



# PAPUA NEW GUINEA

JANUARY  
2019

## REPORT ON GOVERNMENT FINANCE STATISTICS MISSION (SEPTEMBER 3-14, 2018)

Prepared by **Barend de la Beer**

The contents of this report constitute technical advice provided by the staff of the International Monetary Fund (IMF) to the authorities of Papua New Guinea (the "TA recipient") in response to their request for technical assistance. This report (in whole or in part) or summaries thereof may be disclosed by the IMF to IMF Executive Directors and members of their staff, as well as to other agencies or instrumentalities of the TA recipient, and upon their request, to World Bank staff, and other technical assistance providers and donors with legitimate interest [including members of the PFTAC Steering Committee, unless the TA recipient specifically objects to such disclosure (see [Operational Guidelines for the Dissemination of Technical Assistance Information](#))]. Publication or Disclosure of this report (in whole or in part) or summaries thereof to parties outside the IMF other than agencies or instrumentalities of the TA recipient, World Bank staff, other technical assistance providers and donors with legitimate interest [including members of the PFTAC Steering Committee, shall require the explicit consent of the TA recipient and the IMF's Statistics Department.



PACIFIC FINANCIAL TECHNICAL ASSISTANCE CENTER

# CONTENTS

Glossary	3
<b>SUMMARY OF MISSION OUTCOMES AND PRIORITY RECOMMENDATIONS</b>	<b>4</b>
<b>OVERVIEW</b>	<b>6</b>
A. Why	6
B. What	6
C. Findings	7
D. Main Recommendations and Priority	8
<b>DETAILED TECHNICAL ASSESSMENT AND RECOMMENDATIONS</b>	<b>9</b>
A. Sectorization	9
B. The Analytical Framework	10
C. The Balance Sheet	12
D. Officials Met During the Mission	18
<b>TABLES</b>	
1. Papua New Guinea: Priority Recommendations	5
2. Papua New Guinea: Budgetary Central Government Statement of Operations	11
<b>APPENDICES</b>	
Appendix I. Papua New Guinea: Recommendations for improvement to the Budget Estimates of Revenue and Expenditure for National Government Departments – Budget Volume II	20
Appendix II. Papua New Guinea: Proposed Table for Reporting Expense Arrears	24
Appendix III. Papua New Guinea: Proposed Table for Reporting Other Economic Flows for Debt Instruments	25
Appendix IV. Papua New Guinea: Proposed Table for Reporting Provincial Government GST Transfers and Bookmakers Tax	26
Appendix V. Papua New Guinea: Status of IMFS Roll-out and Implementation (as at September 2018)	27

## Glossary

APD	Asia and Pacific Department of the IMF
AR&P	Accounts Receivable and Payable
BMT	Bookmakers Tax
BPNG	Bank of Papua New Guinea
CoA	Chart of Accounts
COFOG	Classification of the Functions of Government
CS-DRMS	Commonwealth Secretariat Debt Recording and Management System
DNPM	Department of National Planning and Monitoring
DoF	Department of Finance
DoT	Department of Treasury
FY	Fiscal Year
GFS	Government Finance Statistics
<i>GFSM 2014</i>	<i>Government Finance Statistics Manual 2014</i>
GG	General Government
GLD	General Ledger Division, DoF
GoPNG	Government of Papua New Guinea
GST	Goods and Services Tax
IFMS	Integrated Financial Management System
<i>IFS</i>	<i>International Financial Statistics</i>
IMF	International Monetary Fund
KCH	Kumul Consolidated Holdings
MEPD	Macroeconomic Policy Division, the Department of Treasury
NEC	National Executive Council
PFTAC	Pacific Financial Technical Assistance Center
PFMA	Public Finance Management Act
PGAS	Provincial Government Accounting System
SPD	Structural Policy Division, the Department of Treasury
STA	Statistics Department, IMF
TA	Technical Assistance

## SUMMARY OF MISSION OUTCOMES AND PRIORITY RECOMMENDATIONS

- 1. A technical assistance (TA) mission was conducted by the government finance statistics advisor in PFTAC during September 3-14, 2018, to support the Department of Treasury (DoT) in improving government finance statistics (GFS) for decision making and surveillance.** The mission assisted in enhancing methodologies and the compilation of GFS according to the *Government Finance Statistics Manual 2014 (GFSM 2014)* and the *Public-Sector Debt Statistics Guide 2013 (PSDSG 2013)*. The mission was funded by PFTAC.
- 2. Papua New Guinea has made substantial progress with the implementation of the GFSM 2014 in recent years.** With the capacity development support under the projects funded by the Japanese government (for 2013 through 2016) and the PFTAC (since 2017), the authorities have made sustained efforts, resulting in the adoption of the *GFSM 2014* as the fiscal reporting framework for its budget presentation, the Mid-Year Economic Fiscal Outlook and Final Budget Outturn. The upcoming budget to be presented in November 2018 will be the third consecutive year the government presents the national budget in the GFS format.
- 3. Expanding GFS coverage and transactional data remain a priority for the government.** The Treasury started to expand coverage of the budget presentation to volume II, Budget Estimates of Revenue and Expenditure for National Departments. The volume intends to provide detailed departmental revenue and expenditure estimates per program and subprogram in GFS format. The authorities are committed in expanding the coverage of GFS to general government and improving the periodicity (from annual to quarterly) and timeliness of GFS for budgetary central government by aiming to release results in the first quarter of 2019. Continued commitment and momentum is important to avoid setbacks and to make progress with the migration and implementation of GFS.
- 4. Prioritizing work on the financial balance sheet will result in overall improvements and balancing the analytical framework.** The Treasury has made countless improvements to revenue and expenditure data; however, data gaps are still present for the financial balance sheet. By improving the balance sheet, the government will be able to take a comprehensive view when monitoring and assessing economic and financial conditions and the behavior of the government and the public sector at large. Enhancements to the balance sheet will further ensure calculating the net worth of the government more accurately.
- 5. The authorities remain resilient and committed in improving fiscal statistics for policy and decision making.** The issues identified during the mission and the priority recommendations are included in Table 1. The associated action plan is included in the section Detailed Technical Assessment and Recommendations which aim to be a guideline for the migration and sustainable implementation and capacity development in GFS and PSDS in PNG.

**Table 1. Papua New Guinea: Priority Recommendations**

<b>Target Date</b>	<b>Priority Recommendation</b>	<b>Responsible Institutions</b>
<b>10/2018</b>	<i>Finalize and submit budgetary central government data for 2017 to STA for the annual GFS database.</i>	<b>DoT (MEPD)</b>
<b>11/2018</b>	<i>Implement changes to Budget Volumes I and II proposed during the mission.</i>	<b>DoT (MEPD)</b>
<b>11/2018</b>	<i>Allocate expenditure arrears in the IFMS and publish details as part of the budget statistical tables.</i>	<b>DoT / DoF</b>

## OVERVIEW

### A. Why

**6. Consistent with surveillance needs identified by the IMF’s Asia and Pacific Department (APD) and in response to a request by the authorities, PFTAC conducted a GFS technical assistance (TA) mission.** The mission focused on improving the budgetary central government (BCG) data and continued to explore possibilities for expanding the coverage to the general government for Fund surveillance and the PNG authorities’ decision making. The Government of Papua New Guinea (GoPNG) receives TA as a PFTAC member under Phase V program. The mission worked with officials to improve GFS and PSDS that are of key relevance to formulate, execute and monitor fiscal policies and manage fiscal risks. The GoPNG made significant improvements in adopting the *GFSM 2014* as its fiscal reporting framework, and the mission focused on further developing and refining the classifications and reporting of transactions for the statement of sources and uses of cash. Increased efforts are needed for the development of the financial balance sheet as it presents material source data gaps and major deficiencies for deriving statistical discrepancies in the analytical framework. The mission also sought to address the frequency of reporting for the BCG and to produce quarterly data and in so improve the timeliness of GFS.

