussed.

The researcher must present evidence to support selection of a "c" response.

Examples of mechanisms that might qualify as a "c" response include hotlines, Facebook announcements, and one-off meetings with NGOs in which there is a public record.

Answer:

d. The requirements for a "c" response or above are not met.

Source:

CIMC sector Committees, which normally meet quarterly, in some cases chaired by the Secretary of one of the key respective departments, such as Education, Health, Provincial and Local Level Govt Affairs, Community Development, Justice, provide some opportunity, including during the annual meeting of the CIMC Council chaired by the Planning Minister. However, during 2020, owing to Covid-19 restraints and funding constraint, the Sector committee meetings were reduced in frequency (and in some cases did not occur) and the CIMC Council meeting chaired by the Planning Minister also did not materialise, despite some efforts to organise it. (The Planning Dept website is currently 'under maintenance')<http://www.cimcpng.net/index.php/committees> (<http://www.cimcpng.net/index.php/committees>)

Comment:

There is no systematic process of consultation by line agencies. Many line agencies attend CIMC sector committees but in 2020 these were limited and the Regional and National Development Forums did not occur, owing to financial and the Covid-19 constraints. (the National Consultation Summit in March 2018 contributed somewhat to the preparation of the MTDP3, and the line Agencies have prepared associated sectoral medium term plans, which are meant to be aligned e.g. the Agriculture Medium Term Development Plan being launched in September 2020 covers 2020-2022, but it entailed little or no public consultation, although there were workshops with the government subnational and commodity sector agencies) .

Peer Reviewer

Opinion: Agree

Comments: No participation at whole of government level or line ministry level

Government Reviewer

Opinion: Agree

136. Does the legislature or the relevant legislative committee(s) hold public hearings and/or use other participation mechanisms through which the public can provide input during its public deliberations on the formulation of the annual budget (pre-budget and/or approval stages)?

**GUIDELINES:**

*This question reflects the GIFT principle on "Sustainability," "Transparency," and "Complementarity" and assesses the extent to which the participation mechanism(s) used by the legislature are interactive and involve a two-way conversation between citizens and the legislature, rather than being limited to allowing the public to attend or hear public budget deliberations.*

*Please consider participation mechanisms that the legislature (both in its whole institution or its relevant budget/public accounts/finance committees) has put in place and is using to allow the public to participate in their deliberations on the annual budget. This includes deliberations during the pre-budget phase (i.e., when the executive is still in the process of formulating the draft budget) and the budget discussions after the budget has been tabled to parliament and before it is approved. In the comment box, please specify during which stage of the budget cycle the legislature has put in place a public participation mechanism.*

*Mechanisms through which members of the public reach out to individual Members of Parliament as opposed to the legislature (both in its whole institution or its relevant budget/public accounts/finance committees) or unofficial hearings organized by a subset of committee members should not be considered in answering this question.*

*If there is more than one mechanism, please select a mechanism that best shows/reflects the legislature's efforts to incorporate citizens into the formulation of the annual budget. The participation mechanisms can involve a range of different issues, such as revenues, policy selection, and macro-fiscal planning (please note that the issue of coverage is covered in a subsequent question).*

*To answer "a," the legislature must hold public hearings where citizens are allowed to testify. This answer applies only if the legislature does not exercise discretion in determining which citizens and/or CSOs can testify (for example, participation takes place on a first-come-first-served basis).*

*Answer "b" should be selected if the following applies:*

- *The legislature holds public hearings on the budget;*
- *Testimony is not allowed from members of the public or CSOs; but*
- *There are other means used by the legislature to receive and collect views from citizens and CSOs on the budget, and the legislature does not exercise discretion in determining which citizens and/or CSOs can provide input. The researcher must provide evidence to support the presence of those alternative processes through which the legislature seeks inputs from citizens. For example, there should be a public record indicating that views from citizens and the public were sought.*

*Answer "c" should be selected if the following applies:*

- *The legislature holds public hearings on the budget;*
- *Testimony is not allowed from members of the public or CSOs;*
- *No other means are used by the legislature to receive and collect views/input from citizens and CSOs on the budget, but*
- *The legislature invites a few individuals/groups to provide input (through public hearings or elsewhere)*
- *The legislature has a provision (via standing orders or in law) through which the public can submit their inputs, and members of the public or CSOs actively use it to submit opinions on the budget.*

*Answer "d" applies if the requirements for a "c" response or above are not met or if the legislature does not use public participation mechanisms during its deliberations on the annual budget*

Answer:

d. The requirements for a "c" response or above are not met.

