

Open Budget Survey 2023

Questionnaire

Papua New Guinea

May 2024

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 2023

Source:

Budget Strategy Paper 2023

https://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/Related%20Budget%20Documents/2023%20BSP.pdf

Presented in Parliament on 22 November 2022

Published online on 24 November 2022.

Comment:

The Pre-Budget Statement is for the Budget year 2023. The requirement for this statement is specified in law in the Fiscal Responsibility Act 2006, and shall be released at least 3 months prior to the Executive's Budget proposal. It was released a few days ahead of the tabling of the Budget proposal.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: The comment is correct.

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:

d. The PBS is not released to the public, or is released less than one month before the Executive's Budget Proposal is introduced to the legislature

Source:

Budget Strategy Paper 2023

https://web.archive.org/web/20221202165309/https://www.treasury.gov.pg/html/national_budget/files/2012/budget_html/related_budget_documents.htm

Comment:

The date of when it was made available to the public was verified using Internet Archive Wayback Machine.

It is also confirmed by the date established when consulting Javascript in the document link: 24/11/2022

Peer Reviewer

Opinion: Agree

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 2022 should be entered as 05/09/2022. If the document is not published or not produced, leave this question blank.

Answer:

24/11/2022

Source:

Budget Strategy Paper 2023

https://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/Related%20Budget%20Documents/2023%20BSP.pdf

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: The document was released late.

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:

Through dialogue with the Department of Treasury officer responsible for publishing the document on the Treasury website the researcher determined the date. The publication date can also be confirmed against the date indicated on the Treasury website.

It is also confirmed by the date established when consulting Javascript in the document link: 24/11/2022 Through dialogue with the Department of Treasury officer responsible for publishing the document on the Treasury website the researcher determined the date. The publication date can also be confirmed against the date indicated on the Treasury website.

It is also confirmed by the date established when consulting Javascript in the document link: 24/11/2022

Source:

Budget Strategy Paper 2023

https://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/Related%20Budget%20Documents/2023%20BSP.pdf

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: The document (Budget Strategy Paper) is published on the Treasury website once the approval is granted from the Secretary or the Minister.

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:

https://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/Related%20Budget%20Documents/2023%20BSP.pdf

https://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/Related%20Budget%20Documents/2023%20BSP.pdf

Source:

2023 Budget Strategy Paper

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: It is required by the Fiscal Responsibility Act for the to released at least 3 month prior. There is always attempts made to meet the requirements, unfortunately that has not been the case last year.

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:

The PBS is only released as a PDF document

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: Comment is correct.

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:

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

Source:

https://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/Related%20Budget%20Documents/2023%20BSP.pdf

Comment:

The 2023 Budget Strategy Paper was available online on 24th November 2022.

The budget proposal was submitted to the legislature on 29/11/2022.

Therefore, the PBS was released just days before and less than a month before the EBP was introduced to the legislature.

Peer Reviewer

Opinion: Agree

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:

n/a

Source:

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question

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 2023 State Budget" or "Guidelines for the Preparation of Annual Plan and Budget for 2022/23."

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

Answer:

2023 Budget Strategy Paper 2023 Budget Strategy Paper

Source:

https://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/Related%20Budget%20Documents/2023%20BSP.pdf

Comment:

Peer Reviewer

Opinion: Agree

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, and some feedback (notably under the Open Budget Partnership process) that they would commit to doing this in future.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: PNG does not produce the citizen budget at the moment but is something that be produced in the future.

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 2023 FY 2023

Source:

Comment:

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

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: Correct

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 2022 should be entered as 05/09/2022. If the document is not published or not produced, leave this question blank.

Answer:

29/11/2022

Source:

<http://www.parliament.gov.pg/uploads/hansard/H-11-20221129-M04-D05.pdf>

Comment:

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 presented by the Treasurer to the Legislature/Parliament on 29th November 2022. (after two delays from the initial scheduled date)

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

Comment:

The 2023 EBP documents were uploaded on the afternoon of 29th November 2022 which is when the EBP was tabled in Parliament/legislature. 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.

All volumes of the EBP for 2023 were published on the afternoon of 29th November 2022 in hard copies, the same day it was tabled in Parliament. However, it was made publicly available online on the 1st of December 2022.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: The budget documents containing the details of the budget are always distributed during the press lockup session and the Parliament as part of the budget presentation. The documents are usually made publicly available a day or two after the tabling of the budget in Parliament.

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 2022 should be entered as 05/09/2022. 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:

1/12/2022

Source:

All volumes of the EBP for 2023 were published on the afternoon of 29th November 2022 in hard copies, the same day it was tabled in Parliament. However, it was made publicly available online on the 1st of December 2022.

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

The date of publication was determined through JavaScript, Wayback Machine and Carbon dating of the web states that the earliest availability of the EBP was 1/12/22.

Source:

<https://carbodate.cs.odu.edu/#>
https://www.treasury.gov.pg/html/national_budget/2023.html
https://web.archive.org/web/20220901000000*/
https://www.treasury.gov.pg/html/national_budget/2023.html

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: When the documents are published on the Treasury website, the date is usually shown on the website (home page). As mentioned earlier, this is normally done a day or two after the budget is presented on the floor of Parliament.

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/2023.html

Source:

The National Budget 2023

Documents comprising:

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

https://www.treasury.gov.pg/html/national_budget/files/2023/Speech.pdf

Volume 1: Economic and Development Policies

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume1.pdf

Volume 2:

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

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%202A.pdf

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

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%202B.pdf

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

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%202C.pdf

Volume 2D - Estimates of Revenue and Expenditure for Statutory Authorities, Provincial Governments, Debt Services and Trust Accounts

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%202D.pdf

Volume 3:

Volume 3A - Public Investment Program for National Government Departments 2021-2025

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%203A.pdf

Volume 3B - Public Investment Program for Statutory Authorities and Provincial Governments 2021-2025

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%203B.pdf

Bills: Appropriation and Taxation Bills

[https://www.treasury.gov.pg/html/national_budget/files/2023/Appropriation%20\(Judiciary%20Services%202023\)%20Bill%202022.pdf](https://www.treasury.gov.pg/html/national_budget/files/2023/Appropriation%20(Judiciary%20Services%202023)%20Bill%202022.pdf)

[https://www.treasury.gov.pg/html/national_budget/files/2023/Appropriation%20\(General%20Public%20Service%20Expenditure%202023\)%20Bill%202022.pdf](https://www.treasury.gov.pg/html/national_budget/files/2023/Appropriation%20(General%20Public%20Service%20Expenditure%202023)%20Bill%202022.pdf)

[https://www.treasury.gov.pg/html/national_budget/files/2023/Appropriation%20\(National%20Parliament%20Expenditure%202023\)%20Bill%202022.pdf](https://www.treasury.gov.pg/html/national_budget/files/2023/Appropriation%20(National%20Parliament%20Expenditure%202023)%20Bill%202022.pdf)

Comment:

Peer Reviewer

Opinion: Agree

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 in hard copy format); (only the Central Bank -BPNG - provides economic and fiscal data in machine readable format)

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: The documents are all in pdf format (online) and in hard copies (printed) only.

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 immediately after the tabling in parliament. It was also broadcast live via Television and Radio.

Comment:

Peer Reviewer

Opinion: Agree

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:

n/a

Source:

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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 2022-23, 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:

2023 National Budget

Source:

The National Budget 2023

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

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, and that discussion is still occurring, but it has not materialized as yet.

Comment:

Peer Reviewer

Opinion: Agree

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 2022

Source:

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

IBP Comment

Please note that the 2023 Enacted Budget was released in a timely manner after the passing of the Budget but beyond the OBS 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. The research cut-off date for the Open Budget Survey 2023 is 31 December 2022. The 2022 Approved Budget is the most recent version as of the cut-off date of the investigation and the document that is henceforth considered to answer questions related to the EB.

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 2022 should be entered as 05/09/2022. If the document is not published or not produced, leave this question blank.

Answer:

30/11/2021

Source:

Parliamentary website page for Legislation passed in 2021, including the 2022 Budget, passed by Parliament on 30 November 2021 and certified by the Speaker on 7 February 2022: <https://www.parliament.gov.pg/uploads/hansard/H-10-20211130-M28-D08.pdf>

The specific Budget legislation passed, including the 3 Appropriation Acts, and related Budget legislation and Amendments:

<https://www.parliament.gov.pg/index.php/bills-and-legislation/view/appropriation-general-public-services-expenditure-2022-act-2021>

<https://www.parliament.gov.pg/index.php/bills-and-legislation/view/appropriation-judiciary-services-2022-act-2021>

<https://www.parliament.gov.pg/index.php/bills-and-legislation/view/appropriation-national-parliament-2022-act-2021>

<https://www.parliament.gov.pg/index.php/bills-and-legislation/view/income-tax-2022-budgetamendment-act-2021>

<https://www.parliament.gov.pg/index.php/bills-and-legislation/view/customs-tariff-2022-budgetamendment-act-2021>

<https://www.parliament.gov.pg/index.php/bills-and-legislation/view/good-and-services-tax-2022-budgetamendment-act-2021>

<https://www.parliament.gov.pg/index.php/bills-and-legislation/view/gaming-control-2022-https://www.parliament.gov.pg/index.php/bills-and-legislation/view/excise-tariff-2022-budgetamendment-act-2021>

<https://www.parliament.gov.pg/index.php/bills-and-legislation/view/departure-tax-2022-budgetamendment-act-2021>

<https://www.parliament.gov.pg/index.php/bills-and-legislation/view/stamp-duties-2022-budget-amendment-act-2021>

Comment:

The 2022 EB and associated Acts and Legislative Amendments were passed by Parliament on the 30th November 2021, five days after it was tabled, and certified on 7 February 2022 .

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

c. More than six weeks, but less than three months, after the budget has been enacted

Source:

The 2022 EB, comprising the Appropriation Acts and associated Budget legislation, was certified by the Speaker of Parliament on 7 February 2022, and uploaded on the Parliament website on the Parliament website on 18 February 2022;

<https://www.parliament.gov.pg/bills-and-legislation/2021>

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 under Sn 2 in the Appropriation Acts 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 (on 30th November 2021).

References are made throughout the Appropriation (General Public Services Expenditure 2022 Budget) Act 2021 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 2022 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 2022 Budget Publications are to be considered relevant documents;"

Peer Reviewer

Opinion: Disagree

Suggested Answer: a. Two weeks or less after the budget has been enacted

Comments: The reviewer notes that: "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 under Sn 2 in the Appropriation Acts 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 (on 30th November 2021)". I would suggest that if the relevant Budget Bills are passed on 30th November 2021; and there are no changes made subsequently, there never are changes made, and all relevant stakeholders consider this passed bill the final version of the budget, then this could be taken as the date for publication of the EBP. I appreciate that the formal certification and uploading of the final version took place in February 2022; but if the certified/uploaded final version of February 2022 is exactly the same as the version that was passed on 30th November 2021 - and this is always the case and expected by all stakeholders involved - I would say that 'publication' occurred when a version of the budget was passed. I think this means that the answer is (a).

Government Reviewer

Opinion: Disagree

Suggested Answer: b. Between two weeks and six weeks after the budget has been enacted

Comments: The executive budget is usually made available online on the PNG Treasury website within 1-3 weeks after the tabling of the budget on the floor of the Parliament. This to give time for the Opposition to make some statements on the budget and for the Parliament to take a vote. The case for the presentation of the 2022 Budget is a special one due to vote-of-no-confidence challenge by the members of the opposition which delayed the tabling, passing and the subsequent enactment of the budget (certification by speaker).

Researcher Response

Response to the Peer Review: this has been a subject that has been debated during each Open Budget Survey. The Budget that is tabled is deemed to be the enacted Budget once passed, as specified in the Appropriation Acts, with respect to expenditure, where it states that the Budget volumes, as tabled, may be considered relevant documents, ie providing the details. However, the Appropriation and other Budget Bills are not deemed legitimate (or fully enacted) until certified by the Speaker, therefore for each Open Budget Survey since 2005 the timeliness of the certification and its public release have also been considered necessary to comply with this requirement, and not just the passing of the Budget, although there is acceptance that there is no need to publicly release a separate set of Budget books, once passed. For consistency, I would propose remaining with our current arrangement, (which it may be noted, in any case, gives PNG a boost in its scoring in 2023 from the 2021 survey, when it was certified well outside the 3-month limit). Response to the Government Review: it was the 2021 Budget that was passed late (in December 2020), not the 2022 Budget. In November 2020 the Opposition successfully sought a Supreme Court ruling to invalidate the recalling of the Parliament on 17 November and hurried passage of the 2021 Budget and adjourning Parliament until April 2021 (to seek to avoid a sitting during the period when a vote of no confidence was permissible). As a result, the Parliament was directed by the Court to reconvene on 14 December, but by then the Opposition did not have the number for the No-confidence vote, and the Budget was passed (again) on 16 December 2020. The certification and gazettal of the 2021 Appropriation were outside the time limits for the OBS. However, the 2022 Budget, which was passed on 30th November, had their Appropriation Acts and other Budget legislation certified and made available to the public on the Parliament website during February, i.e. within the 3-month period. (As noted above, PNG's score for this in any case is a significant improvement in 2023 from 2021 survey, when certification occurred well outside the 3-month limit)

IBP Comment

The reviewer's comments are well-noted and appreciated. IBP agrees with the researcher's "Response to Review", therefore, the current response is maintained. Please see: Appropriation (General Public Services Expenditure 2022) Act 2021
https://www.parliament.gov.pg/uploads/acts/21A_22.pdf

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 2022 should be entered as 05/09/2022. If the document is not published or not produced, leave this question blank.

Answer:

17/02/2022 17/02/2022

Source:

<https://www.parliament.gov.pg/bills-and-legislation/2021>

Comment:

The EB was passed on 30th November 2021, certified by the Speaker on 2 February 2022, and published on the Parliament website on 18/2/2022. 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 under Sn. 2 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 is obtained from the responsible Parliamentary staff and from the data.

Peer Reviewer

Opinion: Disagree

Suggested Answer: As in the previous answer, I would be more lenient and say that the budget was 'published' when the final version was approved by Parliament in November 2021. The intervening weeks are merely a formality of approval. It's not a strong view - you could argue this either way.

Government Reviewer

Opinion: Agree

Comments: The budget was published or certified late due to the vote-of-no-confidence challenge by the opposition around time of the tabling of the budget.

Researcher Response

Response to the Peer Review: this has been a subject that has been debated during each Open Budget Survey. The Budget that is tabled is deemed to be the enacted Budget once passed, as specified in the Appropriation Acts, with respect to expenditure, where it states that the Budget volumes, as tabled, may be considered relevant documents, ie providing the details. However, the Appropriation and other Budget Bills are not deemed legitimate (or fully enacted) until certified by the Speaker, therefore for each Open Budget Survey since 2005 the timeliness of the certification and its public release have also been considered necessary to comply with this requirement, and not just the passing of the Budget, although there is acceptance that there is no need to publicly release a separate set of Budget books, once passed. For consistency with treatment of this question over the years, I would propose (as with Q3) remaining with our current arrangement, (which it may be noted, in any case, gives PNG a boost in its scoring in 2023 from 2021 survey, when it was certified well outside the 3-month limit). Response to the Government Review: it was the 2021 Budget that was passed late (in December 2020), not the 2022 Budget. In November 2020 the Opposition successfully sought a Supreme Court ruling to invalidate the recalling of the Parliament on 17 November and hurried passage of the 2021 Budget and adjourning Parliament until April 2021 (to seek to avoid a sitting during the period when a vote of no confidence was permissible). As a result, the Parliament was directed by the Court to reconvene on 14 December, but by then the Opposition did not have the number for the No-confidence vote, and the Budget was passed (again) on 16 December 2020. The certification and gazettal of the 2021 Appropriation were outside the time limits for the OBS. However, the 2022 Budget, which was passed on 30th November, had their Appropriation Acts and other Budget legislation certified and made available to the public on the Parliament website during February, i.e. within the 3-month period. (As noted above, PNG's score for this in any case is a significant improvement in 2023 from 2021 survey, when certification occurred well outside the 3-month limit)

IBP Comment

During an IBP consistency check, to ensure methodological and cross-country consistency, and after a new review and in consultation with the research team, the current response is adjusted from "28/2/2022" to "17/02/2022", based on IBP consultation through JavaScript and researcher follow up dialogue with Parliament staff.

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 publication date of the EB is determined by dialogue with Parliamentary staff (and currently being verified) and from uploaded data

Source:

<https://www.parliament.gov.pg/bills-and-legislation/2021>

Comment:

Peer Reviewer

Opinion: Agree

Comments: As noted - I think the date of EB publication could be taken as 30th November 2021; but I agree that this seems to be the method by which the date is determined.

Government Reviewer

Opinion: Disagree

Suggested Answer: The appropriate source would be the PNG Treasury website (www.treasury.gov.pg). As soon as the Parliament endorsed the budget, all the budget documents are loaded on this website. The Parliament website is still valid but the update is normally done a bit later, and normally includes only the appropriation bills, etc and not all the budget books/docs.

Researcher Response

Response to the Peer Review: this has been a subject that has been debated during each Open Budget Survey. The Budget that is tabled is deemed to be the enacted Budget once passed, as specified in the Appropriation Acts, with respect to expenditure, where it states that the Budget volumes, as tabled, may be considered relevant documents, ie providing the details. However, the Appropriation and other Budget Bills are not deemed legitimate (or fully enacted) until certified by the Speaker, therefore for each Open Budget Survey since 2005 the timeliness of the certification and its public release have also been considered necessary to comply with this requirement, and not just the passing of the Budget, although there is acceptance that there is no need to publicly release a separate set of Budget books, once passed. For consistency with treatment of this question over the years, I would propose (as with Q3) remaining with our current arrangement, (which it may be noted, in any case, gives PNG a boost in its scoring in 2023 from 2021 survey, when it was certified well outside the 3-month limit). (PS. note it was determined that the date was 16 February when the document was released). Response to the Government Review: it was the 2021 Budget that was passed late (in December 2020), not the 2022 Budget. In November 2020 the Opposition successfully sought a Supreme Court ruling to invalidate the recalling of the Parliament on 17 November and hurried passage of the 2021 Budget and adjourning Parliament until April 2021 (to seek to avoid a sitting during the period when a vote of no confidence was permissible). As a result, the Parliament was directed by the Court to reconvene on 14 December, but by then the Opposition did not have the number for the No-confidence vote, and the Budget was passed (again) on 16 December 2020. The certification and gazettal of the 2021 Appropriation were outside the time limits for the OBS. However, the 2022 Budget, which was passed on 30th November, had their Appropriation Acts and other Budget legislation certified and made available to the public on the Parliament website during February, i.e. within the 3-month period. (As noted above, PNG's score for this in any case is a significant improvement in 2023 from 2021 survey, when certification occurred well outside the 3-month limit)

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:

<https://www.parliament.gov.pg/bills-and-legislation/2021> <https://www.parliament.gov.pg/bills-and-legislation/2022>

Source:

The passing of the Budget Appropriation Acts and other Budget legislation on 30th November 2021 was recorded in the Minutes of Parliament (Hansard), and certified on 7 February 2022, and published on the Parliament website on 18/2/2022 :

Comment:

Peer Reviewer

Opinion: Agree

Comments: As noted - I think you could say that the EB was published on 30th November 2021 when the relevant bills were passed; but in any case this is the right website site as it states the relevant bills and the dates they were passed.

Government Reviewer

Opinion: Disagree

Suggested Answer: Once the budget is passed by Parliament, it is uploaded on the PNG Treasury website (www.treasury.gov.pg).

Researcher Response

Response, as per prior questions. Re the Government review: the Budget is uploaded to the Treasury website once it's tabled, not once it's passed (conventionally a week later). The certified documentation (legislation) is not posted to the Treasury website, only on the Parliament website.

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

Government Reviewer

Opinion: Agree

Comments: The documentation are always published in pdf format.

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:

e. Not applicable (the document is publicly available)

Source:

<https://www.parliament.gov.pg/bills-and-legislation/2021>

Comment:

The Document was certified on 7 February 2022, and uploaded on 18 February 2022

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: It is a public document and we always try to ensure we publish it on the website as soon as it is approved by Parliament.

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: Agree

Government Reviewer

Opinion: Agree

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 2023."

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

Answer:

Appropriation (General Public Services Expenditure 2022) Act 2021, Appropriation (National Parliament 2022) Act 2021, Appropriation (Judiciary Services 2022) Act 2021

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 Sn 2 of the Budget Appropriation Acts 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.