### B. What

**7. The mission reviewed and refined the budget presentation for volumes I and II according to the *GFSM 2014* analytical framework.** Working with Treasury officials, the mission also investigated the source data for expanding coverage of the financial balance sheet, inclusive of public debt and memorandum items—contingent liabilities. The tasks delivered by the mission include:

- Assist in the review and refinement of budget volumes I and II, with detail comments left with the authorities for consideration and implementation;
- Assist in the compilation and completion of annual GFS for 2017 for BCG;
- Meet with the DoT and Bank of Papua New Guinea (BPNG) to review cash stock balances and calculate the net change in stock of cash for various sectors of the public sector across multiple financial years, advising that these be incorporated in the consolidated GFS budget compilation file;
- Discuss and update contingent liabilities and general government debt tables with the Treasury, Financial Management Division (FMD);
- Discuss with the Treasury, Structural Policy Division (SPD) the progress and outcome of the statutory bodies review and the implementation of the Public Money Management Regularization Act 17 of 2017 and its impact on institutional unit sectorization and revenue classification;
- Discuss and advise on the treatment and the inclusion of expenditure arears according to the GFS analytical framework and the PNG budget presentation; and

- Address the compilation of high frequency GFS for the budgetary central government (BCG) and the publication of the GFS TA reports, for which the authorities showed interest and their willingness to proceed and participate.

## C. Findings

**8. Overall progress since the October 2017 mission was satisfactory.** Progress on findings and recommendations are as follow:

- The DoT continued to improve the statistical tables of budget volume I;
- The DoT in parallel to the existing volume II rolled out a GFS budget book that detail revenue and expenditure in the GFS format for all national departments;
- The DoT submitted data for FY2014–16 to the IMF's annual GFS database;
- The DoT through the GFS Task Force conducted roadshows to provincial governments and provided an overview of the GFS and the expected time lines for roll-out to provinces;
- Since the enactment and implementation of the Public Money Management Regularization Act 17 of 2017, the Department of Finance (DoF) collected significant revenues from statutory authorities and obsolete trust funds into the Consolidated Revenue Fund;
- The Bank of Papua New Guinea (BPNG) assisted in providing bank balances for various sectors of the public sector; and
- The DoF made progress with the roll out of the Integrated Financial Management System (IFMS) to provincial governments. An updated table of the roll out and implementation is included as Appendix V.

**9. The main findings of the mission are:**

- **Staffing** – The DoT, Macroeconomic Policy Division and Budget Division has built significant resources to the sustain the compilation of GFS for BCG and to further expand the coverage to the general government and increase the frequency of reporting. The mission also acknowledged the steps the authorities took on appointing a special technical advisor to assist in GFS compilation and expanding coverage to volume II of the budget and assisting in the outreach and awareness for GFS roll-out to provincial governments.
- **Source data** – The DoT in conjunction with the IFMS team continue to make improvements to the GFS mapping and the chart of accounts. Material source data gaps remain to complete transactions relating to the financial balance sheet. Intergovernmental expenditure grants and transfers and how these are mapped in the legacy systems of the Provincial Government Accounting System (PGAS) to IFMS needs clarification and further work to progress to the general government presentation.
- **Internal consistency** – notable discrepancies remain between the GFS overall balance measured by revenue minus expense and the net acquisition of financial assets, and the main reason is the incomplete data sources for the financial balance sheet, primarily the

accounts receivables and payables and calculating the correct changes in cash balances. Frequent reconciliation of cash balances between the BPNG, commercial banks and the DoF are recommended to improve on the reporting of currency and deposits and the inclusion of the balances in the GFS.

## D. Main Recommendations and Priority

- 10. Frequent meetings of the GFS Taskforce.** To continue the momentum of the GFS implementation and its improvements it is critical that the GFS Taskforce consisting of the DoT, DoF, BPNG and the National Statistics Office meet on a regular basis. Meetings will provide a platform for general discussion, knowledge and information sharing (Priority—High—frequency of meetings should be monthly).
- 11. Tracking progress through the GFS action plan.** The technical adviser based in the budget division compiled a detailed plan setting out and tracking progress of all GFS tasks. The local action plans need to be integrated with the IMF's Results Based Management framework to ensure results for TA are coordinated and effectively reported locally, regionally and internationally (Priority—High—frequency of updating the action plan are recommended monthly in parallel with the meeting of the GFS Taskforce).
- 12. Collecting, compiling and reporting expense arrears as memorandum items to the balance sheet.** The mission worked with Treasury officials to define expense arrears and to collect and report these data as part of the GFS data in the annual national budget. These will improve visibility and fiscal transparency of government spending (Priority—High—annually with the national budget, the MYEFO and the Final Budget Outturn).
- 13. Increasing the frequency of compilation and dissemination of GFS will allow greater transparency in fiscal policy making and debt sustainability analysis.** The DoT for the last four years produced consistent annual GFS for the BCG. Increasing the frequency of reporting to monthly or quarterly data through *IFS* would enhance Fund surveillance and the authorities' decision making. The mission noted that monthly BCG data are available around twenty business days after each month and that revenue and expense statistics are compiled by the MEPD for internal management purposes. These statistics could be disseminated through the *IFS* at the same time, thus improving timeliness with new and better information to discuss fiscal policy, fiscal risks, debt information, cash flow and fiscal forecasting as well as provide a basis for general macroeconomic projections (Priority—Medium—quarterly starting quarter 1, 2019).



## DETAILED TECHNICAL ASSESSMENT AND RECOMMENDATIONS

### A. Sectorization

**14. The Public Money Management Regularization Act, 17 of 2017 intended to collect all money raised, refunded, received, held or controlled by a public body, statutory body or a person acting on behalf of the State.** The act has been implemented starting January 2018. The act will be effective for two years after which statutory bodies will return one hundred percent of their revenues collected on behalf of the government to the Consolidated Revenue Fund. After the two years the act will be abolished, and all statutory bodies will be incorporated in the national budget by receiving a hundred percent operational grant through the annual budget and appropriation act; there will no longer be any retention of revenue. Revenue collection since the inception of the act reported that the government collected approximately Kina 152.2 million (of an estimated Kina 525.0 million for 2018) till the end of July 2018. The collection may include surplus balances of the closing down of Trust Funds as well.

**15. Amendments to the Public Finance Act (PFA) of 2016 provided the Departments of Treasury and Finance with greater authority and oversight responsibilities.** With the finalization of the amendments to PFA, the DoT, SPD should continue to finalize the institutional sectorization and changes the act required for categorization and classification of statutory authorities. The amendments to the PFA should allow the DoT, SPD to prescribe the criteria for reporting financial information of statutory bodies to the Treasury for monitoring and inclusion in the GFS when coverage is expanded to the general government and public corporations. Kumul Consolidated Holdings (KCH), the oversight entity for statutory bodies, in consultation with DoT started to develop reporting dashboards about three years ago but this process has stalled due to change in KCH senior management and staff as well as differences on presentational issues between the KCH and SPD.

**16. The Papua New Guinea Extractive Industries Transparency Initiative was approved by the government of PNG through the National Executive Council (NEC) decision 90/2013.** The agency is set up to promote revenue transparency and accountability in the country's mining and petroleum sectors. It is part of the Global Extractive Industries Transparency Initiative. The secretariat was formed in 2015, they are still under the control of the DoT but have engaged Adams and Smith (an international group) to assist in drafting a policy paper to determine and scope if the secretariat should become an independent body (i.e. Authority, Board, Commission); the policy paper is expected to be finalized end-November 2018 for submission to the NEC. The secretariat is steered through the Multi-Stakeholder Group (MSG) which consist of industries, government and civil society, the MSG is currently chaired by the Treasurer. The secretariat has an independent administrator; Ernest and Young, that works alongside the team to collect all the data and compile the statistics which are published in PNGEITI's annual report. Revenue is aligned to *GFSM 2014* classifications. The mission met with the technical officer and the communications specialist to understand the training needs of the division specifically relating to

the GFS. The technical officer had previous exposure to GFS training but requested to be included in invitations for future GFS training events and as such be able to include new officers of the PNGEITI to be trained in GFS.