Source:

Parliamentary Committees are established in theory, but in practice were non-operational for many years and not engaging in public consultation. Two committees relevant to the Budget Process did become operational during 2020, notably the Plans and Estimates Committee and a new Committee on Public Sector Performance. In 2020 they were more setting out their agenda and seeking to establish an operating mechanism with the Executive, and had not progressed to any formal or systematic approach to public consultations yet. (The Public Accounts Committee, which addresses public expenditure that has occurred, was conducting hearings in 2019 and 2020 related to ongoing health procurement, but not engaging with the public, and at the end of the year it reportedly shifted its operations to working more systematically with the SAI, it's main mandated role, after a change in the Chair)  
(<http://www.parliament.gov.pg/work-of-parliamentary-committees>).

Comment:

The Parliamentary Plans and Estimates Committee has been effectively inoperative for many years, but held two meetings in 2020. It has a duty with respect to receiving and making an input) to the Budget process, it didn't gain cooperation from the Executive and is finding its feet and starting to ask questions it has not yet proceeded to a process of public dialogue yet; the Public Service Performance Committee has some functions related to budget allocations and service delivery, but during 2020 was finding its feet and securing technical advice, with wider public hearings envisaged during 2021; The Public Accounts Committee is specifically engaged with the Budget oversight process, and didn't meet for several years, but has held closed meetings on selected issues over the past two years, and at the end of 2020 was shifting to focus more specifically on its mandate of working with the SAI, based upon audit processes. Most other Parliamentary committees are reported to have been inoperative largely over recent years, largely owing to lack of funds, weak Parliamentary processes, plus, during 2020, Covid-19 restrictions etc.

Peer Reviewer

Opinion: Agree

Comments: As discussed in questions above - no meaningful public participation in the budget process

Government Reviewer

Opinion: Agree

137. During the legislative deliberations on the annual budget (pre-budget or approval stages), which of the following key topics does the legislature's (or relevant legislative budget committee) engagement with citizens cover?

For the purpose of this question, key topics are considered to be:

1. Macroeconomic issues
2. Revenue forecasts, policies, and administration
3. Social spending policies
4. Deficit and debt levels
5. Public investment projects
6. Public services

**GUIDELINES:**

*This question reflects the GIFT principles of "Transparency" and "Timeliness". Please consider the range of mechanisms currently used by the legislature to promote public participation during legislative deliberations on the annual budget.*

*Please note that while the public engagement can/may cover other topics, for the purpose of answering this question, "key topics" are considered to be only the ones listed above. If the legislature's engagement with the public covers topics other than the six listed above, please specify these topics in the comments.*

*Note also that this question assesses only the coverage of public engagement (i.e., "what issues is the public invited to engage on?") and issues related to the depth of engagement or selectivity of engaged are not dealt with by this question.*

*If written materials about the public engagement, such as an invitation, do not specify the coverage of the public engagement, but the researcher has personally participated in the engagement, s/he may respond to this question based on firsthand experience of the coverage of the public engagement.*

*Answer "d" applies if the requirements for a "c" response or above are not met or if the legislature does not use public participation mechanisms during its deliberations on the annual budget.*

Answer:

d. The requirements for a "c" response or above are not met.

Source:

<http://www.parliament.gov.pg/work-of-parliamentary-committees>

<https://www.facebook.com/report.to.pac/>

Comment:

the Parliamentary Committees, in practice have been largely inoperative from lack of funding and during 2020 Covid-19 restrictions. During 2020, however, the revived Means and Estimate Committee held two meetings on the Budget, but was unable to meet with the Executive (Treasury and Planning Departments for briefings) and was not ready during 2020 for public engagement. The Public Sector Reform management Committee held some consultations, but not specifically on the Budget. The Public Accounts Committee held some hearings on pharmaceutical procurement and health management in 2020, but these were in-house, followed by press conferences and not specifically related to the Budget. They had a Facebook Page for some public interaction.

Peer Reviewer

Opinion: Agree

Comments: None of the elements

Government Reviewer

Opinion: Agree

138. Does the legislature provide feedback to the public on how citizens' inputs have been used during legislative deliberations on the annual budget?

**GUIDELINES:**

*This question reflects the GIFT principles of "Transparency" and "Sustainability", and examines the extent to which the legislature provides information to citizens on which public inputs were received and how inputs were used during legislative deliberations (please note that these deliberations can refer to the pre-budget and approval phases). By "written record" in this question, we mean a document that is produced and released by the legislature.*

Answer "a" applies when the legislature provides a written document with:

- The inputs received from the public (e.g., a written transcript) and
- A detailed report on how the inputs were used or not used (such report should include information on which inputs were used or not used, why, and how).