The other associated legislation passed, as part of the 2022 Budget are the: -

Income Tax (2022 Budget)(Amendment) Act 2021

Customs Tariff (2022 Budget)(Amendment) Act 2021

Departure Tax (2022 Budget)(Amendment) Act 2021

Excise Tariff (2022 Budget)(Amendment) Act 2021

Gaming Control (2022 Budget)(Amendment) Act 2021
Good and Services Tax (2022 Budget)(Amendment) Act 2021
Stamp Duties (2022 Budget) (Amendment) Act 2021

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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, and this has been discussed again during 2022, but not yet applied

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: The idea has been mentioned several times over the years but not yet implemented.

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 2023 FY 2023

Source:

Comment:

However, CB has yet to be published

Peer Reviewer

Opinion: Agree

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:

A Citizens Budget has yet to be produced.

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:

Plans and commitments were 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'. However, a Citizens Budget is yet to be produced. A summary presentation of the budget is normally provided during the Budget

'press lockup', Before the tabling of the annual budgets. 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.

Source:

Comment:

Peer Reviewer

Opinion: Agree

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 2022 should be entered as 05/09/2022. 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:

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question

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:

Comment:

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:

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Source:

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question

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 2022 People's Guide" or "2023 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:

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:

n/a

Source:

Comment:

Peer Reviewer

Opinion: Agree

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 2022

Source:

<https://www.treasury.gov.pg/>

https://www.treasury.gov.pg/html/national_budget/files/2012/budget_html/related_budget_documents.htm

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:

<https://www.treasury.gov.pg/>

https://www.treasury.gov.pg/html/national_budget/files/2012/budget_html/related_budget_documents.htm

Comment:

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.

Peer Reviewer

Opinion: Agree

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 2022 should be entered as 05 September 2022. If the document is not published or not produced, please mark this question "n/a."

Answer:

n/a

Source:

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question

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:

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question

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:

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Source:

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question

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:

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question

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, when they were published, intermittently), and that it would not be a big task to make them publicly available. The intent from Treasury (as per the Open Government Partnership Commitments, for 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, and the intention is still there, but not yet materialised.

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

IBP Comment

Please see the government reviewer's comment in question 68.

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:

n/a

Source:

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question

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 2022."

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:

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question

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 2022

Source:

<https://www.parliament.gov.pg/index.php/bills-and-legislation/view/appropriation-general-public-services-expenditure-2022-act-2021>

Comment:

Sn 9 of the Fiscal Responsibility Act 2006 specifies that the Treasurer shall release publicly and table a Mid-Year Economic and Fiscal Outlook report by the end of July each year, or within six months of the last Budget.

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:

https://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/Related%20Budget%20Documents/2022%20MYEFO.pdf

Consultation of Wayback Machine:

https://web.archive.org/web/20220929173201/https://www.treasury.gov.pg/html/national_budget/files/2012/budget_html/related_budget_documents.htm

Comment:

The MYR was tabled in Parliament on the 31st August 2022 however, the MYR was published on the Treasury website on 27th September 2022. This has been verified using JavaScript.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: However, it is a requirement under the Fiscal Responsibility Act to have the Mid-Year Economic & Fiscal Outturn (MYEFO) report published a month after the end of the mid-year. Since PNG follows the annual calendar, we try to ensure we publish the document by 31st July each fiscal year.

Researcher Response

Yes, it was also tabled somewhat late (in relation to the requirements under the FRA) and publicly released more substantially late.

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 2022 should be entered as 05/09/2022. If the document is not published or not produced, leave this question blank.

Answer:

27/9/2022

Source:

https://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/Related%20Budget%20Documents/2022%20MYEFO.pdf

Consultation of Wayback Machine:

https://web.archive.org/web/20220929173201/https://www.treasury.gov.pg/html/national_budget/files/2012/budget_html/related_budget_documents.htm

Comment:

While the MYR was presented in parliament on the 31st of August 2022, the MYR was posted on the Treasury website on the 27th of September 2022. This has been verified using the Internet Archive Wayback Machine and Javascript.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: Refer to my comments on the previous question.

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 MYR was published on the Treasury website on the 27 of September 2022 this was confirmed using the Internet Archive Wayback Machine and JavaScript. The delay in the Treasurer tabling it in Parliament is largely due to the 2022 National Elections, with polling commencing at the start of July and the return of writs on 5th August, and the new Government formed on 9th August 2022, and the new Parliament convened on 30th August. The MYEFO was tabled by the Treasurer on 31st August 2022, with the consequential 2022 Supplementary Budget tabled on 2nd September 2022; (the foreword by the Treasurer to the MYEFO document features both the MYEFO and the Supplementary Budget)

Source:

https://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/Related%20Budget%20Documents/2022%20MYEFO.pdf
<https://www.parliament.gov.pg/uploads/hansard/H-11-20220831-M02-D02.pdf> and the 2022 supplementary Budget

Comment:

The posting date is being further verified

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: Refer previous comment. When loaded on the Treasury website, the date in which the report is published is normally indicated.

IBP Comment

Upon further consultation with the researcher and further verification, it was agreed that September 27, 2022, is the accurate date. See the researcher's comment in MYR-2: "Yes, it was also tabled somewhat late (in relation to the requirements under the FRA) and publicly released more substantially late." Consultation of Wayback Machine:

https://web.archive.org/web/20220929173201/https://www.treasury.gov.pg/html/national_budget/files/2012/budget_html/related_budget_documents.htm

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:

https://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/Related%20Budget%20Documents/2022%20MYEFO.pdf

Source:

Presentation of the MYEFO by the Treasurer in Parliament 31 August 2022: -<https://www.parliament.gov.pg/uploads/hansard/H-11-20220831-M02-D02.pdf>

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

IBP Comment

Given changes on the Treasury website, the updated link to the MYR is: <https://www.treasury.gov.pg/wp-content/uploads/2023/08/2022-MYEFO.pdf>

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 pdf document

Comment:

Peer Reviewer

Opinion: Agree

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

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:

n/a

Source:

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question

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 2021/22" or "Mid-Year Report on the 2022 National Budget."

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

Answer:

2022 Mid-Year Economic and Fiscal Outlook Report (MYEFO)

Source:

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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 2021

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-10-20220421-M32-D03.pdf>

https://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/Related%20Budget%20Documents/FBO%202021.pdf

Comment:

The Final Budget Outcome(FBO) was released to the public the afternoon of 21st April 2022, the same day it was tabled in Parliament.

Peer Reviewer

Opinion: Agree

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 2022 should be entered as 05/09/2022. If the document is not published or not produced, leave this question blank.

Answer:

21/4/2021

Source:

<http://www.parliament.gov.pg/uploads/hansard/H-10-20220421-M32-D03.pdf>

https://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/Related%20Budget%20Documents/FBO%202021.pdf

Comment:

The Final Budget Outcome was presented in parliament on the 21st of April and published on to the Treasury website that same day.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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 2021 YER it was released late, with the Treasurer tabling it in Parliament on 21st April 2022 and it being published online on that same day. The researcher has been verifying the date with Treasury staff and other online media on the release of the YER.

It is also confirmed by the date established when consulting Javascript in the document link.

Source:

<http://www.parliament.gov.pg/uploads/hansard/H-10-20220421-M32-D03.pdf>

https://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/Related%20Budget%20Documents/FBO%202021.pdf

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: As mentioned earlier, when the document is first published on the PNG Treasury website, the published date is also stated.

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:

https://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/Related%20Budget%20Documents/FBO%202021.pdf

Source:

Final Budget Outcome 2021

Comment:

Peer Reviewer

Opinion: Agree

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 in PDF Document (none of the Treasury's Budget documentation are 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

Comments: It is a public document and will be published for public consumption as required by law.

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: Agree

Government Reviewer

Opinion: I choose not to review this question

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 2022" or "Annual Report 2021 Published by the Ministry of Finance and Planning." If the document is not produced at all, researchers should mark this question "n/a."

Answer:

Final Budget Outcome 2021

Source:

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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 2020

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:

<https://ago.gov.pg/audit-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

https://ago.gov.pg/wp-content/uploads/2021/08/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)

<https://ago.gov.pg/wp-content/uploads/2020/04/ReportoftheAuditorGeneralPartII20152014.pdf>

Part 3 - Provincial Governments and Local-level Governments- available up to 2016 (but most are not up to date).

Part 4 - Public Bodies and their Subsidiaries, Government Owned Companies, National Government Shareholdings in Other Companies- available up to 2020 (many SOEs/Authorities have not yet submitted accounts for audit though)

https://ago.gov.pg/wp-content/uploads/2022/04/Part_4_Report_2020.pdf

Comment:

the latest annual report is the Auditor General's report for 2020, which was presented in 2021. The Auditor General's annual report 2019, presented in 2021, highlights the status of audits and constraints to the AG's office in fully conducting its constitutional auditing function.

https://ago.gov.pg/wp-content/uploads/2022/04/2019_Section_19_REPORT.pdf

https://ago.gov.pg/wp-content/uploads/2022/04/Part_4_Report_2020.pdf

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question

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 2022 should be entered as 05/09/2022. If the document is not published or not produced, leave this question blank.

Answer:

Source:

Not published in a timely manner except for the Report on Statutory Authorities and State-Owned Enterprise (which is not very comprehensive)

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question

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: I choose not to review this question

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:

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Source:

Part 1: Audit of the Public Account of PNG for 2015 dated, 1 March 2019:

https://ago.gov.pg/wp-content/uploads/2021/08/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

<https://ago.gov.pg/wp-content/uploads/2020/04/ReportoftheAuditorGeneralPartII20152014.pdf>

Part 3: Accounts of Provincial and Local-level Governments and associated entities 2016, dated 29 July 2017.

Part 4: Statutory Authorities and State-Owned Enterprises, dated 10 December 2020 https://ago.gov.pg/wp-content/uploads/2022/04/Part_4_Report_2020.pdf

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question

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:

The reports (which in any case only go to 2015 for the Public Account of PNG) are only published as 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:

https://ago.gov.pg/wp-content/uploads/2021/08/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

<https://ago.gov.pg/wp-content/uploads/2020/04/ReportoftheAuditorGeneralPartII20152014.pdf>

Part 3: Accounts of Provincial and Local-level Governments and associated entities 2016, dated 29 July 2017.

Part 4: Statutory Authorities and State-Owned Enterprises, dated 10 December 2020 https://ago.gov.pg/wp-content/uploads/2022/04/Part_4_Report_2020.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.

There is also a long lag between the preparation of the audit reports and their release to the public, which, under prevailing rules requires that they are first tabled in Parliament. There is invariably a significant delay between the documents being sent to the Speaker of Parliament and being formally tabled. In some years, especially when Parliament sittings have been limited, as during the years of Covid-19 and during Election years, such as 2022, the delays can be longer,

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question

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:

n/a

Source:

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question

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 more timely manner - currently 2020, submitted to Parliament in September 2021 (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 materialize, notably because of the disruption from Covid-19. The Auditor General's office were also eager to engage with a range of external stakeholders, including the media and the public, and have material on the audits more accessible to the public, as highlighted in their 2022-2027 strategic plan, although it was also recognized that the first task is to have the audit of the public accounts both up to date and accessible to stakeholders in a timely manner, which for years continues to prove a big challenge. They sought a direct Budget Appropriation, rather than being dependent so much on the Executive Government.
https://ago.gov.pg/wp-content/uploads/2022/08/PNG_AGO_Strategic_Plan_2022_2027.pdf.

Peer Reviewer

Opinion: Agree

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 (<https://www.gov.br/economia/pt-br/assuntos/planejamento-e-orcamento/orcamento>). 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 a 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. However, the website is currently down and these information are no longer available to the public.
NEFC provides income and expenditure details at the sub-national level and for the functional grants and equalization payments
The Finance Department website just provides some legislation (e.g. on the Public Money Management Regularization Act 2017 etc.), policy updates, progress on rolling out the Integrated Financial Management System. However, the website is currently down and these information are no longer available to the public.
Internal Revenue Commission and Customs Service provide past and current legislation and their application

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: Agree

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 2022: 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:

The Quarterly Economic Bulletin data provided by the Central bank of PNG is not yet published but is reliably made available to the public during June.

Peer Reviewer
Opinion: Agree

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

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.

GQ-1d asks the researcher to list any government websites or portals where infographics/visualizations or other similar tools used to simplify data access and analysis are present. For example, in South Africa the Vulekamali portal (<https://vulekamali.gov.za>) is a project by the National Treasury which contains visualizations of the Consolidated Budget Summary, by departments budget, by division of revenue and by infrastructure budget distribution. (See for example <https://vulekamali.gov.za/2022-23/national/departments/basic-education/>). Other countries that have developed portals that include fiscal visualization and graphics include: Brazil's Transparency Portal (<https://portaldatransparencia.gov.br/>), which presents line graphs, bar graphs, pie charts, and visual maps of electronic invoices, public expenditure, public revenue, annual budget, transferred resources, resources transferred by location of beneficiary, among other information. (<https://portaldatransparencia.gov.br/orcamento> and <https://portaldatransparencia.gov.br/transferencias>). Additionally, United States Department of the Treasury, Fiscal Data portal (<https://fiscaldata.treasury.gov/>) is a one-stop shop for federal financial data that uses charts, exhibits, and figures.

Answer:

b. No

Source:

Comment:

Peer Reviewer

Opinion: Agree

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://finance.gov.mk/wp-content/uploads/2009/05/Audit-law.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>
<https://www.nefc.gov.pg/sites/default/files/2022-02/Public%20Service%20Management%20Act%20amended%20to%202003.pdf>
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://www.parliament.gov.pg/uploads/acts/16A_01.pdf
http://www.paclii.org/pg/legis/consol_act/pfa1995224/

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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. For more information on access to information legislation (constitutional provisions, laws, and regulations), including examples of model laws, see: <https://www.rti-rating.org/country-data/> and <https://www.constituteproject.org/>.

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, defense 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 purpose s 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 authorized in November 2018 as part of the Open Government Partnership National Action Plan 2018-22.

Peer Reviewer

Opinion: Disagree

Suggested Answer: b. No

Comments: I am not a legal scholar but the primary reviewer has mentioned that there is a right to freedom of information; but also that the enabling legislation has not yet been implemented. The primary reviewer says that enabling legislation has received authorization to begin preparation; but not that it has yet been implemented. The wording of the IBP question is whether there is 'at least one additional law'. Based on the primary reviewer's remarks, it seems that there is a general right but this has not been enacted in law. This would suggest that the answer is 'no'.

Government Reviewer

Opinion: Agree

Researcher Response

It does exist in law, in that the Constitution is the mother law and there have been a few cases successfully brought before the National Court using the constitutional right to information and public participation (e.g. 11 Sept 2020 National Court Ruling dismissing the Mineral Resources Authority refusal to release information to the public on plans for deep sea mining on the basis of Constitutional rights to information). However, the Constitution requires that specific legislation is prepared defining and where necessary restricting that right to information (e.g. over certain defense matters, etc); 48 years since the Constitution was implemented that specific legislation has not been enacted, although a first draft has been prepared and workshopped, with a stated commitment by Government to introduce it to Parliament.

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 2023 BUDGET ESTIMATES OF REVENUE AND EXPENDITURE FOR NATIONAL GOVERNMENT DEPARTMENTS
Table 1 Sectoral Classification of Expenditure by Agency (pages 8-13)
Table 5 Expenditure of Affairs, Functions, and Main Programs (pages 22-39)
SECTION (III) DETAILS OF EXPENDITURE SUMMARY OF APPROPRIATION (pages 72-90)
SECTION (IV) – NATIONAL GOVERNMENT DEPARTMENTS (pages 91-805)
VOLUME 2b 2023 BUDGET ESTIMATES OF REVENUE AND EXPENDITURE FOR NATIONAL GOVERNMENT DEPARTMENTS (continued from Vol 2a - pages 1-760)
VOLUME 2c 2023 BUDGET ESTIMATES OF REVENUE AND EXPENDITURE FOR NATIONAL GOVERNMENT DEPARTMENTS (continued from Vol 2b - pages 1-627)
VOLUME 2d 2023 BUDGET ESTIMATES FOR STATUTORY AUTHORITIES PROVINCIAL GOVERNMENTS DEBT SERVICES AND TRUST ACCOUNTS (Statutory Authorities pages 1-711, Provincial Governments pages 712-746)
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 3-8, Details by Agency from page 9)

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%202A.pdf
https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%202B.pdf
https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%202C.pdf
https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%202D.pdf
https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%203A.pdf
https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%203B.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

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:

2023 National Budget VOLUME 1 Economic and Development Policies, Chapter 5, Expenditure (page 68), e.g. Table 17 (page 69) 2021 Expenditure by Sector
Volume 2a 2023 Budget Estimates of Revenue and Expenditure for National Government Departments,
Section (I) Summary Tables:
Table 3: Functional Classification of Expenditure, pages 16-18,

Table 4: Economic and Functional Cross-Classification of Expenditure, pages 19-21,
Table 5: Expenditure of Affairs, Functions and Main Programs, pages 22-39
(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

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume1.pdf

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%20A.pdf

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%20B.pdf

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%20C.pdf

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%20D.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

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%203A.pdf

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%203B.pdf

Comment:

Volume one provides summary tables and text by broad sectoral categories. The Estimates of Expenditure for 2023 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

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 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:

https://treasury.gov.pg/html/national_budget/files/2023/2022%20FBO%20Report.pdf

2022 Final Budget Outcome Report

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume1.pdf

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%20A.pdf

Section (I) Summary Tables:

Table 3: Functional Classification of Expenditure, pages 16-18

Table 4: Economic and Functional Cross-Classification of Expenditure, pages 19-20

Table 5: Expenditure of Affairs, Functions and Main Programs, pages 22-39

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%202B.pdf

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%202C.pdf

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%202D.pdf

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

Comment:

The Budget for 2023 is subdivided in Volume 2a into several tables by different functions; according to the Year-End report for 2020 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 22-39) Treasury stated in the 2021 FBO, "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 been implemented in six (6) other successive annual budgets

namely 2017, 2018, 2019, 2020, 2021 and most recently, the 2022 Budget (Volume 1,

Economic and Development Policies). The new framework is also rolled out into other policy documents, namely the Mid-Year Economic & Fiscal

Outlook (MYEFO) and the Final Budget Outcome (FBO) reports. Work is progressing well in having the GFS 2014 reform rolled out into Volume 2 of

the budget documents. The aim is to have Volume 2 of the budget document GFS 2014 compliant by 2022, and rolled out in the coming 2023

Budget." Given that there is a category for 'other multi-functional expenditures', has been reduced to 0.5% of the total 2023 budget (as per Table 5).

Even if the category for 'other multi-functional expenditures', has been reduced to 0.5% of the total 2023 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

Government Reviewer

Opinion: Agree

Comments: Attempts have been made to ensure COFOG classification table is consistent with international standards (GFS-2014 framework). Work is in progress and we hope to have it incorporated in the budget documents.

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:

2023 Budget, VOLUME 1, ECONOMIC AND DEVELOPMENT POLICIES, Appendix 2,

Table 12: General Government Revenue by Economic Classification, page 157

Table 13A: General Government Expense by Economic Classification, page 158

Volume 2a Budget Estimates of Revenue and Expenditure for National Government Departments 2023 Summary Tables:

Table 2: Economic Classification of Expenditure, pages 14-15

Table 4, Economic and Functional Cross-Classification of Expenditure , pages 19-20

There's a breakup by implementing agency for the National Government Departments, by Recurrent and Development Expenditure: Volume 2a-2c 2023, 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/2023/Volume1.pdf

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%202A.pdf

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%202B.pdf

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%202C.pdf

VOLUME 3a & b PUBLIC INVESTMENT PROGRAM 2023 – 2026: Summary Table by Sector by Agency: Table 1, page 8, Details by Agency from page 11

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%203A.pdf

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%203B.pdf

Comment:

The Budget Proposal provides a summary and a comprehensive break down of expenditure by economic classification.