## B. The Analytical Framework

**17. Continued improvements to the budget presentation tables will accommodate all components of the GFS analytical framework.** The mission made detailed comments to the fiscal tables presented in volume I of the budget to improve and align terminology to the GFSM 2014. Assistance to refine the tables also included revision of the data entries to ensure that the net lending / net borrowing requirement equal the financing requirement. The mission recommended continued verification and validation of the data entries once all the GFS tables are produced to ensure the correct numbers are published in the budget. Particular issues that needs attention are:

- Statement of operations
  - Align terminology to the GFSM 2014 where applicable.
  - The category other revenue, make a clear distinction between resource revenue and revenue received from the stabilization fund.
  - Include definitions / explanatory notes for gross operating balance and the primary balance.
  - Terminology for net incurrence of liabilities should be corrected to reflect the aggregates of debt securities and loans and its sub-items.
  - Balance sheet stocks for net incurrence of liabilities should be separated from the statement of operations, the statement only report transactions / flows.
  - Ensure that the net borrowing / net lending equals to the net change of assets and liabilities.
- Expense
  - Goods and Services Taxes to provinces should be allocated to the economic categories of expense and not to grants under national departments as the tables are presented at general government level. A meeting with officials of the National Economic and Fiscal Commission (who has oversight over the provincial governments) agreed to assist in collecting this information from the provincial governments. A proposed table allocating GST and Bookmakers taxes as proxy amounts until the details may be obtained from the individual provinces are included in Appendix IV.
  - Net investment in nonfinancial assets – Change the aggregate label for fixed assets to exclude ‘buildings and structures’, machinery and equipment and intangible assets (now included under buildings and structures) are not part of the category buildings and structures. The aggregate should just refer to fixed assets.
- Statement on transactions in assets and liabilities
  - Other economic flows, in this case exchange rate variations should be recorded and reported separately from transactions in assets and liabilities. Other economic flows are not transactions in assets and liabilities and should therefore

not be reported in the statement of operations but as part of the opening and closing stock of the relevant financial instrument in the balance sheet.

**18. The mission assisted in the compilation and review of the 2017 GFS data for budgetary central government.** The results of the compilation are presented in Table 2. PNG BCG statement of operations.

Table 2. Papua New Guinea: Budgetary Central Government Statement of Operations

Kina' Million	Actual 2017
<b>TRANSACTIONS AFFECTING NET WORTH:</b>	
<b>Revenue</b>	<b>11,525.1</b>
Taxes	9,141.4
Grants	1,439.9
Other revenue	943.8
<b>Expense</b>	<b>12,026.3</b>
Compensation of employees	2,286.2
Use of goods and services	3,120.7
Interest	1,524.9
Grants <sup>1</sup>	5,014.7
Other expense	79.7
<b>Gross operating balance</b>	<b>(501.2)</b>
<b>TRANSACTIONS IN NONFINANCIAL ASSETS:</b>	
<b>Net / gross investment in nonfinancial assets</b>	<b>1,293.4</b>
Fixed assets	1,293.4
<b>Expenditure</b>	<b>13,319.8</b>
<b>Net lending (+) / net borrowing (-)</b>	<b>(1,794.7)</b>
<b>TRANSACTIONS IN FINANCIAL ASSETS AND LIABILITIES (FINANCING):</b>	
<b>Net acquisition of financial assets</b>	<b>(180.4)</b>
Domestic debtors <sup>2</sup>	(180.4)
<b>Net incurrence of liabilities</b>	<b>1,614.3</b>
Domestic creditors	736.2
External creditors	878.0
<b>Overall statistical discrepancy:</b>	<b>(0.0)</b>

Statistics produced represent the Budgetary Central Government and is not directly comparable with data produced in the budget document.

Statement of operations includes donor grants in kind received and paid.

1. Includes grants to provincial governments, local governments, districts and commercial and statutory authorities current and capital in nature.

2. Cash to be reconciled with actual cash at hand and with banks.

**19. Other economic flows were reported in the 2018 budget, the statement of assets and liabilities for the first time.** The DoT, FMD, who are responsible for recording and reporting general government debt started to report exchange rate fluctuations for external debt instruments during the 2018 budget presentation, however the amounts was included as part of transactions in assets and liabilities and not as other economic flows. The mission advised that these be separated and reported in separate table to statement of assets and liabilities. Important to note that these exchange rate fluctuations will not affect the net lending / net borrowing requirement of the government for the GFS presentation. The proposed presentation format is included as Appendix III.

**20. Further improvements are desired to reconcile IFMS and the Provincial Government Accounting System (PGAS) legacy interfaces until such time the IFMS is fully implemented.** The mission reemphasized the reconciliation and improvement of expense items between IFMS and PGAS legacy systems until IFMS is completely rolled out to all agencies. The items that need specific attention is grants paid and received between the various levels of government. The mission found that grants made from national to provincial governments for example staffing grants, provincial teacher's salaries, land mediator allowances, ABG Parliamentary Services

Allowances, ABG Community Auxiliary Police Allowance, ABG Electoral Commission Allowances, Public Servant Leave Fares and Teacher's leave fares interfaces back into the grants expense item at a general government consolidated level. These creates imbalances of the consolidated general government data set.

## C. The Balance Sheet

**21. The mission discussed expense arrears. Arrears are defined as amounts that are both unpaid and past the due date for payment.** The accrual basis of recording fully captures all amounts receivable or payable in arrears. Because the due for- payment date is always the same or later than the date attributed to a flow under the accrual basis, all arrears will be included in statistics compiled using the accrual basis. Without supplementary information, however, it may be difficult to estimate the share of total accounts payable that is in arrears as opposed to the share that exists because of normal payment delays.

**22. Arrears in the GFS accrual environment, will be reflected as liabilities in the balance sheet, under the respective financial instrument of liabilities.** For expense items it will be under other accounts payable and it is recommended that the system record the details of the type of arrears, for example compensation of employees, goods and services, etc. The accrual arrears will be recorded as follow:

- Debit: Expense
- Credit: Liability: Accounts Payable [List the arrears details]

When the liability is cleared or paid:

- Debit: Liability: Accounts Payable [List the arrears details]
- Credit: Currency and deposits [bank]

**23. Arrears in the cash basis of accounting are not recorded as actual liabilities.**

However, it highly recommended that there should be proper record keeping of the amounts that are outstanding and payable. It is proposed that arrears will be recorded as memorandum items of the balance sheet.

**24. To properly monitor outstanding expense arrears, it is recommended that the IFMS create a *Fund* or similar reporting segment to improve the visibility of these transactions.** It is advisable that arrears should be recorded within the respective period incurred so that a proper record is available for each year when cleared. The mission prepared a proposed table that illustrates the reporting if arrears as part of the budget presentation (Appendix II). Recommendations on creating the proposed Fund or equivalent segment in IFMS to identify payments made towards arrears, was made during the GFS mission in October 2017.