Answer "b" applies when the legislature provides a written document that includes:

- The inputs received from the public (e.g., a written transcript) and
- A not-so-detailed report on how public inputs were used or not used. This document only gives a general idea on how those inputs were used or not used in legislative deliberations on the annual budget (please note that these deliberations refer to the pre-budget and approval phases).

Answer "c" applies when the legislature makes available a video recording of the relevant legislative session or provides a written document that includes:

- The inputs received from the public (e.g., a written transcript) or
- A report (being it detailed or not-so-detailed) on how public inputs have been used or not used.

Answer "d" applies if the requirements for a "c" response or above are not met or if the legislature does not use public participation mechanisms during its deliberations on the annual budget.

Answer:

d. The requirements for a "c" response or above are not met.

Source:

No Parliamentary committee has been meeting with the public on the Budget during 2020, although the Means and Estimates Committee has been revived and held two in-house meetings during the year, notably on growing debt issues; but not public engagements  
<http://www.parliament.gov.pg/work-of-parliamentary-committees>

Comment:

Peer Reviewer

Opinion: Agree

Comments: No Public Participation

Government Reviewer

Opinion: Agree

139. Does the legislature hold public hearings and/or use other participation mechanisms through which the public can provide input during its public deliberations on the Audit Report?

**GUIDELINES:**

*This question reflects the GIFT principle on "Sustainability," "Transparency," and "Complementarity" and assesses the extent to which the participation mechanism(s) used by the legislature are interactive and involve a two-way conversation between citizens and the legislature, rather than being limited to allowing the public to attend or hear public budget deliberations.*

*A key constitutional role of the legislature in almost all countries is to oversee the government's management of public resources. While the Supreme Audit Institution is responsible for checking the government's accounts and publishing the outcome of their audits, for accountability purposes it is essential that the legislature reviews and scrutinizes those reports, and checks on whether the executive is taking the appropriate corrective actions based on the Supreme Audit Institution's recommendations.*

*Holding public hearings to review audit findings allows the public to learn more about how the government has managed its resources for the budget years that have ended, and demand accountability in case of mismanagement and irregularities. Reviewing and discussing those reports in public is therefore a key responsibility of a legislature.*

*Please note that by "Audit Report" we refer to the same audit report assessed in the transparency section of this Survey, i.e., one of the eight key budget documents that all governments (in this case, the Supreme Audit Institution) must produce, according to best practice.*

*Please consider participation mechanisms that the legislature (both in its whole institution or its relevant budget/public accounts/finance committees) have put in place and using to allow the public to participate in their deliberations on the Audit Report.*

*Mechanisms through which members of the public reach out to individual members of parliament as opposed to the legislature (both in its whole institution or its relevant budget/public accounts/finance committees) or unofficial hearings organized by a subset of committee members should not be considered in answering this question.*

*To answer "a," the national legislature must hold public hearings where citizens are allowed to testify. This answer applies only if the legislature does not exercise discretion in determining which citizens and/or CSOs can testify (for example, participation takes place on a first-come-first-served basis).*

*Answer "b" should be selected if the following applies:*

- *The legislature holds public hearings on the budget;*
- *No testimony is allowed from the public; BUT*
- *There are other means used by the legislature to receive and collect views from citizens and CSOs on the budget, and the legislature does not exercise discretion in determining which citizens and/or CSOs can provide input. The researcher must provide evidence to support the presence of those alternative processes through which the legislature seeks inputs from citizens. For example, there should be a public record indicating that views from citizens and the public were sought.*

*Answer "c" should be selected if the following applies:*

- *The legislature holds public hearings on the budget;*
- *No testimony is allowed from the public;*
- *No other means are used by the legislature to receive and collect views/input from citizens and CSOs on the budget, BUT*
- *The legislature invites a few individuals/groups to provide input (through public hearings or elsewhere)*

*Answer "d" applies if the requirements for a "c" response or above are not met or if the legislature does not use public participation mechanisms during its deliberations on the Audit Report.*

Answer:

d. The requirements for a "c" response or above are not met.