Peer Reviewer

Opinion: Agree

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 13A & 13B (pages 158 & 159) 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 2023 Budget Estimates: Section (I) , Details of Expenditure Table 2, (pages 14-15), 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 (from page 72)

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume1.pdf

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%202A.pdf

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%202B.pdf

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%202C.pdf

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%202D.pdf

VOLUME 3a & b PUBLIC INVESTMENT PROGRAM 2023 – 2026: Summary Table by Agency and sector: Details by Agency from page 10
https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%203A.pdf
https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%203B.pdf

Comment:

The economic classifications have been aligned with IMF GFSM 2014 economic types and standards, with codes

Peer Reviewer

Opinion: Agree

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 2023 Budget Estimates of Revenue and Expenditure for National Government Departments -Section IV. : From page 91, 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/2023/Volume%202A.pdf

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%202B.pdf

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%202C.pdf

Volume 2d of the 2023 Budget provides estimates for Statutory bodies, Provincial Government, Debt Servicing and Trust Accounts:

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%202D.pdf

Details of the Capital Investment component of the Budget is broken down by program in Volume 3a PUBLIC INVESTMENT PROGRAM 2023 – 2026

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%203A.pdf

VOLUME 3a & b PUBLIC INVESTMENT PROGRAM 2023 – 2026: Summary Table by

Agency and sector: Details by Agency from page 10

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%203A.pdf
https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%203B.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

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:

2023 Budget, Volumes 1 Economic and Development Policies, Appendix 2, (Aggregated) Tables 13A and 13B.

Volumes 2a, 2b & 2c of the 2023 Budget Estimates of Revenue and Expenditure for National Government Departments - Summary Tables 1,2,3, and 5, and Section (IV). : From page 91, for each Department/Agency commencing with Summary of Agency Expenditure by Program Structure. Then providing details by program

Volumes 2a:

Table 1: Sectoral Classification of Expenditure by Agency, page 13

Table 2: Economic Classification of Expenditure, pages 14 - 15

Table 3: Functional Classification of Expenditure, pages 16-18

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 2023 – 2026

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume1.pdf

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%202A.pdf

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%202B.pdf

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%202C.pdf

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%203A.pdf

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%203B.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/2023/Volume%203A.pdf
https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%203B.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 2023, and 4 years beyond the Budget year (i.e. 2024-2027). 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 2024-2027

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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 2023 – 2026: Summary Table by Agency and sector: Details by Agency from page 10

Volumes 2a:

Table 1: Sectoral Classification of Expenditure by Agency, page 13
Table 2: Economic Classification of Expenditure, pages 14 - 15
Table 3: Functional Classification of Expenditure, pages 16-18

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume1.pdf
https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%202A.pdf
https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%202B.pdf
https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%202C.pdf

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%203A.pdf
https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%203B.pdf

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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, 2023 Budget. Economic and Development Policies, Chapter 6, pages 68 provides a break up, by sector mostly in text form on programs for 2023, notably Appendix 2, table 13A and 13B. Volumes 2A, B, C, and D, 2023 Budget Estimates of Revenue and Expenditure for National Government Departments, and for Statutory Authorities, Provincial Governments, Debt Servicing and Trust Account, and Volume 3 (A & B) (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/2023/Volume1.pdf

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%202A.pdf

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%202B.pdf

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%202C.pdf

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%202D.pdf

VOLUME 3a & b PUBLIC INVESTMENT PROGRAM 2023 – 2026: Summary Table by Agency and sector: Details by Agency from page 10

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%203A.pdf

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%203B.pdf

Comment:

Summary forecasts for all programs are provided for 3 years beyond the Budget year (2023), 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 brief. Budget volumes A – D and 3 A-B provides further details of government agencies, Authorities and provincial governments.

Peer Reviewer

Opinion: Agree

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:

2023 Budget, Volume 1, Economic and Development Policies, Chapter 4, Revenue, 4.2 Tax Revenue (pages 57-60); Appendix 2, Tables on Economic and Fiscal Data, Table 12, Central Government Revenue 2014 GFS Economic Classification (page 157)

Volume 2A 2023 Budget Estimates of Revenue and Expenditure for National Government Departments, Section (II) Details of Revenue Grants and Loans, General Revenue (pages 54)

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume1.pdf

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%202A.pdf

Comment:

The composition of tax revenue estimates are provided in aggregated form in Volume 1, Chapter 4, Revenue (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

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:

2023 Budget, Volume 1, Economic and Development Policies, Chapter 3, Revenue (page 55), summarises tax revenue in section 4.3, Non-tax revenue (page 60) which includes property income and sales of goods and services and section 4.4 for grants (page 61), and Appendix 2, Table 12, Central Government Revenue 2014 GFS Economic Classifications, (page 157). Chapter 10, enhancing State's Investments, 10.2.3 (page120) table 36, Dividends paid to State, provides the summary of projected revenue (and past revenue) from the SOE holding companies.

Volume 2a, 2023 Budget Estimates of Revenue and Expenditure for National Government Departments, Section (II) Details of Revenue, Grants and Loan Estimates, Departmental Revenue (Page 55-58) and General Revenue (page 59-60) and Grants (page 63-66)

Volume 2d, 2023 Budget Estimates for Statutory Authorities, Provincial Governments, Debt Services and Trust Account, Section IV Details of Trust Accounts, (page 789)

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume1.pdf

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%202A.pdf

https://www.treasury.gov.pg/html/national_budget/files/2023/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 (Chapter 3, section 4.3) in both the text and tables (Table 15), and in Part 2a in summary tables and some more detail; estimates of receipts into Trust funds are also provided in Volume 2d under Trust Accounts.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

2023 Budget, Volume 1, Economic and Development Policies, Chapter 3, section 3, table 5, Medium Term Revenue Projections provides revenue from different sources and grant receipts to 2027. Appendix 2, Tables on Economic and Fiscal Data, Table 10 (page 155), summary, Table 12 (page 157): General Government Revenue by Economic Classification, provides estimates for 2023 and forecasts for the subsequent 4 years.

2023 Volume 2a BUDGET ESTIMATES OF REVENUE AND EXPENDITURE FOR NATIONAL GOVERNMENT DEPARTMENTS, Section (II) DETAILS OF REVENUE, GRANTS AND LOAN ESTIMATES (pages 54-71) provides tables for more detailed revenue and grants from 2021 up to 2023, but no estimates provided for subsequent years

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume1.pdf

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%202A.pdf

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%202B.pdf

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%202C.pdf

Comment:

Peer Reviewer
Opinion: Agree

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:

2023 Budget, Volume 1, Economic and Development Policies, Appendix 2, Tables on Economic and Fiscal Data, Table 12 (page 157): General Government Revenue by Economic Classification, provides estimates for 2023 and forecasts for the subsequent 4 years.

VOLUME 2a 2023 BUDGET ESTIMATES OF REVENUE AND EXPENDITURE FOR NATIONAL GOVERNMENT DEPARTMENTS, Section (II) DETAILS OF REVENUE, GRANTS AND LOAN ESTIMATES (pages 52-71) provides blank tables for more detailed revenue and grants beyond 2023.

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume1.pdf

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%202A.pdf

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%202B.pdf

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%202C.pdf

Comment:

Table 12 in Appendix 2 of Volume 1 provides 5 year aggregate projections (2023-2027) 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 (2023) have not been provided and are left blank.

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

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 entire 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 entire 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 if no information on borrowing and debt is presented for the entire budget year.

Answer:

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

Source:

2023 Budget, Volume 1, Economic and Development Policies, Chapter 8, (pages 100-106), Financing and Debt Management Strategy (providing more details and explanation on the status, composition and policies with respect to debt management), Table 29, Deficit Financing Projections by Instrument and Debt Outstanding 2021-2027, Table 30 Debt Stock as Share of GDP 2021-2027;

Appendix 2, Tables on Economic and Fiscal Data, Table 13A (Page 158) General Government Expenses by Economic Classification (on forecast interest payments 2023-2027), Table 13B, (page 159), General Government Expenses by Agency Type, Table 14 (page 160) Transactions in Assets and Liabilities for Central Government (on forecast of net domestic and international liabilities), and Table 15 (page 161), Stocks in General Government Debt (on current and forecast debt levels).

Volume 2D, 2023 Budget Estimates for Statutory Authorities, Provincial Governments, Debt Services and Trust Accounts, Section (III), (pages 747-788), Details of Debt Services, including summary table with 3 year forecasts beyond the Budget year (2023).

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume1.pdf

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%202A.pdf

https://www.treasury.gov.pg/html/national_budget/files/2023/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

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 the budget year 2023 and forecasts for 2024-2027 are provided in the 2023 budget volume 1, chapter 8, Section 8.2 Financing Requirements (page 101-103). Appendix 2, Tables 14 (page 160); Total debt in Table 15 (page 161). Total interest servicing costs in Tables 13A and 13B (pages 158 & 159).

Volume 2d of the 2023 Budget Estimates, Section (III), Details of Public Debt charges (page 747-788) contains summary tables detailing lending institution, domestic and overseas debt charges, foreign interest payments and charges and domestic interest payments.

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume1.pdf

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%20A.pdf

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%20D.pdf

Comment:

Peer Reviewer

Opinion: Agree

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 for the composition of the total debt outstanding, but it excludes some core elements.

Source:

2023 Budget, Volume 1, Economic and Development Policies, Appendix 2, Tables on Economic and Fiscal Data, Table 15, (page 161), Stocks in General Government Debt (provides a breakdown between domestic and overseas debt, broken up into more detailed sources)

2023 Budget, Volume 1, Economic and Development Policies, Chapter 8, Section 8.2 notably tables 28 & 29, Debt Financing by Instrument and Debt Outstanding, and Table 30 Debt Stock, and prior paragraphs of text (pages 100-103), 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 747-788) provide a breakdown of the actual interest rates on the respective instruments, nor the maturity date.

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/>

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume1.pdf

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%202D.pdf

Comment:

While there's a detailed break up of debt servicing and forecast debt servicing costs in Volume 2d, Section (III), and composition of debt from different sources, there's no details of maturity or related interest rates and charges (except briefly in Volume 1 section 8.3 update on domestic market conditions for financing deficit which includes the average maturity on domestic debt instruments).

Peer Reviewer

Opinion: Agree

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:

2023 Budget Volume 1, Chapter 8, Financing and Debt Management Strategy, on page 100-106.
Appendix 2, Table 15, Stocks in General Government Debt (page 161).

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume1.pdf

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%202D.pdf

Comment:

There's a breakup of the composition of the debt (in Table 15, Appendix 2 Volume 1 and in Chapter 8), 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

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:

2023 Budget Volume 1, Economic and Development Policies, Chapter 2 (page 17-45)- Section 2.1 World Economic Growth and Outlook (page 17), Section 2.3 Domestic Economic Developments and Outlook (page 30) including forecast real Economic Growth rate (Chart 16, page 32), Section 2.7 (page 39) "Consumer Price Index" which includes 2022 inflation update and 2023 inflation outlook, discussion and analysis.

Appendix 2, Table 1 (page 146) GROSS DOMESTIC PRODUCT BY ECONOMIC ACTIVITY AT CURRENT AND CONSTANT PRICES; for current and forecast inflation and interest rates: Table 9 (page 154), Major Assumptions Underlying the Budget

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume1.pdf

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%202D.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 2023 Budget Volume 1, Chapter 2 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 to the macroeconomic stability and risks experienced and likely to be encountered from external factors, such as changing commodity prices and inflationary pressures etc.

Peer Reviewer
Opinion: Agree

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:

The 2023 Budget Volume 1, Chapter 2 (p 17-45), Economic Developments and Outlook. Including tables 1 & 9 (pages 146 & 154) in Appendix 2.

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume1.pdf

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

Comment:

The 2023 Budget Volume 1, Chapter 2 of the budget documents contains extensive discussion of the macroeconomic forecast and key assumptions (for such factors as inflation, real GDP growth, employment rate, and interest rates).

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

Government Reviewer
Opinion: Agree

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.

For an example of how a sensitivity analysis may be presented in the Executive's Budget Proposal, see the following:

- The United States in its 2021 Budget Analytical Perspectives includes a section titled Sensitivity of the Budget to Economic Assumptions along with a table that shows the impact of each economic scenario on revenues, spending, and the deficit. (see pages 16 – 17, <https://www.govinfo.gov/content/pkg/BUDGET-2021-PER/pdf/BUDGET-2021-PER.pdf>).
- The Philippines in its 2021 Budget of Expenditures and Sources of Financing (BESF) presents the impact of different macroeconomic assumptions on expenditures, revenue, and debt (see page 131, Table A.6 titled "Budget Sensitivity to Macroeconomic Parameters, 2021," <https://www.dbm.gov.ph/wp-content/uploads/BESF/BESF2021/A6.pdf>); pages 12-13, Technical Notes on the 2021 Proposed National Budget <https://www.dbm.gov.ph/images/pdffiles/Technical-Notes-on-the-2021-Proposed-National-Budget.pdf>).

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:

2023 Budget Volume 1, Economic and Development Policies, Chapter 2 - Economic Developments and Outlook, including Section 2.9 (page 44-45) Risks to Macroeconomic Stability; Chapter 8 on financing and debt management strategy, notably 8.4.

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume1.pdf

Comment:

Volume 1 (notably Chapter 2, and other chapters, such as Chapter 8 financing and debt management) provides details of market conditions and forecasts, and a section on risks to macro-economic stability, 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

Government Reviewer

Opinion: Agree

Comments: The risks are mentioned but not much analysis.

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 of the impact of the new policies, 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 2023: Volume 1 Economic and Development Policies, Chapter 3 Fiscal Strategy and Outlook, 3.3 The 2023 Budget Strategy, (page 48) provides the fiscal and policy setting, including Table 6, (page 51-52) Medium Term Expenditure Estimates with key measures included in the Medium Term Expenditure Strategy 2021-2025;

Chapter 6 (page 68) including section 6.2, 2023 Aggregate Expenditure on notable expenditure adjustments and intentions, and Section 6.3 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 9 National Reform Agenda, 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/2023/Volume1.pdf

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%202A.pdf

Comment:

The broad policy setting is provided in Chapter 3, of Volume 1, the 2023 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 6 (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 (9 & 10) are about reforms and improved performance.

National Departments and Section (I-III) of Volume 2d for Statutory Authorities and Provincial Governments, and Volume 3a and 3b for the Capital Investment component of the Budget contains virtually no reference to planning, program or allocation changes in the text provided

Peer Reviewer

Opinion: Agree

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 of the impact of the new policies, 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:

2023 Volume 1 Economic and Development Policies, Chapter 3 Fiscal Strategy and Outlook Section 3.3 (page 48-51, notably table 5) the 2023 Budget Strategy and the context set in the Medium Term Fiscal Strategy, including the key reforms in the Medium Term fiscal framework;

Chapter 4 Revenue is largely reporting and forecasting revenue outcomes from changing economic and market conditions, rather than new policies, but particularly Chapter 5, Tax and Non-Tax Measures and Developments details the Tax Measures for 2023 (in summary page 63 and in detail onwards, consistent with the MTRS 2021-25, provided some indicated revenue implication of each reform measure; The previous years' revenue and estimates for 2023 are detailed in Volume 2a - Revenues and Estimates Section (II).

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume1.pdf

https://www.treasury.gov.pg/html/national_budget/files/2023/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.

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

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 3 Fiscal Strategy and Outlook, 3.2. Supplementary Budget and 3.3 2023 Budget Strategy, provides an expenditure summary estimates as of September Y-1 (table 6). Chapter 6, Expenditure (Table 17, 2023 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 158), and by summary Administrative classification AGENCY TYPE (p 159). Volume 2A 2023 Budget Estimates of Revenue and Expenditure of National Governments Departments, Section I Summary Tables, Table 1 (page 8) Sectoral Classification of Expenditure by Agency provides actual expenditure for Y-2, but only the Budget appropriation for Y-1. Table 2 (page 14) Economic Classification of Expenditure, also provides actual expenditure for Y-2 and Table 3 (page 13) also contains Y-2 actual expenditures. Expenditure of Affairs, Functions, and Main Programs, Table 5 (page 22), likewise provides Y-2 as actuals but only the original appropriation for Y-1. SECTION (III) DETAILS OF EXPENDITURE (page 72) and SUMMARY OF APPROPRIATION (page 73) provides detailed expenditure (revised estimates) for BY-1 (and actual for BY-2) for National Departments; for Statutory Authorities and for Provincial Governments. SECTION (IV) NATIONAL GOVERNMENT DEPARTMENTS (page 91 onwards, continuing Volumes 2B, 2C) and Volume 2D 2023 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/2023/Volume1.pdf
https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%20A.pdf
https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%20B.pdf
https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%20C.pdf
https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%20D.pdf

Comment:

All BY-1 data in some of the summary tables comprise data as revised in the 2022 Supplementary Budget 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 2023 Budget and not actuals. The actuals available are for BY-2. 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

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 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 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 2023 BUDGET ESTIMATES OF REVENUE AND EXPENDITURE FOR NATIONAL GOVERNMENT DEPARTMENTS Section (IV)(page 91 onwards) National Government Departments, provides Appropriation details by program for BY-1 (and actual for BY-2) for National Departments; Volume 2d 2023 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 & 3b 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/2023/Volume1.pdf
https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%202A.pdf
https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%202B.pdf
https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%202C.pdf
https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%202D.pdf
https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%203A.pdf
https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%203B.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.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: Actuals for BY-1 are usually not available at the time of the presentation of the EB, which are available when the FBO is published the following year.

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 2023 Budget documents used the BY-1 Appropriation figures, as revised by the 2022 Supplementary Budget of; Volume 1, Economic and Development Policies, Chapter 3, Fiscal Strategy and Outlook Section 3.2 2022 Supplementary Budget (page 47) provides some details on the over-expenditure and remedial action required, Chapter 6, Expenditure, provides some detail under 6.2 on the Supplementary Budget adjustments and some further background in the text on sectors(section 6.3), with Section 6.6 (page 86), Status of Trust Accounts, providing details of Trust Account balances at 30 September Y-1; Appendix 2, Table 13a & 13b, (pages 158 & 159), BUDGETARY GOVERNMENT EXPENSE BY ECONOMIC CLASSIFICATION and by AGENCY TYPE, Volume 2a Section (I) (page 1-53) the Summary Tables, Section (III) (page 72-90) Details of Expenditure, Summary of Expenditure and Section (IV) National Government Department (from page 91 and continued in Volume 2B & 2C) provides revised estimates for Y-1, Volume 2d 2023 BUDGET ESTIMATES FOR STATUTORY AUTHORITIES PROVINCIAL GOVERNMENTS DEBT SERVICES AND TRUST ACCOUNTS

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume1.pdf
https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%202A.pdf
https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%202B.pdf

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%202C.pdf
https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%202D.pdf

Comment:

All expenditure estimates for BY-1 have been revised from the original 2022 appropriations, notably with the 2022 Supplementary Budget.

Peer Reviewer

Opinion: Agree

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:

2023 Volume 1, Economic and Development Policies, Appendix 2, Tables 13A & 13B (pages 158 & 159) BUDGETARY GOVERNMENT EXPENSE BY ECONOMIC CLASSIFICATION and BY AGENCY TYPE (provides BY-2 and BY-3).
Volume 2A 2023 Budget Estimates of Revenue and Expenditure of National Governments Departments, Section (I) Summary Tables 1-5 (pages 1-53) provide Expenditure by administrative, economic, and functional classifications for BY-2, (but not BY-3). Section (III) (page 72 onwards) Details of the Expenditure, Summary of Appropriation includes BY-2 for all Administrative unit; Section (IV)(page 91 and continuing in Volumes 2B & 2C) National Government Departments, provides detailed expenditure for BY-2 for National Departments;
Volume 2D 2023 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/2023/Volume1.pdf
https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%202A.pdf
https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%202B.pdf
https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%202C.pdf
https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%202D.pdf

Comment:

The aggregate 'actuals' are provided for BY-2 and BY-3 as shown in Table 13A & 13B, 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

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/2023/Volume1.pdf

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%202A.pdf

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%202B.pdf

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%202C.pdf

https://www.treasury.gov.pg/html/national_budget/files/2023/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

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:

2023 BUDGET ESTIMATES OF REVENUE AND EXPENDITURE FOR NATIONAL GOVERNMENT DEPARTMENTS , Volume 2A-2C, Section (1) (Summary Tables) Table 5 (page 22-39), provides the main programs and Section (IV)(page 91 onwards) National Government Departments, provides detailed expenditure for BY-2 for National Departments by program; Volume 2D 2023 (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 2023 – 2026

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume1.pdf
https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%202A.pdf
https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%202B.pdf
https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%202C.pdf
https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%202D.pdf
https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%203A.pdf
https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%203B.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 Volume 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

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:

2023 Budget Volume 1, Economic and Development Policies, Appendix 2, Table 13A & 13B (p.158-159) GENERAL GOVERNMENT EXPENSE BY ECONOMIC CLASSIFICATION and BY AGENCY TYPE, has BY-2 as the most recent year using actuals 2021 including BY-3 using actuals from 2020. Budget Estimates of Revenue and Expenditure of National Government Department Volume 2A, Summary Tables on Expenditure Sections (I) Table 1-5 (pages 1-53) Section (III), Details of Expenditure (page 72) and Section (IV) (Volumes 2A-2C, page 91 and onwards) 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/2023/Volume1.pdf
https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%202A.pdf
https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%202B.pdf

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%202C.pdf
https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%202D.pdf
https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%203A.pdf
https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%203B.pdf

Comment:

The B-Y2 (unaudited) actuals are presented in the 2023 National Budget documents, in aggregate in volume 1 and in summary and full in volumes 2A-D and Volumes 3A & 3B

Peer Reviewer

Opinion: Agree

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:

2023 Volume 1 Economic and Development Policies, Chapter 4, Revenue (page 55), Tables 9-15 (pages 55-62); Chapter 10, Enhancing State's Investments, Sn 10.2 State's Investment Performance Table 35 (general Business Trust) and 36 (dividends paid to State, Page 120); Appendix 2, Economic and Fiscal Data Tables, Table 12 (page 157) GENERAL GOVERNMENT REVENUE 2014 GFS ECONOMIC CLASSIFICATION shows the break up for BY-1. VOLUME 2A, 2023 BUDGET ESTIMATES OF REVENUE AND EXPENDITURE FOR NATIONAL GOVERNMENT DEPARTMENTS: SECTION (II) DETAILS OF REVENUE, GRANTS AND LOAN ESTIMATES (Page 54-71) for revenue and grants for BY-1 Volume 2D Section (IV), Details of Trust Accounts (pages 789-791)

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume1.pdf
https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%202A.pdf
https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%202D.pdf

Comment:

The estimates of revenue categories for BY-1 is broken up in Appendix 2, Table 12 (page 157) (and subsequent tables) of Volume 1, into Tax, Grants and other revenue, and in Chapter 4 Revenue, with tables and text (pages 55-62 and Tables 10-16) 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 38 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

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:

2023 Volume 1 Economic and Development Policies, Chapter 4, Revenue, tables 10-16 (pages 55-52) for tax and non-tax revenue and grants for BY-1, and associated text, and Appendix 2, Table 12, (page 157) General Government Revenue provide a revenue breakdown into sources for BY-1. Volume 2A, Budget Estimates of Revenue and Expenditure for national Government Departments. Section (II) Details of Revenue, Grants and Loan Estimates (page 54-71 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/2023/Volume1.pdf

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%202A.pdf

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%202D.pdf

Comment:

The estimates of revenue by individual sources for BY-1 is broken up in Appendix 2, Table 12 (page 157) (and subsequent tables) of Volume 1, into Tax, Grants and other revenue, and in Chapter 4, Revenue, with tables and text (pages 55-52 and Tables 10-16) 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

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:

2023 Volume 1 Economic And Development Policies, Chapter 4, Revenue, (pages 55-62) tables 10-16 and associated text; chapter 10, 10.2.3 Dividends Paid to State (projections and actual YTD) and Appendix 2, Table 12 (page 157), General Government Revenue 2014 GFS Economic Classification provide the original Budget revenue Estimates and the 2020 Supplementary Budget estimate for BY-1

Comment:

The original budget revenue estimates for BY-1 are provided in the tables and text of Chapter 4 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 2022.