**25. The mission followed up on the collection and compilation of currency and deposits for the general government.** The mission met with officials of the BPNG and the DoT to discuss their findings on the availability of source data for currency and deposits for the general government. Since the last mission in October 2017 the BPNG provided four years of annual

monetary and financial statistics (MFS) data inclusive of bank balances for the general government and corporations that bank with the BPNG and commercial financial institutions. The source data is extremely helpful however the data is aggregated according to MFS guidelines and categories that not fully align with GFS sectorization and classification the DoT currently uses. The DoT aim at compiling general government (exclusive of local level government and districts) and the BPNG MFS data currently combine provincial and local level government balances. The same applies to the MFS data for financial and nonfinancial public corporations and commercial statutory authorities, these are all aggregated into one category, but it will be useful for GFS compilation purposes to first disaggregate the data within the MFS statistics enabling the correct calculation of the data for GFS compilation purposes. These proposals were discussed with BPNG officials.

**26. The mission raised and discussed contingent liabilities and the recording of loan liabilities.** The Treasury, FMD in coordination with the Treasury, SPD is responsible for recording contingent liabilities. FMD reported that all contingent liabilities in the previous years' Public Account been cleared and settled. The three government domestic guarantees with the Bank of South Pacific has been called and the government already pay the interest on these loans. No principal repayments are yet scheduled or made, and the mission advised that these loans be added to the balance sheet stock of the government of Papua New Guinea (Kina 1.475 billion). Adding the debt stock may raise the debt to GDP for 2018 budget estimate (GDP 80.113) to a potential 34 per cent. No new government guarantees / agreements have been agreed. There are potential pipeline projects been discussed between government and public corporations, but no concrete decisions have been made about governments position in guaranteeing these.

**27. The government of PNG engages in on-lending arrangements with its public corporations and details were discussed with the DoT to determine coverage in terms of GFS compilation.** If the DoT compiles GFS for the BCG or GG it should report on-lending arrangements as transactions and stocks of financial assets-loans receivables for the government in the statement of operations and the balance sheet. After further consultation with the Treasury, FMD, the mission determined that three new on-lending arrangements should be recorded as financial assets for the GG.

- The Lae Tidal Basin Industrial Development Project for an amount Yuan 771,750,000. The on-lent agreement was signed in March 2017. The implementing agency for this Project is Papua New Guinea Ports Ltd. The loan repayment agreement with PNG Ports Ltd will start in March 2022; biannual repayment (at Kina equivalent of K3,607,785.24) till March 2037.
- Three more on-lent loan arrangements in progress includes:
  - PNG National Submarine Fibre Cable Network Project  
Amount: USD\$229,198,215.15  
Implementing agency is PNG DataCo Ltd  
Credit institution: Exim Bank of China
  - National Broadband Project

Amount: USD173,240,000.00

Implementing agency: Telikom PNG Ltd

Credit institution: Exim Bank of China

- National Power Grid Development Project-132kV Transmission & Substations-Mt Hagen-Mendi-Tari

Amount: USD\$133,379,867.35

Implementing Agency: PNG Power Ltd & Kumul Consolidated Holdings to confirm this arrangement

Credit institution: Exim Bank of China

**28.** These new on-lent arrangements are all with Statutory Bodies – which for GFS will be classified as public nonfinancial corporations. According to me these should be recorded as financial asset loans for the GoPNG as well, since they report / present their budget for general government only. (Table 14, Transactions in assets and liabilities, Volume I of the Budget).

Priority	Action/Milestone	Risk Assumptions/ Verifiable Indicators	Target Completion Date	Actual Completion Date	Implementation Status
<b>Outcome:</b> A new data set has been compiled and disseminated internally and/or to the public					
H	<b>Priority recommendation:</b> Finalize and submit budgetary central government data for 2017 to STA for the annual GFS database.		October 2018.	October 2018.	Completed.
H	<b>Priority recommendation:</b> Implement changes to Budget Volumes I and II proposed during the mission.		November 2018.		
H	<b>Priority recommendation:</b> Allocate expenditure arrears in the IFMS and publish details as part of the budget statistical tables.		October 2018.		
H	Relative to the baseline, the GFS are compiled and disseminated for the BCG recommended by the <i>GFSM 2014</i> guidelines.	Resources should be available. Continued support and TA needed, even if it is remotely. Produce GFS reports utilizing IFMS.	April 2018.	October 2017.	First set of annual GFS data for BCG compiled and submitted to the IMF STA <i>GFSY</i> . Further work required on the balance sheet.

Priority	Action/Milestone	Risk Assumptions/ Verifiable Indicators	Target Completion Date	Actual Completion Date	Implementation Status
H	Relative to the baseline, the GFS are compiled and disseminated for the GG recommended by the <i>GFSM 2014</i> .	Resources should be available. Continued support and TA needed, even if it is remotely. Depends on IFMS roll-out.	April 2019.		The IFMS has progressed well, however full GG coverage will not be possible until full roll-out is completed (See Appendix V for the IFMS status report).
H	The institutional table are updated to cover all GG units.	Resources should be available. Review process should be completed. Submission to NEC completed and approved.	December 2017.	Work in progress.	Review of statutory bodies has progressed. Findings and recommendations will be put forward to NEC for endorsement. No progress since the October 2017 mission.
<b>Outcome: Higher frequency data</b> has been compiled and disseminated internally and/or to the public					
H	Complete CoA-IFMS mapping, with a full review for verification of the mapping and complete revisions.	CoA data map to IFMS / Source data for high frequency GFS. IFMS is operating adequately.	December 2017.	December 2017.	Review of mapping completed but updates and improvements should be ongoing. New items as recommended should be created.
H	Institute a compilation process for quarterly GFS for budgetary central government and provisions for regular revisions.	Management decision and resources are adequate.	April 2018.	Compilation process has not started yet.	The DoT may start reporting BCG for IFS in the first quarter of 2019.
H	<b>Priority recommendation:</b> Relative to the baseline, GFS for budgetary central government operations are compiled and disseminated on a quarterly basis.	Management decision and resources are adequate. Revenue source data need to be harmonized in	January 2019.	Compilation process has not started yet.	Source data are available from IFMS but compilation process has not started yet. The

Priority	Action/Milestone	Risk Assumptions/ Verifiable Indicators	Target Completion Date	Actual Completion Date	Implementation Status
		terms of timeliness for inclusion in the quarterly GFS.			DoT may start reporting BCG for IFS in the first quarter of 2019.
<b>Outcome: Macroeconomic data sets</b> used by policy-makers have been made more <b>intersectorally consistent</b> (reduced discrepancies)					
H	Relative to the baseline, GFS are consistent or reconcilable with monetary and financial statistics. Consistent reporting of financial assets and liabilities data for consolidation with GFS on a quarterly basis for GG.	Coordination between DoT, DoF, and DNPM with BPNG on regular data exchange on financial assets and liabilities for the general government.	April 2019.	Work commenced.	Meetings conducted with DoT, DoF and BPNG. GLD and BPNG tasked with providing information on the balance sheet (AR&P. and cash data). More information was provided during the September 2018 mission and further improvements was recommended.
H	Relative to the baseline, GG debt data are consistent or reconcilable with external sector debt statistics. Initiate a work plan for collecting debt and foreign aid data.	For internal use, IMF surveillance and submission to the IMF <i>GFSY</i> .  Risk for foreign aid data – Weak responses in the completion and submission of donor data by donors will provide insufficient information on actual spending and projections to complete the fiscal accounts.	June 2018.	Work in progress.	The DoT Financial Management Division compiles debt data for the GG which need to be reconciled with external debt statistics and data reported in the Commonwealth Secretariat Debt Recording Management System. The Commonwealth Secretariat was in country in September 2018



Priority	Action/Milestone	Risk Assumptions/ Verifiable Indicators	Target Completion Date	Actual Completion Date	Implementation Status
					to make improvements to the CSDRMS.
H	Collect state owned enterprises (SOEs) financial information, including debt statistics, to expand coverage for the public sector.	Coordination with KCH, Office of the Auditor General and DoT, SPID on the collection of public corporations financial information (in particular balance sheet) do derive the GFS statement of operations and debt owned by SOE's.	April 2020.	Work in progress. Little progress achieved.	Progress in developing financial dashboard for SOEs has been slow. KCH, DoT, and SPID need to strengthen collaborative efforts. No progress to report after the September 2018 mission.
H	<b>Priority recommendation:</b> Work with the Treasury, Structural and Policy Division (SPD) and Kumul Consolidated Holdings, (oversight agency for statutory bodies) to compile and complete reporting dashboards for reporting financial information.		June 2019.		
H	Establish a specialized interdepartmental taskforce to coordinate the collection of GFS sources including financing and debt data.	Coordination will lead to improved source data for GFS compilation.	December 2017.	October 2017 and ongoing.	Task force was established.
	<b>Priority recommendation:</b> Continue to work on, improve and complete the institutional unit classification.		Ongoing.		