Source:

The Parliamentary Public Accounts Committee had hearings in 2020, related to health and pharmaceutical procurement and a former public property that was partly disposed of (the pre-1984 former Parliament building), but although there had been audits related to pharmaceutical procurement in 2015 which was recently released, these hearings were seemingly unrelated to the audit report and the working of the SAI. The media were invited to attend and had some opportunity to ask questions. Most of the Government audits, which have been tabled in Parliament and released to the public (except for some audits of statutory authorities) are many years overdue, and no hearings have been conducted related to the audits. ,

<http://www.parliament.gov.pg/index.php/work-of-committee/permanent/view/public-accounts>

<http://www.parliament.gov.pg/uploads/daily-agenda/NP-10-20210421-138.pdf> (the Parliament notice paper at the end of 2020, including audit reports referred to the Public Accounts Committee)

<https://www.facebook.com/report.to.pac/> (the Public Accounts Committee Facebook page)

Comment:

Hitherto public hearings were undertaken by the Public Accounts Committee on different aspects of the Audit report. But the committee had been dormant for several years and during 2019 and 2020, was not addressing any of the audit reports submitted to Parliament, but holding unrelated hearings on health procurement and building disposal. At the end of 2020, however, a partial new membership, including Chair, was appointed to the Public Accounts committee, which is reportedly recommencing work specifically required of it under the Constitution, notably on the audit reports submitted (albeit that many are years late, but which have been referred by Parliament to the committee during 2019 and 2020); no public hearings were yet conducted, however, before the end of 2020

Peer Reviewer

Opinion: Agree

Comments: No public engagement on this

Government Reviewer

Opinion: Agree

140. Does the Supreme Audit Institution (SAI) maintain formal mechanisms through which the public can suggest issues/topics to include in the SAI's audit program (for example, by bringing ideas on agencies, programs, or projects that could be audited)?

**GUIDELINES:**

*This question assesses whether the Supreme Audit Institution (SAI) has established mechanisms through which the public can provide suggestions on issues/topics to be included in its audit program. When deciding its audit agenda, the SAI may undertake audits for a sample of agencies, projects, and programs in the country; and such a selection could be based on complaints and suggestions made by members of the public. To receive such suggestions, the SAI may create formal mechanisms, like setting up a website, hotline, or office (or assigning staff to liaise with the public).*

Please note that formal mechanisms that do not explicitly seek the public's input in the audit program (such as general comment submission boxes on the SAI's website) should not be considered for this question.

Answer:

b. The requirements for an "a" response are not met.

Source:

Auditor General <http://www.ago.gov.pg/index.php/about-the-ago> (<http://www.ago.gov.pg/index.php/about-the-ago>)

Audit Act

[http://www.paclii.org/pg/legis/consol\\_act/aa198971/](http://www.paclii.org/pg/legis/consol_act/aa198971/) ([http://www.paclii.org/pg/legis/consol\\_act/aa198971/](http://www.paclii.org/pg/legis/consol_act/aa198971/))

<https://www.opengovpartnership.org/countries/papua-new-guinea>

<http://www.ago.gov.pg/images/downloads/AGO-Corporate-Plan-2017-2021.pdf>

Comment:

The Constitution and Audit Act specify the powers to access financial and related data pertinent to Public Bodies. Section 214 of the Constitution requires the Auditor-General to report at least once every fiscal year to the Parliament on the Public Accounts of PNG and on the control of, and on transactions with or concerning, public monies and property of PNG. Further, Section 123 (8) of the Organic Law on Provincial Governments and Local-level Governments requires the Office to furnish audit reports on Provincial and Local-level Governments each year. These reporting responsibilities are fulfilled by the preparation of four compendium financial audit reports annually, named Part 1 to 4. The Auditor-General also undertakes a variety of Performance Audit and Special Review Reports, aimed at looking at performance and efficiency issues. Performance audits play an important role in improving the administration and management practices of public sector entities. The performance audits, such as of the District Services Improvement Program, are intended to be responsive on issues of public concerns and particularly need community input. However, with some 1,000 public bodies to inspect across the country, and expenditure occurring in the most remote locations, which are inaccessible to the Auditor General's staff, the SAI has indicated it is keen to be developing mechanisms for public information and feedback. The 2017-21 Corporate Plan specifies under its key Focus Area 3 that "Our Clients and stakeholders are the Parliament and citizens of PNG, the Public Accounts Committee, public entities, and other Audit Institutions.

Objective: To understand our clients and stakeholder's needs and deliver timely and value-adding products and services to meet their expectations. The Strategies we will undertake to achieve the objective are:

Improve accessibility of audit reports and findings.

Strengthen client and stakeholder relationships and investigate ways in which members of the public can provide information to the AGO."

However, constraints, including deficient funding, the major backlog in their work and , during 2020, the Covid-19 constraints, and budget reduction, have handicapped the SAI's capacity to implement these objectives.

The Auditor General is part of the Fiscal Transparency component of PNG's first National Action Plan under the Open Government Partnership 2018-20 (a term extended owing to slow implementation under the Covid-19 pandemic), The Auditor General and staff have readily attended workshop and forums (including by CIMC) to explain their challenges and solicit cooperation, both with respect to inputs and output, although these have not been formalised as yet.