Peer Reviewer

Opinion: Agree

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:

2023 Volume 1 Economic and Development Policies, Chapter 4, Revenue, (pages 55-62) tables 10-16 and associated text provides a revenue breakdown into sources for BY-2, and Appendix 2, Table 12, (page 157) 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 Table 1 General Government Revenue 2014 GS Economic Classification also provides details of BY-2, and Section (II) Details of Revenue, Grants and Loan Estimates (page 54-71), 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/2023/Volume1.pdf

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%202A.pdf

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%202D.pdf

Comment:

Peer Reviewer

Opinion: Agree

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:

2023 Volume 1 Economic and Development Policies, Chapter 4, Revenue, tables 10-16 (pages 55-62) and associated text for BY-2; Chapter 10, Table 3, Dividends Paid to State (p 120); and Appendix 2, Table 12, (page 157) General Government Revenue 2014 GS Economic Classification provide a revenue breakdown into sources for BY-2.

Volume 2A Section (II) Details of Revenue, Grants and Loan Estimates (Page 54-71), 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/2023/Volume1.pdf

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%202A.pdf

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%202D.pdf

Comment:

Peer Reviewer

Opinion: Agree

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:

2023 VOLUME 1 ECONOMIC AND DEVELOPMENT POLICIES, Chapter 4 Revenue (page 55-62), Tables 10-16 and Appendix 2, Table 11 & 12, BY-2 applies actual outcomes. (pages 156-157)

Volume 2A 2023 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 54-71) specifies BY-2 as actual. Volume 2D 2023 Budget Estimates for Statutory Authorities, Provincial Governments, Debt Services and Trust Accounts. Section(IV), Details of Trust Accounts (page 789) also provides BY-2 actuals.

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume1.pdf

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%202A.pdf

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%202D.pdf

Comment:

Details of Trust Accounts are now also provided for BY-2 actuals (which weren't provided in previous years).

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

2023 Volume 1 Economic and Development Policies: Chapter 8, Financing and Debt management Strategy, (page 100-105, notably Tables 27-33), notably Section 8.1, Financing Background to the 2022 Budget, (page 100) 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 161) 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 158 & 159) showing debt servicing costs and Table 14 (page 160), 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 2023 BUDGET ESTIMATES FOR STATUTORY AUTHORITIES PROVINCIAL GOVERNMENTS DEBT SERVICES AND TRUST ACCOUNTS, Section

(III) Details of Debt Services (page 747-788) provides the interest and other debt charges by amended Appropriation for BY-1

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume1.pdf

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%202A.pdf

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%202D.pdf

<https://www.bankpng.gov.pg/statistics/>

<https://www.bankpng.gov.pg/kfr-rates/>

Comment:

The basic information is provided on public debt levels and composition for BY-1 in Volume 1, Appendix 2 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 8. 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 Volume 1, Chapter 8) on interest rates and maturity of debt of its respective financing (e.g. average maturity of domestic debt, Table 30, page 103). Some information on interest rates for specific debt instruments in BY-1 is provided 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 are 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: Agree

Comments: I agree that scoring this question is a difficult judgement. The information presented on debt is very detailed in terms of individual debt-related expenditures in the detailed budget document (Volume 3); but the documents as a whole do not include a complete breakdown of interest rates on different types of debt; or maturity profile of debt. However, I agree with the researcher that this over/under presentation of information would justify a B score. I also think it's unusual for governments to publish in complete detail all the different interest rates and maturities on all their different debt instruments.

Government Reviewer

Opinion: Agree

Researcher Response

It's a difficult one..There was some debate on this in for the 2021 and prior OBS, and in the end concluded that B was justified, even though interest rates were largely absent and maturity details were deficient. The accuracy of the debt figures are another issue often raised, especially with respect to SOE borrowing (and what is included in or excluded from the budget documentation), but not for discussion here. But largely in recent years, and in coordination with the IMF, the Government has been incorporating more detail and seeking to encompassing all debt (than hitherto), and to incorporate contingent liabilities etc. So the debt figures are more extensive, seemingly more transparent, and presumably more accurate ... With respect to interest rates, there's nothing specific on individual loans and maturity, and only sections of Volume one, on fiscal and financing, notably Chapters 3 (Fiscal Strategy and Outlook) and Chapter 8 Financial and Debt Management Strategy - pages 100-106, including Sn 8.3 Update on Domestic Market Conditions for Financing Deficit" including Table 31: Government Securities Issuance - End of September 2022 and their interest rates..(for further details the Bank of Papua New Guinea's website provides information on instruments and turnover.)

IBP Comment

The reviewer's comment is well-noted and appreciated. The researcher's comment is confirmed, and the current response of "b" is maintained. There is enough information on the declining trend of different interest rates over the year (BY-1:2022) for both Treasury Bills and Treasury Bonds, 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:

2023 Volume 1 Economic and Development Policies: Chapter 8, : Financing and Debt Strategy, Section 8.2 Tables 28 and 29 and Appendix 2, Table 15 Stocks in General Government Debt (page 161) shows BY-2 as actuals, Table 13A & 13B Budgetary Government Expense by Economic Classification shows debt servicing for BY-2 as actuals. VOLUME 2D 2023 BUDGET ESTIMATES FOR STATUTORY AUTHORITIES PROVINCIAL GOVERNMENTS DEBT SERVICES AND TRUST ACCOUNTS, SECTION (III) DETAILS OF DEBT SERVICES (page 747-788) show BY-2 as actuals

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume1.pdf

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%202A.pdf

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%202D.pdf

Comment:

The public debt figures in Chapter 8 show BY-2 figures for instruments and total for debt outstanding, but only Table 28 & 29 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 Volume 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

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:

2023 Volume 1 Economic and Development Policies: Chapter 5, tax and non-tax measures and developments, section 5.2 major revenue Policy Measures discusses major policy changes with the aim of raising revenue for the 2023 budget. 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 9, National Reform Agenda, 9.6 (page 114) gives further detail on the Implementation of the Sovereign Wealth Fund (which is very limited...funds being appropriated for the first time for this function in 2023).

Volume 2D 2023 Recurrent Budget Estimates for Statutory Authorities, Provincial Governments, Debt Services and Trust Accounts, Section (IV),

Details of Trust Accounts

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume1.pdf
https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%202D.pdf

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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, including both revenues and expenditures, 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:

2023, Volume 1 Economic and Development Policies: Appendix 2, Tables (pages 146-161) 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 Grants and Transfers to Provinces; Chapter 4 Revenue, notably 4.3 Non-Tax Revenue, including 'statutory transfers' and 6, 'Expenditure' (page 97) provides some combined detail on both Budget and some extra-budgetary funds collection, including 6.6 Status of Trust Funds, 6.7 Chapter 9 National Reform Agenda emphasises inclusive, sustainable and economic growth, including administration of the SWF. Volume 2A 2023 BUDGET ESTIMATES OF REVENUE AND EXPENDITURE FOR NATIONAL GOVERNMENT DEPARTMENTS

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume1.pdf
https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%202A.pdf
https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%202D.pdf

Comment:

The Integrated Financial Management System (IFMS) 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

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:

2023 Budget, Volume 1, Economic and Development Policies, Appendix 1, Tables 1.1 & 1.2 (pages 143-144): Grants and Transfers to Provinces (including Local Level Governments): Chapter 6, 'Expenditure' 6.3.9 (page 77) 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 2023 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 22) Expenditure of Affairs, Functions, and Main Programs, (particularly Multi-Functional Expenditure page 33)

Volume 2D, 2023 Budget Estimates for Statutory Authorities and Provincial Governments Debt Service and Trust Accounts: SECTION (II) DETAILS OF PROVINCIAL GOVERNMENTS (Pages 712-746)Details of Expenditure - Provincial Governments: Section (I) Allocations fo the Provincial Health Authorities are recorded under Statutory Authorities.

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume1.pdf

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%202A.pdf

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%202D.pdf

https://www.nefc.gov.pg/sites/default/files/2022-12/2023%20Budget%20Fiscal%20report%20-191122.FINAL_.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 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 equalization provision, in relation to the total amount projected to be available in total in the budget. More details on the intergovernmental transfers are provided in the 2023 NEFC fiscal report.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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 budget 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).
- 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 if 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/sites/default/files/2022-12/2023%20Budget%20Fiscal%20report%20-191122.FINAL_.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.

Peer Reviewer

Opinion: Agree

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/sites/default/files/2022-12/2023%20Budget%20Fiscal%20report%20-191122.FINAL_.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. 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 its 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

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:

2023 Budget, Volume 1, Economic and Development Policies, Chapter 6, 6.3.11 Utilities Sector (page 78) provides brief details on allocations for utilities (largely SOEs); Chapter 10, (pages 118) 'Enhancing State's Investment' provides details of the public corporations, equity (table 35, p. 119) and policies on investment and dividends, including the General Business Trust assets, Kumul Consolidated Holdings, and Kumul Mineral and

Petroleum Holdings, but most of the emphasis is on managing revenues and dividends flows to government; Appendix 2, Table 13B, (page 159) General Government Expense by Agency Type (for a summary of transfers to Commercial and Statutory Authorities)

VOLUME 2D 2023 BUDGET ESTIMATES FOR STATUTORY AUTHORITIES PROVINCIAL GOVERNMENTS DEBT SERVICES AND TRUST ACCOUNTS, SECTION (I) DETAILS OF EXPENDITURE – STATUTORY AUTHORITIES (pages 1-711); this list comprises largely Statutory Authorities but includes the SOEs, such as PNG Power Ltd, Telikom PNG Ltd and Kumul Consolidated Holdings and other corporations etc.

2023 budget Volume 3B, Public Investment Program (PIP) 2023-2026, Statutory Authorities (pages 8-282)

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume1.pdf

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%202D.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 including 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.

Peer Reviewer

Opinion: Agree

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:

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume1.pdf

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%202D.pdf

<http://www.kumulpetroleum.com>

<https://www.pngeiti.org.pg/uncategorized/publication-of-the-8th-9th-papua-new-guinea-extractive-industries-transparency-initiative-reports-for-financial-years-2020-and-2121-respectively/>

Comment:

Substantial Quasi Fiscal Expenditure is provided by the resource SOEs, notably Kumul Petroleum and to a lesser extent, Kumul Mineral Holdings Ltd, as well as MRDC and the the NSA, the National Fisheries Authority. Although the resource SOEs, receive their income from the state's equity entitlement in extractive resource projects, these entities operate as though outside the remit and control of Government, with their shareholding recorded only being held by the Prime Minister. No details on their quasi-fiscal expenditure is provided in the Budget, and they resist oversight by the Supreme audit, but some details are provided of grants on their own website and in the media, notably (for Kumul Petroleum) some of funding for selected health facilities. The price support programme (sn 10.10.1) has an allocation in the Budget, but by its nature (as designed) entailing price stabilisation, can entail a relative open ended expenditure commitment (beyond that budgeted) especially if market prices fall, and a fixed minimum producer price is applied (with major budgetary ramifications, which may be redirected, as significant projects are for SOE funding)

2023 Budget, Volume 1, Economic and Development Policies, Chapter 7 Tax Expenditure, provides greater detail on tax expenditure and incentives; also Chapter 5 (Expenditure), Sn, 6.3.9 on the continued Provincial Sector funding through the Infrastructure Tax Credit Scheme to complement that provided under the SIPs (page 77); (more detail is provided on the Tax Credits expenditure, which is funded through offset and deferred taxes, in the annual PNG EITI reconciliation report published by the Treasury - last report being for 2021); there's a paucity of reliable data and accountability on the Customs incentives and the incentives for resource projects in the Budget documents themselves, including on the tax credit scheme. This mechanism was used increasingly during the 2010s 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 2D - ESTIMATES OF REVENUE AND EXPENDITURE FOR STATUTORY AUTHORITIES, PROVINCIAL GOVERNMENTS, DEBT SERVICES AND TRUST ACCOUNTS, Section B, Statutory Authorities provides no details of any subsidies on loans (at least formerly) provided by the National Development Bank, as the reference is now only to projects with Kumul Consolidated Holdings Ltd (KCH), the state holding company which includes the Bank;

Details of the State's equity in 9 SOEs held in trust by the KCH, are provided in Volume 1, Chapter 10: Enhancing State's Investments, 10.2.1 General Business Trust (GBT) Assets, including Table 35 on page 119, including the National Development Bank and the State's equity in the Bank South Pacific); Section 10.3 (page 121) Broader Reforms, 10.3.2 Non-Tax Revenue Administration (NTRA) Bill 2022, which was passed as part of the Budget, highlights the Treasury's effort to reign in revenue gained by various Statutory Authorities, notably the Fisheries Authority with its licensing of distant water vessels, which it then uses, in part to operate quasi fiscal expenditure

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

2023 National Budget Volume 1 Economic And Development Policies, Chapter 6, Expenditure, 6.6 Status of Trust Accounts, (pages 86) provides details of the balances in Trust Accounts; Chapter 10, 'Enhancing State's Investments' (page 118) provides details of equity and estimated valuation of the State's corporate investments, notably Section 10.2. General Business Trust Assets and table 35, (page 120) with (financial and non-financial asset) valuations.

2023 Budget Volume 2D, Budget Estimates for Statutory Authorities, Provincial Governments, Debt Services and Trust Accounts; Section (IV), (pages 789-791) Details of Trust Fund Balances

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume1.pdf

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%202D.pdf

Comment:

There is some information provided on financial assets, notably SOE asset valuation for BY-2, 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.

Peer Reviewer

Opinion: Agree

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 the valuation of SOE financial and non-financial assets in Chapter 10, Enhancing State's Investments, Table 35, General Business Trust (GBT Assets), for BY-2, and statements of the need to maintain, restore and upgrade infrastructure, highlighted in Chapter 6, notably 6.3.10 Transport Sector and 6.3.11 Utilities Sector, in there is no reference to non-financial public assets in the 2023 Budget, Volume 1, Economic and Development Policies or other volumes.

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume1.pdf

Comment:

The budget volumes or related documents do not present information on non-financial assets apart from statements in 2023 budget volume 1 chapter 6 on the need to maintain restore and upgrade the transport sector and utilities.

Peer Reviewer

Opinion: Agree

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:

a. Yes, estimates of all expenditure arrears are presented, along with a narrative discussion.

Source:

2023 National Budget Volume 1, Chapter 3, Fiscal Strategy and Outlook, notably section 3.3, 2023 Budget Strategy (p 48) which shows the estimated level of arrears recorded in 2020, the subsequent arrears reduction and balance for 2022, and discussion on arrears and the Arrears Verification Program (including Chart 34, Deficit with and without Arrears, as a percentage, p 52); section 3.4 Medium Term Fiscal Outlook, (Tables 8 & 9) showing forecast arrears for 2023-2027; and Chapter 6, Expenditure, notably 6.4.3 (pages 82-83) on the Arrears Verification Committee and the table on Arrears and payments (2020-2022). Appendix 2, table 15, page 161, 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.

Also see Table 8: Budget Balance 2022–2027, page 53

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume1.pdf

Comment:

There is extensive commentary on the challenges of debt management and factors causing unbudgeted over-expenditure and arrears and outlook, notably in Chapter 3, Fiscal Strategy, under 2023 Budget Outlook and Medium Term Fiscal Outlook; and Chapter 6, Expenditure, 6.4 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 2022 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

Peer Reviewer

Opinion: Agree

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:

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

Source:

Volume 1, Chapter 6, Expenditure, 5.4.3 and 6.4 Expenditure Efficiency Measures (p79) details arrears and some liabilities that accumulate from inefficient personnel management and procurement and risks of liabilities (as incurred during activities such as the National Census and 'hire car rental arrangements, etc), Financing and Debt Management Strategy, notably 8.5, Medium Term Strategy and Operational Plan 2023-2027, both giving specific reference to keeping debt at sustainable level. Besides appendix 2 table 15 showing government loan guarantees there is no specific discussion on government guarantees, contingent liabilities or insurance programs.

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume1.pdf

Comment:

As stated in Volume 1, Chapter 8, Financing and Debt Strategy, concern is raised over the growing level of debt and risks of Debts. However, other than appendix 2 table 15 showing government loan guarantees and reference in Chapter 6 to unforeseen liabilities from inefficient public sector management, there is no specific discussion or specification on government guarantees, contingent liabilities or insurance programs.

Peer Reviewer

Opinion: Disagree

Suggested Answer:

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

Comments: I would be a little more generous here. Volume 1 Table 15 includes a line for total loans/guarantees; and author mentions that there is some discussion of liabilities in the budget I would say that meets (c) rather than (d). Many countries don't publish even a single line on their guarantees, so the fact that PNG publishes its guaranteed loans is positive. As the author has said in other instances, this is probably a C- or D+ and could go either way. The fact that there is a published total line across the years that is consistent with other budget totals makes me inclined to award a C-. I don't feel strongly and it could go either way.

Government Reviewer

Opinion: Agree

Researcher Response

Although the information is limited, this seems to justify it to be elevated to C, especially considering that hitherto during the 2010s guarantees and contingent liabilities were not including in the budget (the accuracy or comprehensiveness of the of the figures is another issue) ..

IBP Comment

The reviewer's comment is well-noted and appreciated. Upon further consultation with the researcher and subsequent revisions, in accordance with OBS guidelines, it is determined the presented information highlighted by the peer reviewer, although limited, is sufficient to change the score.