## D. Officials Met During the Mission

Name	M / F	Institution and Title	E-mail Address
Andrew Oaeke	M	DoT-First Assistant Secretary	<a href="mailto:Andrew.Oaeke@treasury.gov.pg">Andrew.Oaeke@treasury.gov.pg</a>
Peter Mondoro	M	DoT-Assistant Secretary	<a href="mailto:Peter.mondoro@treasury.gov.pg">Peter.mondoro@treasury.gov.pg</a>
Mathew Rabui	M	DoT-Assistant Secretary	<a href="mailto:Mathew.rabui@treasury.gov.pg">Mathew.rabui@treasury.gov.pg</a>
Kamal Chand	M	DoT-Technical Advisor	<a href="mailto:Kamal.Chand@treasury.gov.pg">Kamal.Chand@treasury.gov.pg</a>
Magdelyn Kuari	F	DoT-Economist	<a href="mailto:Magdelyn.Kuari@treasury.gov.pg">Magdelyn.Kuari@treasury.gov.pg</a>
Swartz Buf	M	DoT-Economist	<a href="mailto:Swartz.buf@treasury.gov.pg">Swartz.buf@treasury.gov.pg</a>
Jonathan Wak	M	DoT-Economist	<a href="mailto:Jonathan.wak@treasury.gov.pg">Jonathan.wak@treasury.gov.pg</a>
Colin Bilio	M	DoT-Economist	<a href="mailto:Colin.bilio@treasury.gov.pg">Colin.bilio@treasury.gov.pg</a>
Larry Asigau	M	DoT-a/Assistant Secretary	<a href="mailto:Larry.Asigau@treasury.gov.pg">Larry.Asigau@treasury.gov.pg</a>
Maryanne Maspok	F	DoT-First Assistant Secretary	<a href="mailto:Maryanne.maspok@treasury.gov.pg">Maryanne.maspok@treasury.gov.pg</a>
Kia Tongia	M	DoT-Budget Analyst	<a href="mailto:Kia-Tongia@treasury.gov.pg">Kia-Tongia@treasury.gov.pg</a>
Abel Melton	M	DoT-Budget Analyst	<a href="mailto:Abel.melton@treasury.gov.pg">Abel.melton@treasury.gov.pg</a>
Verolyn Danzil	F	DoT-SPID-Economist	<a href="mailto:Verolyn.Danzil@treasury.gov.pg">Verolyn.Danzil@treasury.gov.pg</a>
Herman Pahau	M	DoT-FMD-a/Assistant Secretary	<a href="mailto:Herman.Pahau@treasury.gov.pg">Herman.Pahau@treasury.gov.pg</a>
Roselyn Irum	F	DoT-FMD-Assistant Secretary	<a href="mailto:Roselyn.Irum@treasury.gov.pg">Roselyn.Irum@treasury.gov.pg</a>
Atkerria Painap	F	DoT-FMD-Senior Financial Analyst	<a href="mailto:Atkerria.Painap@treasury.gov.pg">Atkerria.Painap@treasury.gov.pg</a>
Allan Genun	M	DoF-Manager GL	<a href="mailto:Allan.Genun@finance.gov.pg">Allan.Genun@finance.gov.pg</a>
Erwin Poursu	M	NEFC-Senior Policy Analyst	<a href="mailto:epoursu@nefc.gov.pg">epoursu@nefc.gov.pg</a>
Nigel Ainui	M	NEFC-Policy Analyst	<a href="mailto:nainui@nefc.gov.pg">nainui@nefc.gov.pg</a>
Thomas Korua	M	NEFC-Manager	<a href="mailto:tkorua@nefc.gov.pg">tkorua@nefc.gov.pg</a>

Diana Tuam	F	Bank of PNG-Senior Analyst	<a href="mailto:dtuam@bankpng.gov.pg">dtuam@bankpng.gov.pg</a>
Alex Ginet	M	Department of Planning-Aid Coordinator	<a href="mailto:Alex_Ginet@planning.gov.pg">Alex_Ginet@planning.gov.pg</a>
Sovo Aussell	M	Department of Planning-Principal budget officer	<a href="mailto:sovo_aussell@planning.gov.pg">sovo_aussell@planning.gov.pg</a>
Johannes Wolff	M	ADB-Public Finance Economist	<a href="mailto:Jwolff.consulting@gmail.com">Jwolff.consulting@gmail.com</a>
Chris Tabel	M	PNG EITI - Communication Specialist	<a href="mailto:Chirs_tabel@treasury.gov.pg">Chirs_tabel@treasury.gov.pg</a>
Langa Kopio	M	DNPM - a/Assistant Secretary	<a href="mailto:Langa_kopio@planning.gov.pg">Langa_kopio@planning.gov.pg</a>
Robert Yori Thomas	M	DNPM - Senior Aid Coordinator	<a href="mailto:Robert_thomas@planning.gov.pg">Robert_thomas@planning.gov.pg</a>
Masayushi Ono	M	DNPM Advisor	<a href="mailto:Masayushi_ono@planning.gov.pg">Masayushi_ono@planning.gov.pg</a>
Vaieke Vani	M	PNG EITI - Technical Officer	<a href="mailto:Vaieke_vani@treasury.gov.pg">Vaieke_vani@treasury.gov.pg</a>
Hans Margis	M	DoT - a/First Assistant Secretary	<a href="mailto:hans_margis@treasury.gov.pg">hans_margis@treasury.gov.pg</a>

## Appendix I. Papua New Guinea: Recommendations for improvement to the Budget Estimates of Revenue and Expenditure for National Government Departments – Budget Volume II

### General remarks:

- Quality assurance of the tables is critical
- The book and the tables should present the budget for the first year of the medium-term estimates and not the current year estimate
- Include an introductory page that explains the layout and flow of Volume II
- Group Volume II to present agencies in sectors and consider the introduction of a sectoral summary, for example the health sector should reflect the national department of health, provincial departments of health, local level government of health, inclusive of a summary on infrastructure spending for all levels and in specific the PSIP and DSIP.