Peer Reviewer

Opinion: Agree

Comments: SAI does not engage the public in planning or delivering its audit program

Government Reviewer

Opinion: Agree

141. Does the Supreme Audit Institution (SAI) provide the public with feedback on how citizens' inputs have been used to determine its audit program?

**GUIDELINES:**

*This question reflects the GIFT principles of "Transparency" and "Sustainability", and examines the extent to which the Supreme Audit Institution provides information to citizens on which public inputs were received, which ones are used to determine the Supreme Audit Institution's audit program. By "written record" in this question, we mean a document that is produced and released by the Supreme Audit Institution.*

*Answer "a" applies when the Supreme Audit Institution provides a written document with:*

- *The inputs received from the public and*
- *A detailed report on how the inputs were used or not used (such report should include information on which inputs were used or not used, why, and how).*

*Answer "b" applies when the SAI provides a written document that includes:*

- *The inputs received from the public and*
- *A not-so-detailed report on how public inputs were used or not used. This document only gives a general idea on how those inputs were used or not used to determine the SAI's annual audit program.*

Answer "c" applies when the SAI provides a written document that includes:

- The received from the public or
- A report (being it detailed or not-so-detailed) on how public inputs have been used or not used.

Answer "d" applies if requirements for a "c" response or above are not met or if maintain formal mechanisms through which the public can suggests issues/topics to include in the SAI's audit program.

Answer:

d. The requirements for a "c" response or above are not met.

Source:

<http://www.ago.gov.pg/publications>

<http://www.ago.gov.pg/images/downloads/AGO-Corporate-Plan-2017-2021.pdf>

<http://www.ago.gov.pg/images/downloads/AGO-Corporate-Plan-2017-2021.pdf>

Comment:

Despite positive intentions, as highlighted in the Corporate Plan, the Open Government Partnership National Action Plan and consultations and in responses during the launch of Open Budget Survey in April 2020, at this stage the SAI is tightly funded and struggling to perform its basic audit functions of public bodies, and occasional performance audits, and has not in practice yet reached out more widely to the public for input. Its current corporate plan (2017-21) gives a priority under its Key Focus Area 3 (Clients and Stakeholders) to "strengthen client and stakeholder relationships and investigate ways in which members of the public can provide information to the AGO". It has not yet established a formal mechanism for public input and feedback and therefore is not providing public feedback on their audit proposals and input, although it does attend consultative meetings, including by CIMC, explaining issues and challenges, including reporting on

Peer Reviewer

Opinion: Agree

Comments: It does not provide feedback as there is no engagement

Government Reviewer

Opinion: Agree

142. Does the Supreme Audit Institution (SAI) maintain formal mechanisms through which the public can contribute to audit investigations (as respondents, witnesses, etc.)?

*GUIDELINES:*

*This question mirrors question 140, but instead of covering public assistance in formulating the SAI's audit program, it focuses on whether the Supreme Audit Institution has established mechanisms through which the public can participate in audit investigations. In addition to seeking public input to determine its audit agenda, the SAI may wish to provide formal opportunities for the public and civil society organizations to participate in the actual audit investigations, as witnesses or respondents.*

Answer:

b. The requirements for an "a" response are not met.

Source:

<http://www.ago.gov.pg/>

<http://www.ago.gov.pg/images/downloads/AGO-Corporate-Plan-2017-2021.pdf>

<http://www.ago.gov.pg/images/downloads/AGO-Corporate-Plan-2017-2021.pdf>

Comment:

There are no formal arrangements for public engagement by the Auditor General, although in the current corporate plan (2017-21) under its 'Key Focus Area 3 - Clients and Stakeholders', it states that its objective is "to understand our clients and stakeholder's needs and deliver timely and value-adding products and services to meet their expectations: - The Strategies we will undertake to achieve the objective are: • Improve accessibility of audit reports and findings. • Strengthen client and stakeholder relationships and investigate ways in which members of the public can provide information to the AGO.....". With some 1,000 public bodies to inspect across the country, and expenditure occurring in the most remote locations, which are inaccessible to the Auditor General's staff, this is clearly a need, although progress in implementing is limited to date. The Auditor General and staff have readily attended workshop and forums (including the launch of the Open Budget Survey in April 2020 and Open Government Partnership fiscal transparency cluster meetings) to explain their challenges and solicit cooperation, both with respect to inputs and output, although these have not been formalised as yet.

Peer Reviewer



Opinion: Agree  
Comments: No public engagement

Government Reviewer  
Opinion: Agree