Accordingly, the current response is adjusted from "D" to "C". See references in: <https://www.treasury.gov.pg/budget/annual-budgets/2023-annual-budget/> Volume 1A - 2023 Economic and Development Policies https://www.treasury.gov.pg/wp-content/uploads/2023/11/2023-Budget-Volume-1-1-94_compressed.pdf Volume 1B - 2023 Economic and Development Policies Table 15: Stocks of General Government Debt, page 67

<https://www.treasury.gov.pg/wp-content/uploads/2023/11/2023-Budget-Volume-1-95-161.pdf>

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:

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

Source:

2023 National Budget, Volume 1, Chapter 1, (p 9) Budget Overview, 1.1.1 The 13 Year Plan and Implementing the Vision, which focuses upon bringing the Debt to GDP ratio back to 40% by 2029, 'based on realistic revenue estimates, themselves based on the growth of the economy and ongoing work to stamp down on the black economy...long term fiscal consolidation strategy.....will require fiscal discipline" and Table 1 (page 14) the 13 Year Fiscal Strategy for Budget Repair and Reconstruction. Economic Development Policies, Chapter 3 Fiscal Strategy and Outlook, notably, tables 8-9 and Box text. Chapter 8, Financing and Debt Management Strategy, notably section 8.4 Medium Term Debt Strategy and Operation Plan 2023-2027 including discussion on foreign currency, interest rate, refinancing, operational risks and SOE borrowings.
https://www.treasury.gov.pg/html/national_budget/files/2023/Volume1.pdf

Comment:

Extensive reference is given in the 2023 Budget to the 13 year fiscal Strategy for Budget Repair (including reducing the Debt to GDP to 40% by 2029), forecasting revenue and managing expenditure, debt, liabilities and risks in the medium term, including the sustainability of debt and risks, including foreign versus domestic debt and interest charges and liabilities, and reference to the medium term debt strategy. However, limited figures (or forward figures) are provided for 'operational risk', and only brief reference to 2027 and beyond, notably over prospects of reduced debt to GDP to sustainable levels, with cross reference to the 13 Year Fiscal Plan and the Budget Strategy paper (PBS) under the section on Financing and Debt Management Strategy. Apart from passing reference to population in the Expenditure chapter, in terms of education, health and law and justice services, there is no demographic data provided, (and with no Census conducted since 2011 and very contrary population estimates, notably those unofficially announced in late 2022 - UNFPA/NSO, demographic and economic data and trends are highly deficient in PNG, as highlighted in successive recent reports by IFIs and other development partners and think tanks).

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

2023 National Budget Volume 1 Economic Development Policies, Chapter 6 Expenditure, 6.5 Donor Funding from Development Partners (pages 85-86), including summary table 23, 2023 Loans Grants and Counterpart Funding (page 86). 4.4 Grants - Table 16: Donor Grants 2022- 2023 (page 61); Appendix II, Table 12 General Government Revenue (page 157) 'Grants from Foreign Governments and International Organisations'. Volume 2a 2023 Budget Estimates of Revenue and Expenditure For National Government Departments, Section II, Details of Revenue, Grants and Loans, Grants (Pages 54-71), and Pages 68-71 for external financing; Section III , in Volumes 2A-D Details of Expenditure (page 72 onwards); Volume 3 A & B.

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume1.pdf

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%202A.pdf

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%202B.pdf

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%202C.pdf

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%202D.pdf

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%203A.pdf

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%203B.pdf

Comment:

Extensive summary information provided in text and table in Chapter 6 of Volume 1, with aggregated projections for 2023 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.

Peer Reviewer

Opinion: Agree

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:

2023 National Budget Volume 1 Economic Development Policies, Chapter 7 (page 94-99), including sections and statements for key components: Tax Expenditure Statements for non-resource and resources sectors: Section 7.2, Tax Incentives in the Income Tax Act (page 94), Section 7.3 Tax Incentives in the Customs Tariff act 1990 (page 99), Section 7.4 Tax Incentive in Excise Tariff Act 1956 (page 99).

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume1.pdf

Comment:

Chapter 7 (Tax Expenditure) of the 2023 Volume 1 provides text and table of the policy rationale and sectors which are going to benefit from the tax incentives, including revenue forgone as a result of the incentives, however, not much detail is provided. Similar to previous budgets, it is stated in Chapter 7 that, "The data presented below are statistics as reported by the taxpayer" and it highlights the weaknesses in the data, with the "calculation of actual revenue foregone from these incentives is an exercise in micro-simulation". However, estimates of the tax foregone only extend from 2019 to 2021, however since the explanations about the tax expenditures make clear which of the tax expenditures are still in effect in 2023, this counts as one of the three core elements for this question.

Peer Reviewer

Opinion: Agree

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 individual earmarked revenues and a narrative discussing the earmarks. If a narrative discussion is not included, but estimates for all individual 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:

2023 National Budget Volume 1 Economic Development Policies: Chapter 4 Revenue, mainly highlights the different sources of revenue and progress between 2022 and 2023 estimates. Chapter 5 Tax and Non-Tax measures and developments, Section 5.2.4, (p 64) briefly mentions

commitments for additional revenue collected from the log export duty regime (earmarked for biodiversity and climate change funding). The National Road Authority, which was funded from a tied allocation from the vehicle licensing, has now been abolished, but the National Road Fund has been sustained, with plans specified in the 2022 Budget for it to be replaced by a National Infrastructure Fund; but there's no apparent mention of this in the 2023 Budget. While project funding is widely funded, or co-funded by specific grants or financing from development partners, limited revenue is directly tied to specific projects or institutions, except the provinces' portion of GST, Bookmakers' Tax, royalties and certain dividends are earmarked for provincial governments (as summarised in Volume 1, Annex 1, Table 1.2 Grants Transfers and other Resources of Provinces, (p 144) and landowners, as per legislation and agreements. Chapter 10, Enhancing State's Investments, 1.3.2 Non-Tax Revenue Administration (NTRA) Bill 2022 (p 121) highlights the legislation proposed (and passed) in the 2023 Budget to sweep up all State agencies' revenue and direct it through the annual budget process, (replacing the former PMMR legislation introduced in 2019 for the same purpose but rejected as unconstitutional in a Supreme Court Ruling).

Volume 2A, Section (II) (page 54), Details of Revenue, Grants and Loan Estimates, Department and General Revenue (Page 54-71) 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 2023, Budget Estimates For Statutory Authorities, Provincial Governments, Debt Services and Trust Accounts. Section IV, Details of Trust Accounts, (page 789-791), details trust accounts accumulated from different sources, including direct government grants, including from donor funded projects, but also some directly financed.

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume1.pdf

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%202A.pdf

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%202D.pdf

Comment:

As stated the national budget only passingly mentions earmarked items with no details, there is no consolidated list or details of the earmarked revenues. The National Budget proposed in associated 2023 Budget legislation (NTRA) to remove the capacity for State agencies to retain revenue they collect, and require it to be remitted to consolidated revenue, with the agencies' funding determined through by Parliament annually through the Appropriation (rather than pre-tied), leaving only the provincial governments and a limited number of other activities with specified allocations from nationally collected revenue. (Provincial Government also have their own revenue raising powers under an Organic Law).

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: Not all agencies are covered by the NTRA. For those agencies that are covered, they will be able to retain some of the revenues they collect (which will be determined by the NTRA steering committee).

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:

2023 National Budget Volume 1 Economic and Development Policies in Chapter 1, Budget Overview (page 9-16) describes the 13 year plan as the framework for the 2023 national budget. Chapter 2, Economic Developments and Outlook, notably section 2.4 2023 Economic Outlook; Chapter 3: Fiscal Strategy and outlook, notably section 3.3 2023 Budget Strategy (page 48) 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, 2023-2027. Chapter 6: Expenditure, notably Section 6.3 Sector Expenditure (from page 70) seeks to link expenditure with the updated 13 year plan; Chapter 8, Financing and Debt Management Strategy, (page 100) further links financing and debt management measures with longer term objectives, adjusted by the impact of the pandemic. Chapter 9: National Reform Agenda (page 107) discusses long term sustainable, balanced and recovery plans from the COVID 19 pandemic. Chapter 10: Enhancing State's Investments, (page 118) 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/2023/Volume1.pdf

Comment:

The information shared in the 2023 National Budget provides links between some policies (particularly the 13 year plan) but not the majority of policy goals of the national government.

Peer Reviewer

Opinion: Agree

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:

2023 National Budget Volume 1 Economic and Development Policies in Chapter 1, Budget Overview (page 9-16) describes the 13 year plan as the framework for the 2023 national budget. Chapter 2, Economic Developments and Outlook, notably section 2.4 2023 Economic Outlook; Chapter 3: Fiscal Strategy and outlook, notably section 3.3 2023 Budget Strategy (page 48) 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, 2023-2027. Chapter 6: Expenditure (, notably Section 6.3 Sector Expenditure (from page 70) seeks to link expenditure with the new update 13 year plan; there is also reference to the (5 year) Medium Term Development Plan IV, notably under 6.3.8.2 (p 76) for National Security and Defence, but not apparently elsewhere...(MTDP IV was only under preparation at the time of the 2023 Budget and launched in 2023, covering 2023-2027) ; Chapter 8, Financing and Debt Management Strategy, (page 100) further links financing and debt management measures with longer term objectives, adjusted by the impact of the pandemic. Chapter 9: National Reform Agenda (page 107) discusses long term sustainable, balanced and recovery plans from the COVID 19 pandemic. Chapter 10: Enhancing State's Investments, (page 118) 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/2023/Volume1.pdf

Comment:

As stated previously, the information shared in the 2023 National Budget provides links between some policies (particularly the 13 year plan) but not the majority of policy goals of the national government. The 13 year plan is a multi-year plan intended to be the framework for the budget and is developed based on the policies of the national government. However, except for a table (page 13) no details of the 13 year plan are given and the linkage between specific policies for which it is based on. The MTDP IV (5 year plan) was still under preparation in November 2022, and only mentioned briefly under one section in the expenditure chapter, with the (previous) MTDP 2 & 3 mentioned in section 3.3. on the 2023 Budget strategy (p33)

Peer Reviewer

Opinion: Agree

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, 2023 Budget Estimates of Revenue and Expenditure for National Departments, Section (I), Table 6 (40-47) 2023 Public Service

Establishment,

Volume 2A-C, Section (IV) (page 91 onwards), National Government Departments, provides staffing details and vehicles for each department, and Volume 2D 2023 BUDGET ESTIMATES FOR STATUTORY AUTHORITIES PROVINCIAL GOVERNMENTS DEBT SERVICES AND TRUST ACCOUNTS, SECTION (I) DETAILS OF STATUTORY AUTHORITIES (page 1-711), the same details are provided for the Statutory Authorities, and Section (II), Details of Provincial Governments (pages 713-746) - such non-financial details are not provided

Volume 3A & B Public Investment Program 2023-2026 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/2023/Volume1.pdf

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%202A.pdf

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%202B.pdf

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%202C.pdf

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%202D.pdf

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%203A.pdf

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%203B.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 has tended to be enhanced annually, but is not comprehensive.

Peer Reviewer

Opinion: Agree

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, 2023 Budget Estimates of Revenue and Expenditure for National Departments, Section (I), Table 6 (40-47) 2023 Public Service Establishment,

Volume 2A-C, Section (IV) (page 91 onwards), National Government Departments, provides staffing details and vehicles for each department, and Volume 2D 2023 BUDGET ESTIMATES FOR STATUTORY AUTHORITIES PROVINCIAL GOVERNMENTS DEBT SERVICES AND TRUST ACCOUNTS, SECTION (I) DETAILS OF STATUTORY AUTHORITIES (page 1-711), the same details are provided for the Statutory Authorities, and Section (II), Details of Provincial Governments (pages 713-746) - such non-financial details are not provided

Volume 3A & B Public Investment Program 2023-2026 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/2023/Volume1.pdf

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%202A.pdf

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%202B.pdf

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%202C.pdf

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%202D.pdf

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%203A.pdf

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%203B.pdf

Comment:

Intended non-financial data are provided for many programs and administrative (functions) in a somewhat ad-hoc manner (with more details on inputs, notably on staff on strength provided in Vols 2A-2D, than hitherto). Very limited details are provided on outputs/outcomes, notably in volume 3A & B (PIP) notably under project Status and Components, and in most cases they are unquantifiable, and in some of the performance indicators under Volume 2 (A-D). In the light of the inconsistent and in many cases very limited data, this justifies only a C response.

Peer Reviewer

Opinion: Disagree

Suggested Answer:

d. No, nonfinancial data on results are not presented.

Comments: The information highlighted by the author in Volumes 2 of the budget relates primarily to inputs (e.g. staff numbers, vehicles) - not outputs or expected results. The Volume 3 public investment program information provides a summary of 'status' for each project; but this is not a description of outputs/outcomes achieved as a result of the project. In my experience, the term 'non-financial data on results' would be something quite different (e.g. achievement of key policy goals; whether targets in a Five Year Plan have been met; number of children vaccinated; Kms of road built; number of schools rehabilitated etc). I don't see any of this kind of non-financial results being reported in the budget documents presented here. On that basis I would score a D. Perhaps there is a separate document that updates performance against the government's development plan with all this kind of information; but based on what is presented here I think this is a D score.

Government Reviewer

Opinion: Agree

Researcher Response

The non-financial data is certainly limited, inconsistently provided and largely unquantified, but some is provided throughout volume 3 A & B, such as details on classrooms, roads, aircraft to be restored and made operational, number of school books under programs. It deserves only a C-, but it still (just) complies with 'non-financial data ... for some programs...'

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 2023 Budget Estimates of Revenue and Expenditure for National Government Departments: Section (IV) (page 91 onwards), 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/2023/Volume%202A.pdf

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%202B.pdf

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%202C.pdf

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%202D.pdf

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%203A.pdf

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%203B.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 unmeasurable using this information. At the sub-national level no performance indicators are provided. More (though still limited and largely unmeasurable) 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 author that Volumes 2A-D contain a short section on performance for each institutions discussed; but I would say it is too general to be meaningful. Some of the performance indicators are just a few words and none of the (admittedly not comprehensive) sample that I reviewed had any quantitative information on either a target or achievement of that target. So I would say this is D - performance targets are not (meaningfully) assigned to non-financial data on results and the budget does not present non-financial data on results. The discussion indicated by the author is too general to be real performance information.

Government Reviewer

Opinion: Agree

Researcher Response

The details of performance targets are certainly deficient and for the most part impossible to quantify, with clearly inadequate effort being made to make this required reporting mechanism an effective tool. Nevertheless, some feedback is extensively provided, and in some cases more useful. This issue has been considered in previous surveys, and in 2021 it was deemed to (just) comply with C. The performance targets have become no better or worse since the last survey, so for consistency it is proposed to stick with C (albeit a 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 for 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 and 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:

2023 Budget Volume 1 Economic and Development Policies, notably Chapter 6, Expenditure (page 68), notably Section 6.3.2 Community and Culture Sector (page 72), 6.3.6 Education Sector (page 74), including Tuition Fee Subsidy Policy, 6.3.7 Health Sector (page 74), including so-called 'free' primary healthcare policy, 6.3.9 Provincial Sector (page 77), including equitable local level basic services, 6.3.11 Utilities Sector (page 78) "meeting the demands of growing population...utility services for effective poverty reduction..."

Chapter 9 National Reform Agenda specifically Section 9.2.1 (page 108) Increasing Employment Opportunities from Labour Mobility and section 9.3.1 (page 109) Equitable Resource Allocations to Provincial Governments (notably under NEFC and equalisation measures) to provide a set of basic services; Section 9.4.9 Minimum Wages addressing issues of employers not paying the minimum wage (page 113)

2A-D, 2023 Budget Estimates of Revenue and expenditure for National Government Departments, Section (IV), (page 91 onwards), specific programs under specific Departments, notably Volume 2C, (pages 8-12) various welfare services for persons with special needs.

VOLUME 3A & B PUBLIC INVESTMENT PROGRAM 2023– 2026, Introduction, and emphasis on the forthcoming MTDP4, including upon the rural areas where the majority live and improving "service delivery interventions to improve the living standards of the people and open up the rural enclaved communities to access public goods and services", specifying: economic, transport, utilities, health and education, law, justice and national security, community and culture, improved governance and administration, Provinces and Districts, and Sections 2 & 3..

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%202A.pdf

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%202B.pdf

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%202C.pdf

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%202D.pdf

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%203A.pdf

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%203B.pdf

Comment:

There are few policies specifically referring addressing poverty in the 2023 Budget, although there is reference in some sections of Chapter 6 over Vol 1, and in the introduction to Volume 3 to the Constitutional requirements and 'leaving no one behind', including reference to the forthcoming Medium Term Development Plan IV as providing the Government's "detailed policy direction" for 2023-2027, including "sustainable delivery of basic goods and services for children, youth, women, elderly and persons with special needs and protecting their rights".. and associated policies on population, etc. There is no systematic provision of material in the Budget proposal to provide estimates of policies designed to benefit the most impoverished populations. 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 2023-2026 in Volume 3 (including in the foreword, with its emphasis on the MTDS4 priorities) and in some of the explicit programs in Volume 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 price 'stabilisation' (actually support...or minimum price) and minimum wages. Government Debt (on current and forecast debt levels).

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: There are mentions of fiscal relief measures undertaken by the Government in 2022 and 2023 to assist the people in light of the high inflation and fuel prices.

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:

b. Yes, a timetable is released, but some details are excluded.

Source:

Consolidated Budget Operating Rules were issued by Treasury, Feb 2015, which go together with a series of Budget Circulars issued by Treasury during the year. During 2022, for the preparation of the 2023 budget, the circulars were provided with a detailed schedule provided online in June 2022

http://www.treasury.gov.pg/html/national_budget/files/2022/Budget%20Circulars/BC%204-%202022Attachment%20A.%20Budget%20timetable.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. However, it does not specifically state the public release of a National Budget timetable.

<https://cimcpng.org/images/forums/rdf/presentations/ngi/2017/PlanningAct.pdf>

Comment:

There was a public notice in the newspaper early in 2022 inviting public inputs to the 2023 Budget. The initial Budget circulars during the year did not provide the schedule, which was not released online until June 2022, although not strictly adhered to (for example, with the EBP being tabled 10 days later than initially scheduled)

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

d. No, information related to the macroeconomic forecast is not presented.

Source:

Comment:

The 2023 PBS will not be considered because it was not made publicly available within the time frame specified in the OBS methodology therefore a score of "D" is awarded.

Peer Reviewer

Opinion: Agree

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:

d. No, information related to the government's expenditure policies and priorities is not presented.

Source:

https://www.treasury.gov/pg/html/national_budget/files/2013/budget_documents/Related%20Budget%20Documents/2023%20BSP.pdf

Comment:

The 2023 PBS will not be considered because it was not made publicly available within the time frame specified in the OBS methodology therefore a score of "D" is awarded.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: The required information are usually provided in the PBS.

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:

d. No, information related to the government's revenue policies and priorities is not presented.

Source:

https://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/Related%20Budget%20Documents/2023%20BSP.pdf

Comment:

The 2023 PBS will not be considered because it was not made publicly available within the time frame specified in the OBS methodology therefore a score of "D" is awarded.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: The required information are usually provided in the PBS.

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:

d. No, none of the three estimates related to government borrowing and debt are not presented.

Source:

https://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/Related%20Budget%20Documents/2023%20BSP.pdf

Comment:

The 2023 PBS will not be considered because it was not made publicly available within the time frame specified in the OBS methodology therefore a score of "D" is awarded.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: The requested information are provided in the PBS.

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:

b. No, multi-year expenditure estimates are not presented.

Source:

https://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/Related%20Budget%20Documents/2023%20BSP.pdf

Comment:

The 2023 PBS will not be considered because it was not made publicly available within the time frame specified in the OBS methodology therefore a score of "D" is awarded.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: The PBS analysis only covers the budget year only.

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:

a. Yes, the Enacted Budget presents expenditure estimates by all three expenditure classifications (by administrative, economic, and functional classification).

Source:

Appropriation (General Public Services Expenditure 2022) Act 2021

Appropriation (National Parliament 2022) Act 2021

Appropriation (Judiciary Services 2022) Act 2021

https://www.parliament.gov.pg/uploads/acts/21A_22.pdf

https://www.parliament.gov.pg/uploads/acts/21A_24.pdf

https://www.parliament.gov.pg/uploads/acts/21A_23.pdf

2022 NATIONAL BUDGET VOLUME 1 ECONOMIC AND DEVELOPMENT POLICIES Appendix 2, Tables 13A & 13B (pages 188 & 189) General Government Expense by Economic Classification and General Government Expense by Agency Type

VOLUME 2a 2022 BUDGET ESTIMATES OF REVENUE AND EXPENDITURE FOR NATIONAL GOVERNMENT DEPARTMENTS Budget Estimates of

Revenue and Expenditure of National Governments Departments, Sn (I) Summary Tables 1-5 (pages 1-54) provide Expenditure by administrative, economic, and functional classifications. Section (III) (page 74-92 onwards) provide details of the Expenditure, Summary of Appropriation for all Administrative unit; Section (IV)(page 93 and continuing in Volumes 2B & 2C) National Government Departments, provides detailed expenditure for National Departments

VOLUME 2b 2022 BUDGET ESTIMATES OF REVENUE AND EXPENDITURE FOR NATIONAL GOVERNMENT DEPARTMENTS

VOLUME 2c 2022 BUDGET ESTIMATES OF REVENUE AND EXPENDITURE FOR NATIONAL GOVERNMENT DEPARTMENTS

VOLUME 2d 2022 BUDGET ESTIMATES FOR STATUTORY AUTHORITIES PROVINCIAL GOVERNMENTS

DEBT SERVICES AND TRUST ACCOUNTS provides detailed expenditure for Provincial Governments and Statutory Authorities, plus Debt Servicing and Trust Funds

Volume 3A - Public Investment Program for National Government Departments 2022-2026

Volume 3B - Public Investment Program for Statutory Authorities and Provincial Governments 2022-2026

http://www.treasury.gov.pg/html/national_budget/files/2022/Volume1.pdf

http://www.treasury.gov.pg/html/national_budget/files/2022/Volume%202a.pdf

http://www.treasury.gov.pg/html/national_budget/files/2022/Volume%202b.pdf

http://www.treasury.gov.pg/html/national_budget/files/2022/Volume%202c.pdf

http://www.treasury.gov.pg/html/national_budget/files/2022/Volume%202d.pdf

http://www.treasury.gov.pg/html/national_budget/files/2022/Volume%203A%20PIP.pdf

http://www.treasury.gov.pg/html/national_budget/files/2022/Volume%203B%20PIP.pdf

Comment:

The summary allocations by administrative classification are provided in the respective Budget Appropriation Acts for the Executive, the Legislature and the Judiciary. But in practice in PNG, the EBP is also 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 under Sn 2 in the Appropriation Acts 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 (on 30th November 2021).