### Table 1 – The main budget framework

- Ensure table headings align in terminology across all tables and with Volume I, for example Medium-term estimates versus Projections
- Denomination of currency should be consistent, e.g. Kina' thousand – Kina' million – Kina
- Reflect Kina in left hand top corner of tables for consistent presentation
- Include medium-term estimates and reconcile them to Volume I tables
- Include the GDP numbers and calculate the percentage ratios of revenue and expense
- Change terminology for payments for capital assets to net investment of nonfinancial assets. This will reflect the total of acquisition and disposals. The current terminology looks like the government only acquire assets and do not dispose
- Remove the payments for financial assets – this terminology or terms is not used in PNG context
- Provide a footnote to explain the term Provisional allocation not assigned to votes so that the reader understand. Why is this term not used in the Volume I main tables. Could this possibly be part of contingency reserve
- Capital and lower case should be consistently used. Suggestion, start word in capital and continue in lower case, apply consistently throughout the table
- Apply same fonts and font size

### Table 2 – Economic classification of revenue

- Ensure table headings align in terminology across all tables and with Volume I, for example Medium-term estimates versus Projections
- Denomination of currency should be consistent, e.g. Kina' thousand – Kina' million – Kina
- Reflect Kina in left hand top corner of tables for consistent presentation
- Include medium-term estimates and reconcile them to Volume I tables
- Capital and lower case should be consistently used. Suggestion, start word in capital and continue in lower case, apply consistently throughout the table
- Apply same fonts and font size

- Motor vehicle taxes and other taxes on the use of and permission to use goods and services [some text missing]; these are taxes and should be categorized under taxes and not non-tax revenue
- Grants – it appears as if some items are not included grants from international organizations (World Bank, ADB, EU, etc.)
- Ensure that the main categories of revenue balance back to Volume I revenue [Tax revenue, non-tax revenue and grants]
- Include the GDP numbers and show revenue as percentage of GDP
- A suggestion would be to exactly mirror the revenue table as used in Volume I

#### Summary expenditure for national agencies

- Provide a table number
- Ensure table headings align in terminology across all tables and with Volume I, for example Medium-term estimates versus Projections
- Denomination of currency should be consistent, e.g. Kina' thousand – Kina' million – Kina
- Reflect Kina in left hand top corner of tables for consistent presentation
- Include medium-term estimates and reconcile them to Volume I tables
- Include the GDP numbers and calculate the percentage ratio of expense
- Change terminology for capital formation to net investment of nonfinancial assets. This will reflect the total of acquisition and disposals. The current terminology looks like the government only acquire assets and do not dispose
- Capital and lower case should be consistently used. Suggestion, start word in capital and continue in lower case, apply consistently throughout the table
- Apply same fonts and font size
- Remove the word 'total' in front of aggregate economic classification of items
- Aggregate the totals to be across the economic item headings and not below
- Centre the column date headings across the correct fiscal years
- Remove the [GFS] from all the tables
- Remove To: from all the tables
- Interest – The way interest expense is presented is different from Volume I, in this table it creates confusion as debt related charges are not part of interest, show that as a separate line item under Use of Goods and Services. Also, the line currently does not have any expenditure allocated against it, but Volume I reported expenditure
- Check that bold versus non-bold line items are treated consistently
- Other expense – Is it current or capital transfers not elsewhere classified
- Fix prefix L: Loans to be Loans – Why is loan amortization presented in the expense table, these are not expense but reduction in liabilities

#### Table 4 – Sectoral classification of expenditure by agency

- Centre the column date headings across the correct fiscal years
- Ensure table headings align in terminology across all tables and with Volume I, for example Medium-term estimates versus Projections

- The table appear to be incomplete, it only reflects the economic sector
- Suggestion: the table by means of a note should explain the PNG sectoral classification do not match or are not consistent with the GFS classification of the functions of government (COFOG)

Table 5 – Cross-classification of expenditure by functional and economic classification

- Remove the [GFS] from all the tables
- Remove the column for consumption of fixed capital as PNG do not report this
- No numbers in social benefits but the Volume I report social benefits
- Data should be for the first year of medium-term estimates and not current year

Table 6 – No table 6, but starts with table 6.1

Table 6.1 – 6.4 - Expenditure of affairs, functions, and main programs

- Centre the column date headings across the correct fiscal years
- Ensure table headings align in terminology across all tables and with Volume I, for example Medium-term estimates versus Projections
- Some of the numbers in the table for historical expense present negative amounts, this can't be correct

Table 7 – Public Service Establishment

- The table should indicate the data is at [which date]
- It appears as if the numbers are not adding up correctly, look at administrative as an example
- Re-look the flow of this table and the total establishment totals at the end

Table 8 – Expenditure on personnel emoluments by operating agency

- Personal – change to personnel
- The total of this table should balance to Summary expenditure per agency compensation of employees and Volume I total compensation of employees

Table 9 – Expenditure on maintenance and construction by main program

- Ensure to report information for the correct fiscal years
- Is the intention that the column construction balance or match the total reported for the net investment of financial assets under expenditure (currently it is not). If the intention is to reflect something differently it should be explained by a footnote

Table 10 – Maintenance and construction carried out by the Department of Works

- Currently the table has no information, is this correct

Expenditure estimates by budget agency

- Sequence of this section is important

- The narrative should be upfront before any of the tables start
- The book and the tables should present the budget for the first year of the medium-term estimates and not the current year estimate

*National Parliament* used as the example but should apply to all other agencies as well

Table 1.1 – Budget expenditure summary by main programme

- Remove [total expenditure estimates K], place Kina in left hand top corner
- Split Operational expenditure between compensation of employees and use of goods and services
- Structure of table appear to be incomplete, is Legislative Services, Parliamentary Services and General Administrative Services all programmes or is the latter sub-programmes of Legislative Services
- Change terminology for capital formation to net investment of nonfinancial assets. This will reflect the total of acquisition and disposals. The current terminology looks like the government only acquire assets and do not dispose

Table 1.2 – Expenditure estimates by programme

- Remove [total expenditure estimates K], place Kina in left hand top corner
- Centre the column date headings across the correct fiscal years
- 

Table 1.4 – Expenditure estimates by GFS economic classification

- Remove GFS codes in front of the GFS description
- Remove the word 'total' in front of aggregate economic classification of items
- Aggregate the totals to be across the economic item headings and not below
- Centre the column date headings across the correct fiscal years
- Remove To: from all the tables
- Change terminology for capital formation to net investment of nonfinancial assets. This will reflect the total of acquisition and disposals. The current terminology looks like the government only acquire assets and do not dispose
- Capital and lower case should be consistently used. Suggestion, start word in capital and continue in lower case, apply consistently throughout the table

Table 1.5 – Summary of all activities

- What is the purpose of this table as it looks like the same that is already presented in Table 1.1

Table do not balance with totals of Table 1.5

## Appendix II. Papua New Guinea: Proposed Table for Reporting Expense Arrears

<b>Arrears</b>	<b>Kina million</b>
<b>Total opening stock of arrears as at January 2018</b>	<b>1,300</b>
<i>Consisting of:</i>	
Goods and services (Utilities)	400
Goods and services (Rent)	500
Transfers not elsewhere classified (claims against the state)	400
<i>Arrears paid during 2018:</i>	<b>(225)</b>
Goods and services (Utilities)	(50)
Goods and services (Rent)	(100)
Transfers not elsewhere classified (claims against the state)	(75)
<b>Total closing stock of arrears as at December 2018</b>	<b>1,075</b>
<b>Total opening stock of arrears as at January 2019</b>	<b>1,075</b>
<i>Consisting of:</i>	
Goods and services (Utilities)	350
Goods and services (Rent)	400
Transfers not elsewhere classified (claims against the state)	325
<i>New arrears for 2018:</i>	<b>100</b>
Goods and services (Utilities)	25
Goods and services (Rent)	50
Transfers not elsewhere classified (claims against the state)	25
<i>Arrears paid-Pre-2018-during 2019:</i>	<b>(225)</b>
Goods and services (Utilities)	(15)
Goods and services (Rent)	(75)
Transfers not elsewhere classified (claims against the state)	(10)
<i>Arrears paid-New-2018-during 2019:</i>	
Goods and services (Utilities)	(0)
Goods and services (Rent)	(0)
Transfers not elsewhere classified (claims against the state)	(0)
<b>Total closing stock of arrears as at December 2019</b>	<b>1,255</b>



## Appendix III. Papua New Guinea: Proposed Table for Reporting Other Economic Flows for Debt Instruments

OTHER ECONOMIC FLOWS Kina Million				Actuals		Est.	Projections				
	2012	2013	2014	2015	2016	2017 Supp.	2018 Budget	2019	2020	2021	2022
<b>Net Incurrence of Liabilities</b>											
<b>External</b>				<b>0.0</b>	<b>0.0</b>	<b>160.6</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Debt securities - Holding gains and losses*				<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<i>Concessional financing</i>				<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>
<i>Commercial financing</i>				<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>
<i>Extraordinary financing</i>				<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>
Loans - Holding gains and losses*				<b>0.0</b>	<b>0.0</b>	<b>160.6</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<i>Concessional financing</i>				<i>0.0</i>	<i>0.0</i>	<i>128.1</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>
<i>Commercial financing</i>				<i>0.0</i>	<i>0.0</i>	<i>25.5</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>
<i>Extraordinary financing</i>				<i>0.0</i>	<i>0.0</i>	<i>7.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>

\* Holdings gains and losses (or revaluation) is a change in the monetary value of an asset of liability resulting from changes in the level and structure of prices (for example, from changes in interest rates) and/or exchange rates, assuming that the assets or liabilities has not changed qualitatively or quantitatively. In GFS holding gains and losses are not regarded transactions but other economic flows.

## Appendix IV. Papua New Guinea: Proposed Table for Reporting Provincial Government GST Transfers and Bookmakers Tax

Province	GST	Bookmakers Tax	Total	GFS % Allocation			GFS amount allocated		
				COE	G&S	Capital	COE	G&S	Capital
	<b>2018</b>	<b>2018</b>	<b>2018</b>						
Western	3,778	-	3,778	50%	30%	20%	1,889	1,133	756
Gulf	1,652	-	1,652	50%	30%	20%	826	495	330
Central	2,148	-	2,148	50%	30%	20%	1,074	645	430
NCD	248,067	5,531	253,599	50%	30%	20%	126,799	76,080	50,720
Milne Bay	6,673	-	6,673	50%	30%	20%	3,336	2,002	1,335
Oro	3,661	-	3,661	50%	30%	20%	1,830	1,098	732
Southern	6,886	-	6,886	50%	30%	20%	3,443	2,066	1,377
Highlands									
Hela	876	-	876	50%	30%	20%	438	263	175
Enga	2,126	-	2,126	50%	30%	20%	1,063	638	425
Western Highlands	28,537	392	28,928	50%	30%	20%	14,464	8,678	5,786
Jiwaka	286	-	286	50%	30%	20%	143	86	57
Simbu	3,117	-	3,117	50%	30%	20%	1,558	935	623
Eastern Highlands	12,502	441	12,943	50%	30%	20%	6,471	3,883	2,589
Morobe	95,319	1,131	96,450	50%	30%	20%	48,225	28,935	19,290
Madang	12,635	825	13,460	50%	30%	20%	6,730	4,038	2,692
East Sepik	8,897	-	8,897	50%	30%	20%	4,448	2,669	1,779
Sandaun	3,314	-	3,314	50%	30%	20%	1,657	994	663
Manus	19,237	-	19,237	50%	30%	20%	9,618	5,771	3,847
New Ireland	6,421	-	6,421	50%	30%	20%	3,210	1,926	1,284
East New Britain	23,907	341	24,248	50%	30%	20%	12,124	7,274	4,850
West New Britain	11,420	-	11,420	50%	30%	20%	5,710	3,426	2,284
Bougainville	1,919	-	1,919	50%	30%	20%	960	576	384
<b>TOTAL</b>	<b>503,376</b>	<b>8,661</b>	<b>512,037</b>				<b>256,018</b>	<b>153,611</b>	<b>102,407</b>

COE = Compensation of employees

G&amp;S = Goods and Services

## Appendix V. Papua New Guinea: Status of IMFS Roll-out and Implementation (as at September 2018)

<b>IFMS – NATIONAL DEPARTMENTS</b>			
<b>A-Code</b>	<b>Agency Name</b>	<b>Target date</b>	<b>Status</b>
202	Governor General		Completed
203	Department of Prime Minister & NEC		Completed
204	National Statistical Office		Completed
205	Office of Bougainville Affairs		Completed
206	Department of Finance		Completed
207	Treasury and Finance		Completed
208	Department of Treasury		Completed
209	Office of the Registrar for Political Parties		Completed
212	Information Technology Division		Completed
213	Fire Services		Completed
217	Department of Foreign Affairs and Trade		Completed
222	Office of Public Solicitor		Completed
220	Department of Personnel Management		Completed
221	Public Service Commission		Completed
225	DJAG		Completed
226	Department of Correctional Institutional Services		Completed
227	PDFMD (Central PT only)		Completed
228	Department of Police		Completed
229	Department of National Planning & Monitoring		Completed
231	National Intelligence Organisation (NIO)		Completed
232	DPLGA		Completed
233	Office of Censorship		Completed
235	Department of Education		Completed
236	Office of Higher Education		Completed
246	Office of Urbanization		Completed
247	Office of Agriculture & Livestock		Completed
252	Department of Lands & Physical Planning		Completed
254	Department of Mining Policy & Geo Hazards		Completed
255	Department of Petroleum & Energy		Completed
258	Department of Information and Communications		Completed
259	Department of Transport		Completed
261	Department of Trade, Commerce & Industry		Completed
264	Department of Works & Implementation		Completed
267	DIRD		Completed
268	CSTB		Completed
257	Department of Public Enterprises		Completed
242	Department of Community Development		Completed
262	Department of Labour & Industry		Completed
240	Department of Health		Completed
241	Hospital Management Services		Completed
218	Office of the Public Prosecutor		Completed
219	PNG Institute of Public Administration		Completed

234	Department of Defence		Completed
<b>IFMS - STATUTORY AUTHORITIES</b>			
216	Internal Revenue Commission (Pilot)		Completed
503	Ombudsman Commission		Completed
539	National Museum and Arts		Completed
211	PNG Customs		Completed
215	PNG Immigration and Citizenship Services		Completed
502	Office of the Auditor General	11/12/2017	Completed
224	Magisterial Services	11/12/2017	Completed
	PNG Sports Foundation	11/12/2017	Unwilling to implement. Escalated.
201	National Parliament	2018	Unwilling to implement. Escalated
223	Judiciary Services	2018	Unwilling to implement. Escalated
243	National Volunteer Services	2018	Stalled
251	PNG Science & Technology secretariat (new)	2018	Completed
269	Office of Tourism Arts and Culture	2018	Establishing Contact
517	National Narcotics Bureau	2018	Establishing Contact
554	Coffee Industry Corporation (CIC)	2018	Consultation in Progress
	Department of Environment	2018	Establishing Contact
<b>IFMS- PROVINCIAL &amp; DISTRICT FINANCE OFFICES</b>			
227	ENB Provincial Finance Office		Completed
	Kokopo District Finance Office		Completed
	Gazelle District Finance Office		Completed
	Rabaul District Finance Office		Completed
	Pomio District Finance Office		Completed
573	Central PFO		Completed
	Abau District Finance Office	Feb 2018	Completed
	Rigo District Finance Office	Feb 2018	Completed
	KairukuHiri District Finance Office	Feb 2018	Completed
	Goilala District Finance Office	Feb 2018	Completed
ORO		Feb 2018	Completed
	Oro Provincial Finance Office	Feb 2018	Completed
	Sohe District Finance Office	Feb 2018	Completed
	Ijivitari District Finance Office	Feb 2018	Completed
Morobe		Feb 2018	Completed
	Lae District Finance Office	Feb 2018	Completed
	Huon District Finance Office	Feb 2018	Completed
	Markham District Finance Office	Feb 2018	Completed
	Nawaeb District Finance Office	Feb 2018	Completed
	Bulolo District Finance Office	Feb 2018	Completed
	Menyama District Finance Office	Feb 2018	Completed
	Finchafen District Finance Office	Feb 2018	Completed
	Kabwum District Finance Office	Feb 2018	Completed
	Tewae District Finance Office	Feb 2018	Completed
WHP		Mar 2018	Completed
	Western Highlands Provincial Finance Office	Mar 2018	Completed
	Dei District Finance Office	Mar 2018	Completed
	MulBaiyer District Finance Office	Mar 2018	Completed
	TambulNebilyer District Finance Office	Mar 2018	Completed