References are made throughout the Appropriation (General Public Services Expenditure 2022 Budget) Act 2021 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 2022 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 2022 Budget Publications are to be considered relevant documents;" These documents provide the expenditure details in accordance with the 3 classifications, as specified under the EBP.

Peer Reviewer

Opinion: Agree

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:

Administrative classification

Economic classification

Functional classification

Source:

https://www.treasury.gov.pg/html/national_budget/files/2022/Volume%202a.pdf

https://www.treasury.gov.pg/html/national_budget/files/2022/Volume%202b.pdf

https://www.treasury.gov.pg/html/national_budget/files/2022/Volume%202c.pdf

https://www.treasury.gov.pg/html/national_budget/files/2022/Volume%202d.pdf

Comment:

The aggregate expenditure figures (by economic classification and agency type) are provided as shown in Table 13A & B in Volume 1, and in the Summary Tables of Volume 2A by economic, functional and administrative classifications.

The detailed break up is only shown classified by administrative units and programs in Volumes 2A-D for national, provincial and statutory bodies and the Trust Accounts (which are not broken down).

Peer Reviewer

Opinion: Agree

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:

a. Yes, the Enacted Budget presents estimates for programs accounting for all expenditures.

Source:

The 2022 EB comprises the 3 Appropriation Acts, which provide aggregated allocations by Administrative unit, but, as specified in the Acts, they are to be read together with the EBP. Section 2 of the Appropriation (General Public Services Expenditure 2022) Act 2021, clause 'a' states "for the purpose of identifying activities of agencies referred to in this Act, Volumes 2A, B, C and D of the 2022 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 2022 Budget Books are to be considered relevant documents":

Appropriation (General Public Services Expenditure 2022) Act 2021

Appropriation (National Parliament 2022) Act 2021

Appropriation (Judiciary Services 2022) Act 2021

https://www.parliament.gov.pg/uploads/acts/21A_22.pdf

https://www.parliament.gov.pg/uploads/acts/21A_24.pdf

https://www.parliament.gov.pg/uploads/acts/21A_23.pdf

2022 NATIONAL BUDGET

VOLUME 2a 2022 BUDGET ESTIMATES OF REVENUE AND EXPENDITURE FOR NATIONAL GOVERNMENT DEPARTMENTS Budget Estimates of Revenue and Expenditure of National Governments Departments, Section (IV)(page 93 and continuing in Volumes 2B & 2C) National Government Departments, provides detailed expenditure for National Departments

VOLUME 2b 2022 BUDGET ESTIMATES OF REVENUE AND EXPENDITURE FOR NATIONAL GOVERNMENT DEPARTMENTS

VOLUME 2c 2022 BUDGET ESTIMATES OF REVENUE AND EXPENDITURE FOR NATIONAL GOVERNMENT DEPARTMENTS

VOLUME 2d 2022 BUDGET ESTIMATES FOR STATUTORY AUTHORITIES PROVINCIAL GOVERNMENTS

DEBT SERVICES AND TRUST ACCOUNTS provides detailed expenditure for Provincial Governments and Statutory Authorities, plus Debt Servicing and Trust Funds

Volume 3A - Public Investment Program for National Government Departments 2022-2026

Volume 3B - Public Investment Program for Statutory Authorities and Provincial Governments 2022-2026

http://www.treasury.gov.pg/html/national_budget/files/2022/Volume%202a.pdf

http://www.treasury.gov.pg/html/national_budget/files/2022/Volume%202b.pdf

http://www.treasury.gov.pg/html/national_budget/files/2022/Volume%202c.pdf

http://www.treasury.gov.pg/html/national_budget/files/2022/Volume%202d.pdf

http://www.treasury.gov.pg/html/national_budget/files/2022/Volume%203A%20PIP.pdf

http://www.treasury.gov.pg/html/national_budget/files/2022/Volume%203B%20PIP.pdf

Comment:

On the basis that the EBP 2022 documents comprise the details of the 2022 EB, the response to the same question as for the EBP (for the 2023 Budget, as there's been no change in the categorisation between the two years), notably that the Enacted Budget presents estimates for programs accounting for all estimates

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

a. Yes, the Enacted Budget presents revenue estimates by category.

Source:

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. However, estimates of revenue are provided in the Executive’s Proposed Budget, which as specified in the Appropriation Act for the Executive government provides the details for the enacted Budget upon approval in the legislature. The 2022 Budget Volume 1, Economic and Development Policies, Appendix 2, Table 10 (p 185): Statement of Operations for General Government; Table 12, - Table 12 (p187): General Government Revenue 2014 GFS Economic Classification; and Chapter 4. Revenue (p 59)

Volume 2A, 2022 Budget Estimates of Revenue and Expenditures for National Government Departments SECTION (II) DETAILS OF REVENUE, GRANTS AND LOAN ESTIMATES, (page 56-62): 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/2022/Volume1.pdf

https://www.treasury.gov.pg/html/national_budget/files/2022/Volume%202A.pdf

https://www.treasury.gov.pg/html/national_budget/2022.html

Comment:

As the EBP is accepted by the Legislature in its entirety unaltered, once passed the EBP estimates are specified and become accepted as the revenue estimates for the EB (as well as the detailed breakdown of the expenditure under the Appropriation Acts).

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

a. Yes, the Enacted Budget presents individual sources of revenue accounting for all revenue.

Source:

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; but as stated, the EPB is treated as providing the details for the EB once the Budget is approved by Parliament, and as specified in the Appropriation legislation. The 2022 Budget Volume 1, Economic and Development Policies, Appendix 2, Table 10 (p 185): Statement of Operations for General Government; Table 12, - Table 12 (p187): General Government Revenue 2014 GFS Economic Classification; and Chapter 4. Revenue (p 59).

Greater detail is provided in Volume 2A, Budget Estimates of Revenue and Expenditures for National Government Departments, Section I, Summary Tables, Table A2, General Government Revenue Economic Classification of Revenue, and in Volume 2A, 2022 B SECTION (II) DETAILS OF REVENUE, GRANTS AND LOAN ESTIMATES, (page 56-62): 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/2022/Volume1.pdf
https://www.treasury.gov.pg/html/national_budget/files/2022/Volume%202A.pdf

Comment:

The enacted Appropriation legislation does not, however, provide detail sources of revenue, except with specifying the new taxes and tax rates 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.

The Government has been minimise revenue collected by some Statutory Authorities (and most notably the National Fisheries Authority - from licensing fees), which is then retained by themselves, so that goes directly to Consolidated Revenue, by overriding their legislation with the Public Money Management Regularisation Act 2017 (PMMR); however, this legislation was rejected by the Supreme Court in a Ruling in mid-2020. Replacement legislation was drawn up to effect a similar outcome, but this was not ready for the 2022 Budget (it was passed as part of the 2023 Budget). So, for 2022 Budget the details of these revenue sources/amounts are not included in the Budget documents. The Treasury is also seeking to secure a greater flow of revenue from the resource SOEs collecting returns from mineral and gas projects (as occurred in the past), based upon the State's legal equity entitlement, (and in due course also to direct it, according to a formal) to the SWF, but the State resource holding companies operate very independently of Government, operating effectively parallel budgets (Treasury succeeded in clawing in some additional revenue from them, but only in the 2023 Budget)

Peer Reviewer

Opinion: Disagree

Suggested Answer:

a. Yes, the Enacted Budget presents individual sources of revenue accounting for all revenue.

Comments: I would be more generous here. The information presented as 'revenue' in the budget (the EBP and the EB, since the two are the same at this level of detail) provides quite detailed breakdowns of revenue sources in Volume 1 p. 187. To me, this is quite a lot of detail (e.g. far more than just 'tax' and 'non-tax' revenue or other headline categories). I can see that - in practice - many public sector institutions keep their revenue and don't remit it to central government as they are supposed to; but the question seems to be about 'what revenue figures are presented within the budget'; not 'does the government of PNG manage to claim all revenue that it is legally entitled to'. I think that within the terms of the question (i.e. what is in the government's budget), the information of revenue in the EBP/EB is comprehensive; and therefore an A score is justified.

Government Reviewer

Opinion: Agree

Researcher Response

The Peer reviewers' comment is valid. The projection for revenue into Consolidated revenue from all sources are comprehensively recorded in the Budget document. Various SOEs and NSAs may not comply with the Budget requirements or expectations, retaining the income received from dividends, license fees etc, and consider these funds their exclusive preserve, not to be transferred through to the National Government, as has been the case in recent years. This has tended to lead to parallel Budgets becoming prevalent. If one focuses only upon the National Budget, and ignores these (substantial prevailing) parallel government budgets, I agree that A is merited.

IBP Comment

The reviewer's comments are well-noted and appreciated. Given changes on the Treasury website, the updated links are:

<https://www.treasury.gov.pg/budget/annual-budgets/2022-annual-budget/> <https://www.treasury.gov.pg/wp-content/uploads/2023/05/budget-2022-Volume1.pdf> IBP agrees with the peer and researcher's comments, therefore, the current response is adjusted from "B" to "A".

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:

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

Source:

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, however, treated by Government (and others) as providing the details of the enacted Budget (once passed), (as specified in the Appropriation Act itself), Volume 1, Economic and Development Policies, Chapter 8 Financing and Debt Management Strategy (p 117-123); Appendix 2, Table 10: Statement of Operations for General Government (p 185), Table 14 (page 190), Transactions in Assets and Liabilities for General Government and Table 15 (page 191), 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.

Volume 2a: SECTION (II) DETAILS OF REVENUE, GRANTS AND LOAN ESTIMATES, Financing (p 69-73)

https://www.treasury.gov.pg/html/national_budget/files/2022/Volume1.pdf

https://www.treasury.gov.pg/html/national_budget/files/2022/Volume%202A.pdf

https://www.treasury.gov.pg/html/national_budget/2023.html

Comment:

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 3: Fiscal Strategy and Outlook and Chapter 8. Financing and Debt Management Strategy, and in more detail in Volume 2A, as per the EBP

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Disagree

Suggested Answer:

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

Comments: The requested information, although not included in the appropriation bills, are contained in the volume 1 of the budget documents as approved by Parliament.

Researcher Response

As per the Researcher's existing comment, the answer should be in the affirmative and consistent with the scoring for the EBP, ie A

IBP Comment

IBP agrees with the peer and researcher's comments, therefore, the current response is adjusted from "D" to "A".

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 citizens budget

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. Too this budget year there is still no progress in the development of a citizens budget.

Peer Reviewer

Opinion: Agree

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:

The citizens budget is not produced

Comment:

There is still no "citizens" version of any of the 2023 budget document.

Peer Reviewer
Opinion: Agree

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:

There is no citizens version of the budget documents

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. However, to this progress is still yet to be made on developing a citizen's budget.

Peer Reviewer
Opinion: Agree

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:

There is no citizens version of the budget documents

Comment:

There is still no "citizens" version of any of the 2023 budget documents.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

No In-Year Reports are published

Comment:

No In-Year Reports have been produced for several years, even though all departments have adopted the Integrated Financial Management System (IFMS), and the provinces largely transferred to it as well. There are In-Year reports produced however, they are produced separately by different key government agencies and for different purposes.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: In-Year reports are produced but for internal purposes or for reporting to external stakeholders such as the IMF (as and when requested).

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 In-Year Reports are published

Comment:

In- year reports have not been published since last decade despite commitments to reinstate under the OGP.

Peer Reviewer

Opinion: Agree

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 are 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

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 are published

Comment:

No In-Year Reports have been produced for several years, even though all departments have adopted the Integrated Financial Management System (IFMS), and the provinces largely transferred to it as well. There are In-Year reports produced however, they are produced separately by different key government agencies and for different purposes. There are 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 2023.

Peer Reviewer

Opinion: Agree

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 are published

Comment:

No In-Year Reports have been produced for several years, even though all departments have adopted the Integrated Financial Management System (IFMS), and the provinces largely transferred to it as well. There are In-Year reports produced however, they are produced separately by different key government agencies and for different purposes. There are 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 2023

Peer Reviewer

Opinion: Agree

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 are currently published

Comment:

No In-Year Reports have been produced for several years, even though all departments all Departments have adopted the Integrated Financial Management System (IFMS) and the provinces largely transferred to it as well. There are In-Year reports produced however, they are produced separately by different key government agencies and for different purposes. There are 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 2023

Peer Reviewer

Opinion: Agree

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 are currently published

Comment:

No In-Year Reports have been produced for several years, even though all departments have adopted the Integrated Financial Management System (IFMS), and the provinces largely transferred to it as well. There are In-Year reports produced however, they are produced separately by different key government agencies and for different purposes. There are 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 2023

Peer Reviewer

Opinion: Agree

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 are currently published

Comment:

No In-Year Reports have been produced for several years, even though all departments have adopted the Integrated Financial Management System (IFMS) and the provinces largely transferred to it as well. There are In-Year reports produced however, they are produced separately by different key government agencies and for different purposes. There are 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 2023

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: PNG is committed towards producing the in-year-reports in the future. At this stage, it is difficult to put a timeframe to this.

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 are currently published

Comment:

No In-Year Reports have been produced for several years, even though all departments have adopted the Integrated Financial Management System (IFMS) and the provinces largely transferred to it as well. There are In-Year reports produced however, they are produced separately by different key government agencies and for different purposes. There are 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 2023

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: Refer comments in previous question.

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 2022, Part 1: The Mid-Year Economic and Fiscal Outlook, Section 1.1 Overview to Section 1.3 The Fiscal Position and Outlook (page 6-35)
Table 2: Key Economic Parameters 2022, page 24
https://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/Related%20Budget%20Documents/2022%20MYEFO.pdf

Comment:

The 2023 Mid-Year Economic and Fiscal Outlook Report (MYEFO) provides a macro-economic update and forecast in Sn 1.1 the overview through to the fiscal position and outlook (including preliminary assessment and forecast of the spill over of the Ukraine-Russia war including commodity prices and financial markets. The revised annual Real GDP growth for 2022 in the MYEFO was projected at 4.7 per cent, down from the 2022 budget estimate of 5.4 per cent. Table 2: Key Economic Parameters, (page 24) provides both the original Budget and revised Economic Assumptions for 2022 for nominal GDP, real GDP growth, inflation and interest rates and commodity prices.

Peer Reviewer

Opinion: Agree

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 2022

- Table 3 (page 33) key Fiscal Aggregates 2021-2022, including the 2021 Budget and Mid-year estimates;
- Section 1.6 EXPENDITURE AND NET LENDING (page 45), including Tables 12: Total Expenditure and net Lending, Table 13 Expenditure by Agency Type and Source, and Table 14: Compensation of Employees by Items Types.
- Section 1.7 Status of Trust Accounts (page 54); Section 1.11 Fiscal Outturn Tables: Table 4 General Government Expense by Agency Type Economic Classification (page 68) and Table 5 General Budgetary Expenditure by Economic classification (page 69): Part 2 Mid-Year Expenditure: 2.1 Funded Expenditure Since the 2022 Budget (page 72-77); Part 3 Attachments (p 81-100): Mid-Year Expenditure by Sectors, Agency Type and Individual Agency.

https://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/Related%20Budget%20Documents/2022%20MYEFO.pdf

Comment:

The 2022 Mid-Year Report provides updated mid-year aggregate expenditure outturn figures and revised 2022 estimates, together with the 2022 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, and presentation of risks to the 2022 Budget and details of expenditure by sectors and agency and for personnel emoluments and goods and services in Part 3.

Peer Reviewer

Opinion: Agree

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 2022, provides updates and a summary of annual expenditure estimates by overall administrative and economic classifications, in Section 1.6 Expenditure and Net Lending, (pages 45-54). Summary Tables 12-15;
Section 1.12 Fiscal Outturn Tables, TABLE 4 (page 68): General Government Expenses Economic Classification, Table 5 (page 69): General Government Expense by Agency Type and Economic Classification;
Part 2, Mid-Year Expenditure Section 2.1 Funded Expenditure of the 2022 Budget. Part 3: attachments detailing expenditure (pages 81-100):

ATTACHMENT A: EXPENDITURE CATEGORY BY SECTORS, pages 81-82

ATTACHMENT B: EXPENDITURE CATEGORY BY AGENCY TYPE, page 83

ATTACHMENT C: EXPENDITURE CATEGORY BY INDIVIDUAL AGENCY, pages 84-100

https://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/Related%20Budget%20Documents/2022%20MYEFO.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 and text for priority expenditure.

Peer Reviewer

Opinion: Disagree

Suggested Answer:

b. Yes, the Mid-Year Review presents expenditure estimates by two of the three expenditure classifications.

Comments: From what I can see, the MYR does indeed present revised expenditure estimates for economic and administrative categories (as noted by the researcher) but does not provide revised estimates on functional/sectoral expenditure. Attachment A on expenditure by function/sectors shows expenditure to date and variance; but does not show new 'estimates' of expenditure (i.e. what is expected to be the new total for outturn). On that basis, the score should be a B.

Government Reviewer

Opinion: Agree

Researcher Response

The tables in Attachments A-C only provide mid-year expenditure details and not updated annual estimates, which are only provided in any detail by administrative and economic classification in the Fiscal Outturn Tables from P 65. There is a summary Sectoral estimate for the year under Capital Budget Expenditure P51-54, and notably in Table 18, page 53. This only covers the capital portion of the total Budget, so it is probably appropriate to downgrade the scoring to B (although consistency with 2021 survey, might be a consideration, which also only provided the Capital Budget sectoral estimates.

IBP Comment

The reviewer's comments are well-noted and appreciated. Given changes on the Treasury website, the updated link to the MYR is: <https://www.treasury.gov.pg/wp-content/uploads/2023/08/2022-MYEFO.pdf> Table 4: General Government Expenses by Economic Classification, page 68 Expenditure Category By Individual Agency, pages 86 to 102 Table 18: 2022 GoPNG *Capital* Expenditure by Sectors, page 55 Expenditures Category by Sectors, pages 81-82 These attachments (A, B, and C) do include a column referring to "2022 Rev Budget". Therefore, the functional/sectoral expenditure presentation does provide revised estimates (see pages 81-82). Based on this evidence, the current response of "A" is upheld.

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:

Mid-Year Economic and Fiscal Outlook Report 2022, provides updates and a summary of annual expenditure estimates by overall administrative and economic classifications, in Section 1.6 Expenditure and Net Lending, (pages 45-54). Summary Tables 12-15;

Section 1.12 Fiscal Outturn Tables, TABLE 4 (page 68): General Government Expenses Economic Classification, Table 5 (page 69): General Government Expense by Agency Type and Economic Classification;

Part 2, Mid-Year Expenditure Section 2.1 Funded Expenditure of the 2022 Budget. Part 3: attachments detailing expenditure (pages 81-100):

ATTACHMENT A: EXPENDITURE CATEGORY BY SECTORS, pages 81-82

ATTACHMENT B: EXPENDITURE CATEGORY BY AGENCY TYPE, page 83

ATTACHMENT C: EXPENDITURE CATEGORY BY INDIVIDUAL AGENCY, pages 84-100

https://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/Related%20Budget%20Documents/2022%20MYEFO.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 and text for priority expenditure.

Peer Reviewer

Opinion: Disagree

Suggested Answer: As noted in the response to the previous question, I think that revised estimates are presented for economic and administrative categories; but not for functional/sectoral.