	Hagen Central District Finance Office	Mar 2018	Completed
Jiwaka		Mar2018	Completed
	Jiwaka Provincial Finance Office	Mar 2018	Completed
	Jimi District Finance Office	Mar 2018	Completed
	North Waghi District Finance Office	Mar 2018	Completed
	Anglimp South Waghi District Finance Office	Mar 2018	Completed
Hela		April 2018	Pending Site Ass.
	Hela Provincial Finance Office	April 2018	Pending Site Ass.
	KomoMagarima District Finance Office	April 2018	Pending Site Ass.
	KorobaKopiago District Finance Office	April 2018	Pending Site Ass.
	Tari District Finance Office	April 2018	Pending Site Ass.
MBP		April 2018	Pending Site Ass.
	Milne Bay Provincial Finance Office	April 2018	Completed
	Alotau District Finance Office	April 2018	Completed
	Esa'ala District Finance Office	April 2018	Completed
	Samarai District Finance Office	April 2018	Pending VSAT Implementation
	Kiriwina District Finance Office	April 2018	Completed
NIP		April 2018	
	New Ireland Provincial Finance Office	April 2018	Completed
	Kavieng District Finance Office	April 2018	Completed
	Namatanai District Finance Office	April 2018	Completed
Western		May 2018	
	Fly River Provincial Finance Office	May 2018	Pending Comms Installations
	North Fly District Finance Office	May 2018	Pending Comms Installations
	Middle Fly District Finance Office	May 2018	Pending Comms Installations
	South Fly District Finance Office	May 2018	Pending Comms Installations
Gulf		May 2018	Pending Site Ass.
	Gulf Provincial Finance Office	May 2018	Roll Out Scheduled to start 18/09
	Kerema District Finance Office	May 2018	Roll Out Scheduled to start 18/09
	Kikori District Finance Office	May 2018	Roll Out Scheduled to start 18/09
SHP		May 2018	
	Southern Highlands Provincial Finance Office	May 2018	VSAT installation in Progress. Roll Out Scheduled before end September
	Imbongu District Finance Office	May 2018	Scheduled before end September
	Ialibu District Finance Office	May 2018	Scheduled before end September
	Kagua District Finance Office	May 2018	Scheduled before end September
	Nipa District Finance Office	May 2018	Scheduled before end September
	Mendi District Finance Office	May 2018	Scheduled before end September
Enga		June 2018	
	Enga Provincial Finance Office	June 2018	Completed
	Kompam/Ambunti District Finance Office	June 2018	Completed
	Kandep District Finance Office	June 2018	Completed
	Porgera District Finance Office	June 2018	Completed
	Wapendamanda District Finance Office	June 2018	Completed
	Wabag District Finance Office	June 2018	Completed
Simbu		June 2018	
	Simbu Provincial Finance Office	June 2018	Completed
	Kerowagi District Finance Office	June 2018	Completed

	Gumine District Finance Office	June 2018	Completed
	Karamui District Finance Office	June 2018	Completed
	SinasinaYongomugi District Finance Office	June 2018	Completed
	Chuave District Finance Office	June 2018	Completed
	KundiawaGembogl District Finance Office	June 2018	Completed
EHP		June 2018	
	Eastern Highlands Provincial Finance Office	June 2018	Completed
	Daulo District Finance Office	June 2018	Completed
	Lufa District Finance Office	June 2018	Completed
	Okapa District Finance Office	June 2018	Completed
	OburaWonenara District Finance Office	June 2018	Completed
	Kainantu District Finance Office	June 2018	Completed
	Henganofi District Finance Office	June 2018	Completed
	UngaiBena District Finance Office	June 2018	Completed
	Goroka District Finance Office	June 2018	Completed
Madang		July 2018	
	Madang Provincial Finance Office	July 2018	Completed
	Madang District Finance Office	July 2018	Completed
	Middle Ramu District Finance Office	July 2018	Completed
	Raikos District Finance Office	July 2018	Completed
	Sumkar District Finance Office	July 2018	Completed
	UsinoBundi District Finance Office	July 2018	Completed
	Bogia District Finance Office	July 2018	Completed
ESP		July 2018	Completed
	East Sepik Provincial Finance Office	July 2018	Completed
	Wewak District Finance Office	July 2018	Completed
	Maprik District Finance Office	July 2018	Completed
	Angoram District Finance Office	July 2018	Completed
	WoseraGawi District Finance Office	July 2018	Completed
	Yangoru District Finance Office	July 2018	Completed
	AmbuntiDrekirkir District Finance Office	July 2018	Completed
Sandaun		July 2018	
	Sandaun Provincial Finance Office	July 2018	In Progress
	Vanimo Green District Finance Office	July 2018	In Progress
	AitapeLumi District Finance Office	July 2018	In Progress
	Nuku District Finance Office	July 2018	In Progress
	Telefomin District Finance Office	July 2018	In Progress
Manus		Aug 2018	
	Manus Provincial Finance Office	Aug 2018	In Progress
	Manus District Finance Office	Aug 2018	In Progress
WNB		Aug 2018	
	West New Britain Provincial Finance Office	Aug 2018	Completed
	Kandrian District Finance Office	Aug 2018	Pending VSAT Installation
	Talasea District Finance Office	Aug 2018	Completed
Control Total 20	<b>Targeted completion</b>	Aug 2018	
<b>IFMS – PROVINCIAL OFFICES</b>			
588	East New Britain (PILOT)	Oct 2017	Completed
			Provincial Govt and all LLGs operating on IFMS.

			Communications at PFO and all DFOs in place and operational
573	Central	Feb 2018	Provincial Govt completed. LLGs scheduled Jan 2019
576	Oro	Mar 2018	Provincial Govt completed. LLGs scheduled Jan 2019
582	Morobe	Oct 2018	Scheduled Jan 2019
579	Western Highlands	Nov 2018	To be scheduled for 2019 Roll Out
592	Jiwaka	Nov 2018	To be scheduled for 2019 roll out
591	Hela	Jan 2019	To be scheduled for 2019 roll out
575	Milne Bay	Feb 2019	To be scheduled for 2019 roll out
587	New Ireland	Feb 2019	Scheduled Jan 2019
571	Fly River	Apr 2019	To be scheduled for 2019 roll out
572	Gulf Provincial	May 2019	To be scheduled for 2019 roll out
577	Southern Highlands	May 2019	To be scheduled for 2019 roll out
578	Enga	Jul 2019	To be scheduled for 2019 roll out
580	Simbu	Aug 2019	To be scheduled for 2019 roll out
581	Eastern Highlands	Aug 2019	To be scheduled for 2019 roll out
583	Madang	Oct 2019	To be scheduled for 2019 roll out
584	East Sepik	Nov 2019	Scheduled Jan 2019
585	Sandaun	Nov 2019	To be scheduled for 2019 roll out
586	Manus	Dec 2019	To be scheduled for 2019 roll out
589	West New Britain	Dec 2019	To be scheduled for 2019 roll out
Control Total 20	<b>Target completion</b>	<b>Dec 2019</b>	
<b>*Note: Bougainville and National Capital District is not scheduled for IFMS roll out</b>			