Government Reviewer

Opinion: Agree

Researcher Response

As the updated Sectoral summary estimates in Table 18 only cover the Capital portion of Budget, and not the whole budget, it's accepted to remove the functional classification...(although noting a question of consistency with prior surveys)

IBP Comment

Please see IBP's comment in q78. These attachments (A, B, and C) do include a column referring to "2022 Rev Budget". Therefore, the functional/sectoral expenditure presentation does provide revised estimates (see pages 81-82). Based on this evidence, the current response is upheld and the three options are selected.

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 Section 2.1 Funded Expenditure Since the 2022 Budget (page 72), Table 29: National Priority Expenditure (by Sector), Section 2.2 Capital Expenditure (page 77), notably table 34: Spending on Government's Priority Projects 2022 shows figures up to the end of June, but not the outcome of 2022 (page 78).

https://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/Related%20Budget%20Documents/2022%20MYEFO.pdf

Comment:

Aggregated figures are provided for all Government expenditure and individually for all national and provincial government agencies, but only on a portion of the Governments priorities and priority projects under the Medium Term Development Plan III and in Part 2, in text and table form, but this isn't a detailed or comprehensive programmatic analysis of budget progress.

Peer Reviewer

Opinion: Disagree

Suggested Answer:

d. No, the Mid-Year Review does not present expenditure estimates by program.

Comments: The 'programs' identified within the budget as part of the earlier question on this topic are very detailed, and they are set out by each and every administrative unit, and for each and every capital project. The mid-year review does not refer back to this detailed list; nor does it report expenditure by some form of aggregate program information (e.g. expenditure by top-level program classification only). The tables referred to here do report on administrative, economic, and functional/sectoral expenditure; but not in detail on the program classification identified earlier in the survey. It's quite a detailed MYR and the government should be commended for producing this level of financial information; but the information

presented here does not relate to or report on the program classification identified earlier. Therefore, I think the answer is a D.

Government Reviewer

Opinion: Agree

Researcher Response

Certainly, the mid-year reporting by Administrative, economic and functional classifications are much more comprehensive and thorough. The program selection covers only a portion of the total Capital Budget (supposedly the Government's priority projects). This is clearly deficient and selective, and doesn't meet the standards of the Budgeting process itself. Nevertheless, as in previous surveys, this has been deemed to be reflected in a score of C, 'less than two thirds', and consistency should be applied, as reporting is certainly not worse than 2021, if unimproved.

IBP Comment

The reviewer's comment is well-noted and appreciated. Upon further consultation with the researcher and subsequent revisions, we agree with the researcher's comment. Although rather limited, there is a presentation for some programs: e.g. in Table 29: National Priority Expenditure as at 30th June 2022 (Kina, million), page 76, there is a display of "Higher Education Loan Program(HELP)" and "2020 Population Census Preparation", and Table 33: Support Improvement Program 2021-22 (Kina, million), page 79, which can be found in more disaggregated documents within the EBP. Accordingly, the current response of "C" is upheld.

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 2022, Section 1.4 Total Revenue and Grants, (page 35-41), Tables 5-11 for different taxes and other revenue sources (plus grants), and Table 3: General Government Revenue by Economic Classification (Kina, million) (page 67)

https://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/Related%20Budget%20Documents/2022%20MYEFO.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

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 2022, Section 1.4 Total revenue and Grants, (pages 35-40), Tables 5-11 for different taxes and other revenue sources (plus grants), and Section. 1.11 Fiscal Outturn Tables: Table 3: General Government Revenue by Economic Classification (Kina, million) (on page 67)

https://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/Related%20Budget%20Documents/2022%20MYEFO.pdf

Comment:

The Mid Year Economic and Fiscal Report does break up the Revenue estimates from different sources, in the text and the Tables from 5-11, 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 5 Tax revenue and non-tax revenue (plus grants).

Peer Reviewer

Opinion: Agree

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 2022: Section 1.11 Fiscal Outturn Tables, TABLE 3 (page 67): General Government Revenue by Economic Classification and Section 1.4 Total Revenue and Grants (page 36) notably tables 5-11 and accompanying text provide details

https://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/Related%20Budget%20Documents/2022%20MYEFO.pdf

Comment:

The Mid Year Report does provide individual sources of revenue, from different Tax and Non Tax sources and grants, notably in with text and tables in Sections 1.4 and 1.11.

Peer Reviewer

Opinion: Agree

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 2022: Section 1.3 Fiscal Position and Outlook (page 31-34), text and Table 3. Key Fiscal Aggregates 2021-2022; Section 1.8 Financing (page 60-62) text and Tables 22-24 and Section 1.9 Public Debt and Contingent Liabilities (page 62-64) text and Table 25 and 26 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 64);

In Section 1.11, Fiscal Outturn Tables (page 65, Table 1: Statement of Operations for the General Government provides a summary of revenue, expenditure, financing and debt; Table 5, General Government Expense by Agency Type and Economic Classification (page 69), including Debt servicing interest costs; Table 6 (page 70): Transactions in Assets and Liabilities for General Government (including external and domestic liabilities) and Table 7 (page 71): Stocks of General Government (Kina, million)

https://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/Related%20Budget%20Documents/2022%20MYEFO.pdf

Comment:

Estimates of Governments borrowing and debts are updated in the Mid-Year Report. Table 6 (page 70) 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 22-24 (pages 60-62) in the main text, with net borrowing (external and domestic). Table 25 provides a summary of the prevailing mid-year total debt level and forecast by year end (page 63), including whether the debt is domestic or external. Table 25 and 26 provide a summary and more detail on contingent liabilities, and some basic information on new concessional loan interest rates and objectives. Table 6 (page 70) in the fiscal outturn tables provides the level of

domestic and international debt. Table 5 (page 69) 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

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 2021, Section 1.3 Expenditure and Net Lending (page 19-28), text and Table 10: Expenditure by Funding Source 2020-2021, Table 13: GoPNG Expenditure by Agency Type 2020-2021 [Excluding Donor Grants, and Concessional Loans], and Table 14 GoPNG Expense by Economic Items; Fiscal Tables Table D (i & ii) (page 40 and 46-47): General Budgetary Expenditure by Economic Classification

PART 2 Budget Outcome by Agency (page 50) Tables 28-30, and Attachment A (pages 55-77 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/Related%20Budget%20Documents/2021%20FBO%20Report.pdf

Fiscal Responsibility Act 2006

[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) (specifies the legal requirements for year-end reporting, deadlines etc.)

Comment:

The Final Budget Outcome Report 2021 provides both summary and detailed Budgeted figures including the 2021 supplementary budget adjusted figures and expenditure outcome to year end

Peer Reviewer

Opinion: Agree

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 2021, Section 1.3 Expenditure and Net Lending (page 19-28) provides summary expenditure tables 10- 14 (pages 20-25),

Table 10 is a summary of expenditure by funding source, Table 13 provides a summary of the Expenditure by Agency Type 2020-2021; Table 14, summary of Expenses by Economic item 2020-2021; Table 15, summary of Selected Key Expenditure Items.

In the Fiscal Tables: Table D (i & ii) (pages 46-47): General Budgetary Expenditure by Economic Classification

PART 2 (which just covers expenditure funded domestically, i.e. not from grants etc) 2021 Budget Outcome by Agency (page 50-55), Section 2.2, 2021 Expenditure Outcome by Category, includes a summary by Tables by PE Category, by Function/Sector (page 51). Section 3.0 Attachment A (page 55-77. 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/Related%20Budget%20Documents/2021%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 (excluding foreign grants etc.). Details of transfers made during the year, notably during the 2021 Supplementary Budget are also provided. Although in the subsequent attachments (from page 55 onward).

Peer Reviewer

Opinion: Agree

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 46-47): General Budgetary Expenditure by Economic Classification

PART 2, 2021 Budget Outcome by Agency (pages 50 onwards), Section 2.1 2019 Overview; Section 3.0 Attachment A (page 55-77) 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/Related%20Budget%20Documents/2021%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

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 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 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 2021; Section 1.3 Expenditure and Net Lending (page 19) provides the aggregates, including Section 1.7 Trust Accounts (page 34) 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 2021 Budget Outcome by Agency, Section 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/Related%20Budget%20Documents/2021%20FBO%20Report.pdf

Comment:

Summary expenditure details of programs (under capital items) for all government agencies, including provincial governments are provided in the 2021 Budget Outcome report, but not for breakdowns under the District Grants Improvement Program.

Peer Reviewer

Opinion:

Government Reviewer

Opinion: Agree

Comments: Detailed information of expenditures from Districts (Grants, etc), are not fully captured as some of the districts are not covered by the IFMS at this stage. Once IFMS is fully rolled out, we should be able to report the expenditures more in detail, especially from the Districts.

Researcher Response

The roll out of the IFMS has been slow, costly and challenging, including when hacked in late 2021 and requiring temporary reversion to manual systems. The software is now somewhat dated, but updates and completion of the roll out process will enable more comprehensive and timely reporting of 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 2021, Section 1.2 REVENUE: 1.2.1 Total Revenue and Grants (page 11-19) Tables 2- 9 with narrative provides details of changes in the enacted, supplementary and enacted budget. Additionally the Fiscal Tables Table C: General Government Revenue by Economic Classification, provides the 2021 Budget, adjusted Budget (with Supplementary Budget) and End of Year revenue outcome (page 45).

https://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/Related%20Budget%20Documents/2021%20FBO%20Report.pdf

Comment:

Table 3 (on page 13) provides a summary of the original revenue Budget, the revised 2021 Budget forecast (following the Supplementary Budget) and the 2021 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) 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

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 2021, Section 1.2 Revenue: Section 1.2.1 provides the Revenue overview, with subsequent sections and tables breaking

down into tax and on-tax revenue and grants (tables 2-9). Section 1.2.2 Tax Revenue (page 13-16), provides details of revenue from different taxes in tables and text, Section 1.2.3. Grants and Section 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 45): 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/Related%20Budget%20Documents/2021%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

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 2021, Section 1.2 Revenue, 1.2.1 Total Revenue and Grants (page 11-19) and Tables 2-9 (and boxes 1 & 2) Fiscal Tables, Table C: General Government Revenue by Economic Classification (page 45)

https://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/Related%20Budget%20Documents/2021%20FBO%20Report.pdf

Comment:

Sections 1.2.2-1.2.4 and Tables 2-9 (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 summarized figures and the Fiscal Outturn report does not provide the itemized 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

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 2021. Section 1.4 Financing (pages 28-32) and Section 1.4.1, Net Financing, notably Table, 20 (summary); 1.4.2. External Financing, Table 21: External Borrowing and Principal Repayments 2020 – 2021; and 1.4.3 Domestic Finances, Table 22: Domestic Borrowing and Principal Repayments 2020 - 2021. Section 1.5 Public Debt (pages 32), Table 24: Central Government Debt 2020 – 2021; Table 23: Interest and Fees – 2020-2021) and accompanying text
In the fiscal tables: Table E: Transaction in Assets and Liabilities for the General Government (page 48) Table F: Stocks in General Government Debt (page 49)

https://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/Related%20Budget%20Documents/2021%20FBO%20Report.pdf

Comment:

The Final Budget Outcome Report 2021 provides tables and narrative detailing the original budget, revised budget (from the 2021 Supplementary Budget) and budget outcome for 2021, 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 'C'.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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 1.4 Financing (page 28-32): Tables 20, 21, 22 and 23 showing overall new and net borrowing, broken up into overseas and domestic borrowing and Table 23, interest and fees (but not interest rates or maturity).
Section 1.5, Public Debt (page 32): Table 24 total domestic and overseas debt burden at year end

https://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/Related%20Budget%20Documents/2021%20FBO%20Report.pdf

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

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 "b" is also accepted if one of the core elements is not presented but additional information beyond the core elements is presented. 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 2021, Section 1.1 General Government Fiscal Operations (page 9-10).

https://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/Related%20Budget%20Documents/2021%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, 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

Government Reviewer

Opinion: Agree

Comments: The year-end report in PNG (FBO) is purely a fiscal report with focus on outcome against projections for key fiscal aggregates: revenue, expenditure and debt/financing

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:

Only very passing reference are made, notably in the foreword, to economic and other determining conditions

https://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/Related%20Budget%20Documents/2021%20FBO%20Report.pdf

Comment:

Macroeconomic details are not provided in the 2021 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, 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

Government Reviewer

Opinion: Agree

Comments: Refer comments in the previous question.

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/Related%20Budget%20Documents/2021%20FBO%20Report.pdf

Comment:

The 2021 Final Budget Outcome Report restricts itself solely to fiscal data and narrative, and provides no detail on non-financial inputs and outputs

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: Refer comments in previous question.

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/Related%20Budget%20Documents/2021%20FBO%20Report.pdf

Comment:

The 2021 Final Budget Outcome Report restricts itself to financial data only, with no information on the non-financial inputs/outputs.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: Refer comment in previous question.

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 1.7 Trust Accounts (page 34-40) with some details of Government Tuition Fee Subsidy Education Program, Part 2, Section 2.2, 2021 Budget Expenditure Outcome by Category (page 51) provides summary tables displaying expenditure on Community Development, Education, Health, Districts and Provinces and retirement payments

https://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/Related%20Budget%20Documents/2021%20FBO%20Report.pdf

Comment:

There are no specific details of policies, let alone policies for the impoverished, provided in the 2021 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, Section 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 Subsidy education Program and 'free' primary health care, and community development; 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

Government Reviewer

Opinion: I choose not to review this question

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 2021. Table 25 – Movements of Funds in Trust Accounts 2021 Movement of funds in Trust Accounts 1st January to 31st December 2021 and narrative and Table 26: Movement of Funds in the COVID Emergency Trust Accounts for Provinces From 1st January – 31st December 2021 ((pages 34-40)

https://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/Related%20Budget%20Documents/2021%20FBO%20Report.pdf

Comment:

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 1.7, Trust Accounts (Page 34) and Table 25: Movement of funds in Trust Accounts 1st January to 31st December 2021 (Kina, millions) (Page 34-36). However, despite the efforts of the Treasury and Finance Departments, some trust fund balances are excluded from balances shown in Section 1.7 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: Agree

Government Reviewer

Opinion: Agree

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 2021: Section 1.8 Government Finance Statistics (page 40) 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 43) of the Fiscal Tables

https://www.treasury.gov.pg/html/national_budget/files/2013/budget_documents/Related%20Budget%20Documents/2021%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

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 (<https://www.issai.org/pronouncements/issai-100-fundamental-principles-of-public-sector-auditing/>) 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 and Strategic Plan

<https://ago.gov.pg/audit-reports/>

https://ago.gov.pg/wp-content/uploads/2021/08/Part_1_Report_2015.pdf

<https://ago.gov.pg/wp-content/uploads/2020/04/ReportoftheAuditorGeneralPartII20152014.pdf>

<https://ago.gov.pg/wp-content/uploads/2020/04/Part-3-2015-GPO-Final-Printing-8-12-16-1.pdf>

https://ago.gov.pg/wp-content/uploads/2022/04/Part_4_Report_2020.pdf

<https://ago.gov.pg/wp-content/uploads/2020/04/Compliance-Audit-Report-Part11-July-2019.pdf>

https://ago.gov.pg/wp-content/uploads/2022/08/PNG_AGO_Strategic_Plan_2022_2027.pdf

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, report on the audits of the Provincial Accounts and the report on the statutory Authorities and SOEs the latest being 2015 report. 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

Government Reviewer

Opinion: Agree

Comments: The audits are usually produced very late (2-years lag) and that is due to several reasons, the main one being delay in agencies' preparation of the financial statements and the capacity of AGO to go out and conduct the audits. To some extent, funding is also a factor.

IBP Comment

The reviewer's comment is well-noted and appreciated. The answer is complemented with the information provided.

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:

Annual Financial Audit Reports and Strategic Plan

<https://ago.gov.pg/audit-reports/>

https://ago.gov.pg/wp-content/uploads/2021/08/Part_1_Report_2015.pdf

<https://ago.gov.pg/wp-content/uploads/2020/04/ReportoftheAuditorGeneralPartII20152014.pdf>

<https://ago.gov.pg/wp-content/uploads/2020/04/Part-3-2015-GPO-Final-Printing-8-12-16-1.pdf>

https://ago.gov.pg/wp-content/uploads/2022/04/Part_4_Report_2020.pdf

<https://ago.gov.pg/wp-content/uploads/2020/04/Compliance-Audit-Report-Part11-July-2019.pdf>

https://ago.gov.pg/wp-content/uploads/2022/08/PNG_AGO_Strategic_Plan_2022_2027.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'

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

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 and Strategic Plan

<https://ago.gov.pg/audit-reports/>

https://ago.gov.pg/wp-content/uploads/2021/08/Part_1_Report_2015.pdf

<https://ago.gov.pg/wp-content/uploads/2020/04/ReportoftheAuditorGeneralPartII20152014.pdf>

<https://ago.gov.pg/wp-content/uploads/2020/04/Part-3-2015-GPO-Final-Printing-8-12-16-1.pdf>

https://ago.gov.pg/wp-content/uploads/2022/04/Part_4_Report_2020.pdf

<https://ago.gov.pg/wp-content/uploads/2020/04/Compliance-Audit-Report-Part11-July-2019.pdf>

https://ago.gov.pg/wp-content/uploads/2022/08/PNG_AGO_Strategic_Plan_2022_2027.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/

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 2020 Report (4) had submitted its latest financial statements for 2017, but not subsequent years, MRDC (which holds petroleum and miners equity for provincial governments and landowners) 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 and now the successor NTRA Acts), which has been audited for 2017 and 2018 (with a disclaimer) and submitted financial statements for audit for 2019, currently being audited, but not yet for 2020. 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, and as these funds have been diverted to the SOEs Kumul Petroleum Ltd and Kumul Minerals Ltd. 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 with funds to be diverted to the Works Dept and a fund with an expanded infrastructure remit, but without the private sector and CSO stakeholders overseeing it any more).

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.

The report concludes with a section on problem audits, which include major resource SOEs which manage a major portion of the extra-budgetary funds.

"This Section of my Report deals with problem audits, especially audits in arrears. Problem audits denote audit of entities in respect of which I have not been able to carry out audits for circumstances detailed in the respective paragraphs.

79.1 EXCLUSION OF ENTITIES FROM STATUTORY AUDIT

Due to non-submission of financial statements by the following entities due to amendment to the enabling Act, I was not able to perform the audit of the following entities.

- ☒ Fresh Produce Development Agency;
- ☒ Kumul Minerals Holding Limited (formerly Petromin Limited);
- ☒ National Development Bank Limited;
- ☒ Ok Tedi Mining Limited;
- ☒ PNG Air Services Limited; and

79.2 EXCLUSION OF ENTITIES FROM FUTURE REPORT

- ☒ APEC 2018 PNG Coordination Authority;
- ☒ Border Development Authority;
- ☒ Cocoa Coconut Institute Limited of PNG;
- ☒ Kumul Gas Foreland 239 B.V;
- ☒ Kumul Gas Foreland 261 B.V;
- ☒ Kumul Gas Foreland 268 B.V; and
- ☒ Kumul Gas Foreland 269 B."

Peer Reviewer

Opinion: Agree

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:

AGO Annual Audit Work Plan

Comment:

The Annual Audit Report is not made publicly available (as it's released outside the deadline, although components of the report, such as Volume 4, covering SOEs and Statutory Authorities is up to date.

However, the individual reports covering Departments, Provincial Government, SOEs and NSAs do including a summary section and tables, such as ATTACHMENT 'A-E' on the status and standard of audits of SOEs and NSAs, and COMPARATIVE AUDIT OPINIONS ISSUED (2012-2020)

<https://dev-ibp-survey.azurewebsites.net/Survey.aspx?s=6a4a1819-35d3-46b7-8c5b-c3ab5c336d11&u=15554b2f-8953-4689-8f27-595b3f72b96a&pageld=4699>

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

<https://ago.gov.pg/audit-reports/>

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.

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.

Peer Reviewer

Opinion: Agree

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:

<https://ago.gov.pg/audit-reports/>
https://ago.gov.pg/wp-content/uploads/2022/04/Part_4_Report_2020.pdf

Comment:

The public release of Public Account of Papua New Guinea falls well outside the 18 month time limit required by this survey.

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, 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. 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.

Peer Reviewer

Opinion: Agree

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. However, they are subjected to limited resources to hold more meetings and do not 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

Comment:

Under Section 209(3), "Before any 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 Budget or appropriation.

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

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, cover only the functional grants provided to the provinces

<https://www.nefc.gov.pg/fiscal-reports>

2023 Budget report from NEFC: https://www.nefc.gov.pg/sites/default/files/2022-12/2023%20Budget%20Fiscal%20report%20-191122.FINAL_.pdf

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/statistics/quarterly-economic-bulletin-statistical-tables/>

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 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, the Bank's input has been important in securing domestic and international finance from financial markets.

Peer Reviewer

Opinion: Agree

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:

<https://www.nefc.gov.pg/fiscal-reports>

https://www.nefc.gov.pg/sites/default/files/2022-12/2023%20Budget%20Fiscal%20report%20-191122.FINAL_.pdf

Comment:

An annual fiscal report is released by the National Economic and Fiscal Commission (NEFC), up to the current year(2023) however, the reports only addresses sub-national financing issues, including the equalization component) but not wider fiscal policies and allocations.

Peer Reviewer

Opinion: Agree

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, as a Constitutional Office, 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:

Peer Reviewer

Opinion: Agree

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 Parliamentary Plans and Estimates Committee is required under section 209(3) of the Constitution to be consulted by the Government prior to it presenting a budget submission or appropriation to Parliament.

The Public Finances (Management) Act Sn. 22.3 states "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". On the Open Parliament Website it states:- Functions of the Plans and Estimates 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. There are currently seven members of the committee. The Parliament staff have advised that meeting did occur prior to the tabling of the 2023 Budget.

http://www.paclii.org/pg/legis/consol_act/pfa1995224/

<http://www.parliament.gov.pg/index.php/work-of-committee/permanent/view/plans-and-estimates>

Comment:

The committee had been in practice non-functional for many years, but in 2020 it was revived and, according to its then 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.

In 2022 it met prior to the Budget tabling according to Parliamentary staff, but some current committee members suggested it was more a case of rubber stamping the Budget, by engaging only the day before the Tabling of the Budget, unlike in years past when more significant consultations commenced 3 week's prior to Tabling.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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:

c. The legislature receives the Executive's Budget Proposal at least one month, but less than two months, before the start of the budget year.

Source:

Hansard record of the initial tabling in Parliament on 29th November 2022.
<http://www.parliament.gov.pg/uploads/hansard/H-11-20221129-M04-D05.pdf>

Comment:

It is standardly tabled in Parliament between 1-2 months of its date of application; For the 2023 Budget it was initially scheduled for 22 November, but deferred to 24th and then finally tabled on 29th November 2022, for application in the new fiscal year (1st Jan 2023), as recorded in Hansard (Parliament minutes).

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: Tabling of the budget is usually on the second Tuesday of November each year.

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:

Hansard recording of the approval of the Executive Budget Proposal:
<http://www.parliament.gov.pg/uploads/hansard/H-11-20221202-M04-D08.pdf>

Comment:

The Executive Budget Proposal was approved on the 2nd of December 2022, three days after it was tabled in Parliament, (normally there's a week interval, but as the tabling was deferred, they chose to bring the date for passing the Budget forward, so as to fit in with the planned Parliament schedule

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: Once the Government tables the budget, there is normally a week given for the opposition to provide feedback/response before the Parliament can take a vote to pass the budget.

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:

Appropriation and Taxation Laws) Constitution of PNG, Section 210, subsection (2) provides for 'Parliament may reduce, but shall not increase or reallocate, the amount of incidence of, or change the purpose of, any proposed taxation, loan or expenditure'.
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/
Parliament of Papua New Guinea, Manual of Practice and Procedures and Parliamentary Standing Orders (including SO no. XXI on Supply Bills,
<http://www.paclii.org/pg/Parliament/Parliamentary%20Standing%20Orders.htm>

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

Government Reviewer

Opinion: Agree

Comments: The legislature has some sort authority to amend the budget. In situation where the members of Parliament and/or the Opposition are not happy with how the budget has been put together. They can vote to reject the budget if they can master the numbers on the floor of Parliament. In such an instance, a 'supply bill' is introduced (by the Speaker) and the Government is tasked to review the budget and re-table.

IBP Comment

The reviewer's comment is well-noted and appreciated. The answer is complemented with the information provided.

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 2023 Budget proposal was passed on the 2nd of December 2022, with debate and without alteration.

The parliamentary Minutes Hansars of the EBP being passed on 2nd December 2022).

<http://www.parliament.gov.pg/uploads/hansard/H-11-20221202-M04-D08.pdf>

Comment:

Peer Reviewer

Opinion: Agree

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:

Comment:

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 in accordance to its mandate. There was no opportunity to provide input on the EBP given that they only had a week before it was approved in parliament on the 2nd of December.

Peer Reviewer

Opinion: Agree

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:

Comment:

The Parliamentary committees have almost entirely been non-operational, mainly due to lack of funding. That has been the case with respect to sectoral committees and their meetings on the 2023 Budget. Also due to the short time frame (one week) given to them they were unable to examine and provide inputs on the budget.

The legislative sector committees did not get access to examining the spending allocations. The standard practice is that the Executive Budget Proposal would go before the National Executive Council (NEC), which is made up of ministers for the various sectors (minister for health, education, defense, etc.). The NEC would then have to agree on the spending allocations in the EBP which is then able to go before parliament for approval.

Peer Reviewer

Opinion: Agree

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:

Comment:

It is the function of the Plans and Estimates Committee to engage with the Executive over the performance of the Budget, but apart from the briefing the day before the Budget, is reported not to be performing other tasks at this stage

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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/

Public Finances (Management) Act, notably S.24 with respect to reallocations http://www.paclii.org/pg/legis/consol_act/pfa1995224/

Appropriation (General Public Service Expenditure 2023) Bill 2022 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

[https://www.treasury.gov.pg/html/national_budget/files/2023/Appropriation%20\(General%20Public%20Service%20Expenditure%202023\)%20Bill%202022.pdf](https://www.treasury.gov.pg/html/national_budget/files/2023/Appropriation%20(General%20Public%20Service%20Expenditure%202023)%20Bill%202022.pdf)

Volume 2A, 2023 Budget Estimates of Revenue and Expenditure: Section 207 pages 237 on the Treasury and Finance Miscellaneous Allocation

https://www.treasury.gov.pg/html/national_budget/files/2023/Volume%202A.pdf

Comment:

The Minister responsible for Treasury has the power to reallocate funds under the 2023 budget appropriation act to any activities under the

appropriation act. The funds reallocated must not exceed 20% including the aggregate of the direct financing component of the capital expenditure under the appropriation act. Under the Appropriation (General Public Expenditure) Bill 2022, the Minister responsible for treasury has the power to reallocate funds appropriated under Directly Funded Capital Expenditure, Capital Expenditure Funded by Grants, and Capital Expenditure Funded by Concessional Loans and Debt Service. As stated in the 2023 budget appropriation bill the Treasurer does not need the approval from the legislature to shift funds between activities in the budget. The approval of the legislature is sought when there is a need for a supplementary budget.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

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 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/

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/

Appropriation (General Public Services Expenditure 2019) Bill 2018, Section 2, specifies the conditions under which additional funding received from development partners for capital projects may be utilised and expend the overall Budget during the year:

[http://www.treasury.gov.pg/html/national_budget/files/2019/Supplementary%20\(Appropriation\)%20Bill%202018.pdf](http://www.treasury.gov.pg/html/national_budget/files/2019/Supplementary%20(Appropriation)%20Bill%202018.pdf)

The Supplementary (Appropriation) Act 2022 was the last time there was unforecast extra revenue which needed to be appropriated (in the face of higher than forecast energy prices, and associated revenue); it comprised a reduction of components, increase in others and reallocation within the Budget, but with an overall increase in the total appropriation :

http://www.treasury.gov.pg/html/national_budget/supplementary_budget_2022.html

In practice, partly in view of the deficient controls and lagged financial records, including public accounts, significant or premature over-expenditure may proceed, including of the payroll and various outgoing costs at the during and at the end of the year

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. Therefore, any unplanned changes in revenue leading to changes in expenditure is requires the approval of the legislature.

Peer Reviewer

Opinion: Agree

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 authorization 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' <https://www.parliament.gov.pg/images/misc/PNG-CONSTITUTION.pdf>

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/

2022 Supplementary (Appropriation) Act 2022, September 2022

http://www.treasury.gov.pg/html/national_budget/supplementary_budget_2022.html

Comment:

A change in the enacted budget by law can be through the Supplementary Budget which has to be approved by parliament. However, in practice spending below the enacted expenditure level is typically not reported until after the financial year. The Supplementary (Appropriation) Act 2022 passed in October 2022, reduced the capital expenditure by PGK389.7 million and increase operational and capital expenditure by K1,588.5 million, the break-up of both the increase and decrease in the appropriation is provided in the link above.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: The executive may also seek Parliamentary approval to reduce the budgeted expenditure (via a supplementary budget) if there is risk or some certainty that projected revenue inflows and/or financing may not be realised.

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 Public Accounts Committee finds its primary jurisdiction under Sn 216 of the Constitution, namely "to examine and report to the Parliament on the public accounts of Papua New Guinea and on the control of, and on transactions with or concerning the public monies and property of Papua New Guinea" and "extends to any accounts, finances and property that are subject to the inspection and audit by the Auditor-General under Section 214. It also gains its powers under Sn 86 of the Public (finances) Management Act 1995, and the Permanent Parliamentary Committees Act. Audit of the Public Account (Part 1) has been referred by Parliament to the Parliamentary Public Accounts Committee for years 2010-2015, but other reports, including Part 4, covering the State-Owned Enterprises and Statutory Authorities are much more up to date (to 2020). After reportedly holding no hearings from 2014 till 2017, the Parliamentary Public Accounts Committee held some hearings in 2018, with reports referred to it by the Legislature, but in 2020 there have been no Hearings, notably with the preparation for the National Elections mid year, or since the New Parliament was established in August 2022 and the appointment of the new 13 Member Committee (only some introductory committee meetings) <https://www.parliament.gov.pg/index.php/work-of-committee/public-accounts/the-public-accounts-committee>

Comment:

The audit of the Public Account (in its entirety) is well behind schedule, although some components (notably, Parts 3 and 4, on SOEs and Statutory Authorities and Provincial and Local Level Governments). The Parliamentary Public Accounts Committee was reported not to have met from 2014 till 2017, but did hold some brief hearings during 2018 considering reports referred to it by the Legislature, and in turn from the Auditor General's office. They held some unrelated meetings in 2019. In 2022, following the establishment of the New Parliament a new Public Accounts Committee was formed. It has 13 Members, including the chair and Deputy Chair, and has held some introductory meetings, but no Hearings to date. Despite being an important Committee, established under the Constitution, meetings of the PAC over the years have not sustained (ostensibly on account of lack of funds for the committee) and the Auditor General has stated that for practical purposes the Committee has not conducted its

functions for many years

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question

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/

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.

<http://www.parliament.gov.pg/uploads/acts/14A-22.pdf>

The appointment is also made in accordance with the provisions of appointing a Departmental Head (section 8) under the Public Services (Management)(Amendment) Act 2020, wherein under section 3 C, the Auditor General is deemed a Departmental head. Under the Act the National Executive Council makes Departmental appointments from a shortlist of 5 provided by the Department for Personnel Management, and then a shortlist of 3 selected from the 5, from the Public Services Commission.

<https://www.parliament.gov.pg/uploads/acts/20A-05.pdf>

It may be noted that under the Constitutional Amendment (No 38) (appointment of Certain Offices) Law 2014, the screening function of the Public Services Commission for all Departmental Head appointments was partially diminished.

https://www.parliament.gov.pg/uploads/acts/14C_38.pdf

Comment:

Appointments must comply with the requirements specified in the Constitution (notably 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) and the Public Services (Management)(Amendment) Act 2020, the latter related to Departmental heads generally, which for this purpose the Auditor General is deemed to be one, although also . Departmental Heads are appointed by Governor General on the advice of the National Executive Council from a shortlist provided by the Public Services Commission, drawn from a longer shortlisted by the Dept of Personnel Management, after advertising for the position which it becomes vacant, with an acting appointment only permitted for three months in the interim.

The current Auditor General (Mr Gordon Kega) was appointed in 2019 for a term of 6 years, having held it hitherto in an acting capacity, having been appointed by the Governor General on advice by National Executive Council as per Gazette no 142 of 2019. His appointment was challenged in Court

by the Public Services Commission on the grounds that he was not on the shortlist of three candidates submitted to the National Executive Council - Cabinet- by the Public Services Commission, reportedly on the grounds that he'd reached the mandatory retirement age of 60.. (He was on the shortlist of 5 submitted by the Department of Personnel Management). The Court ruled in November 2021 that the PSC Chairman had no standing in the matter, as Sn 193 of the Constitution no longer empowers the Commission, (a Constitutional office) to play this screen role for nominees, following the Constitutional Amendment of 2014 that diminished and in some cases removed the powers of the PSC and on the grounds that in any case under the Public Services (Management)(Amendment) Act 2020 the age of mandatory retirement had been raised from 60 to 65.

Once in office the Auditor General is subject to strong Constitutional protection from dismissal by political or bureaucratic whim, but the appointment process is now somewhat unclear owing to some legal ambiguity, but it does not have the (albeit limited) independence from political selection by the Government of the day, which some other Constitutional office holders enjoy.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question

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:

Sn 223, of the Constitution, GENERAL PROVISION FOR CONSTITUTIONAL OFFICE-HOLDERS, provides for strong safeguards to guarantee the rights and independence of constitutional office-holders. It provides for Organic Laws to "make provision for and in respect of the qualifications, appointment and terms and conditions of employment of constitutional office holders..SubSection 2 requires that the Organic Law "specifying the grounds on which, and the procedures by which, they may be dismissed or removed from office, but only by, or in accordance with the recommendation of, an independent and impartial tribunal; Subsection 3 specifies that "a constitutional office-holder may not be suspended, dismissed or removed from office during his term of office except in accordance with a Constitutional Law" .

Source: (http://www.paclii.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.

Peer Reviewer

Opinion: Agree

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).

In its Strategic Plan for 2022-2027 the SAI stated that " A Supreme Audit Institution needs to be fully independent to fulfill its mandated responsibilities of holding the executive government to account. The PNG AGO has provisions in the PNG Constitution and the Audit Act 1989 which provide for its independence, but adherence to these laws has been weakened over time.

- 1.1 Greater financial autonomy of the PNG AGO
- 1.2 Improve recognition of PNG AGO's independence
- 1.3 Ensure AG is mandated auditor for all public monies

https://ago.gov.pg/wp-content/uploads/2022/08/PNG_AGO_Strategic_Plan_2022_2027.pdf

Comment:

In its Strategic Plan 2022-27 the SAI stated that it's funding must be greater to achieve its responsibilities, and suggested that determining the allocation should be more autonomous from the Executive, and preferably approved in a distinct Appropriation outside that provided for general public services..

"1.1 Greater financial autonomy of the PNG AGO

- a) Percentage of the Parliamentary appropriation against PNG AGO's proposed budget.
- b) Percentage of actual funds received from Department of Finance against Parliamentary appropriation for PNG AGO"

The Budget allocations for 2022, 2023 and indicative for 2024, although inadequate for the task of auditing around 1,400 public institutions across PNG, at least has kept pace, or even slightly exceeded the inflation rate.

Peer Reviewer

Opinion: Agree

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/) 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/

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/

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/ -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 to place some State-owned enterprises - such as Kumul Petroleum Ltd, or entities with Statutory authority, notably Mineral Resources Development Company, outside the jurisdiction 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);

As stated as Strategic Priority 1, in the SAI's Strategic Plan 2022-2027 "a Supreme Audit Institution needs to be fully independent to fulfill its mandated responsibilities of holding the executive government to account. The PNG AGO has provisions in the PNG Constitution and the Audit Act 1989 which provide for its independence, but adherence to these laws has been weakened over time.

1.1 Greater financial autonomy of the PNG AGO

1.2 Improve recognition of PNG AGO's independence

1.3 Ensure AG is mandated auditor for all public monies:

a) Number of audit clients bypassing PNG AGO audit.

b) Amount of public monies bypassing PNG AGO audit within a fiscal year.

Peer Reviewer

Opinion: Agree

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

Government Reviewer

Opinion: I choose not to review this question

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:

The Auditor General's Reports and Annual audit work plan can be found on the website.

The SAI's Strategic Plan 2022-27 emphasises "Promoting oversight of PNG AGO reports by Parliament and its Committees" (see below); However, with the forthcoming election in mid-2022 and the formation of the new Parliament and Government the Public Accounts Committee had not progressed in 2022 to meetings and Hearings.

<https://ago.gov.pg/>

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 (2022-2027) gives a priority under its Key Focus Area 3 (: Enhance external stakeholder management) to

"3.1 Increase awareness of PNG AGO's role and reports:

- a) Number of media releases by the PNG AGO.
- b) Number of articles published by mainstream media concerning the PNG AGO in the year.
- c) Number of external subscribers to the PNG AGO website.
- d) Trend in monthly visitors to PNG AGO's website.

3.2 Improve relationship with audited entities

- a) Percentage of audited entities that value the work of the PNG AGO.
- b) Percentage of Audit Committee meetings that PNG AGO officers attend.

3.3 Promote oversight of PNG AGO reports by Parliament and its Committees

- a) Number of audit reports that are the focus of Parliamentary inquiries.
- b) Number of meetings of the Public Accounts Committee (or its Secretariat) each year where audit reports of PNG AGO are discussed in the presence of the PNG AGO.

3.4 Strengthen collaboration with investigative, regulatory and enforcement agencies

- a) Number of referrals from the PNG AGO that are actioned by investigative, regulatory and enforcement agencies.

Peer Reviewer

Opinion: Agree

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.

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 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 2022 no such budget consultation occurred.

<https://cimcpng.org/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, although the Act is currently being prepared for an Amendment with additional requirements envisaged.)

<https://png-data.sprep.org/group/5>

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 (MTDP4 is being finalised for launch in 2023). The MTDP3 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, with a mechanism for annual dialogue with stakeholders, including through CIMC, bringing together CSOs, private sector and other participants, but in 2021 and 2022 such consultation was restrained by lack of budget for the purpose and the Covid pandemic in 2021.

Comment:

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: Agree

Comments: The main interaction is through the Strategic Budget Committee (SBC) where Government agencies bring forward their budget submissions (expenditures) to be deliberated and endorsed for inclusion in the coming budget. However, there are no consultations with the wider public in terms of shaping of the actual budget.

Researcher Response

Yes, the SBC, comprising Treasury, Finance, Internal Revenue Commission, Customs etc, does meet, and through their own interactions with the public/business sector, including through annual business monitoring, and data on the economy (e.g. on consumer prices, monetary aspects) does provide information and some engagement.

IBP Comment

The reviewer's comments are well-noted and appreciated. During an IBP consistency check, to ensure methodological and cross-country consistency, and after a new review and in consultation with the research team, it was determined that: "The Medium-Term Development Plan 4 (MTDP4) for 2023-27 involved a relatively brief consultation process in 2022, contrasting with the more extensive consultations conducted by CIMC for the previous MTDP3. Some discussions for MTDP4 at the Planning Department were held from April to May 2023. While the MTDP doesn't focus on the annual budget, it guides the composition of the annual development budgets over a five-year period. There has been some non-adherence to the plan in the past. The MTDP4 is aimed to set ceilings in line with their fiscal and debt management plans. There are intentions for consultation in the 2024 budget process." Due to the spaces not aligning with the GIFT principles of "Inclusiveness" and "Timeliness," and considering that this question evaluates the degree of interactivity in the participation mechanism(s) employed by the executive, these spaces are not taken into consideration in this round. IBP agrees with the researcher's "Response to Review", therefore, the current response of "D" is maintained.

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:

<https://png-data.sprep.org/group/5>:

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 developed 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 2022 for the 2023 Budget (partly owing to lack of funding).

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

Comment:

Peer Reviewer

Opinion: Agree

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:

Comment:

In 2022 the executive did not use public participation mechanisms during the budget formulation stage related to the 2023 Budget.

Peer Reviewer

Opinion: Agree

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

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:

The executive did not use public participation mechanisms during the budget implementation stage for FY 2022. The last occurrence dates back to 2018:

Comment:

CIMC National Development Forums: 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 organization, 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, it was last used in 2018, with 2019 constrained by funding, and in 2020 and 2021 the Covid-19 pandemic preventing the holding of national and regional development forums, and there was inadequate funding for them in 2021 and 2022 in any case.

(It may be noted that in the 2023 Budget the Government allocated enhanced funding for CIMC to perform this consultative and monitoring function during 2023.)

Peer Reviewer

Opinion: Agree

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:

Comment:

The executive does not use public participation mechanisms during the budget implementation stage for FY 2022.

The consultative process for the preparation of the Medium Term Development Plan 4 (2023-27) was relatively brief, but was intended to provide some stakeholder engagement in the plan, which is intended to provide the framework for public expenditure over the next four years.

The MTDP4 includes 12 Strategic Priority Areas (SPAs), including some consideration for the needs of vulnerable persons and disadvantaged areas.

<https://postcourier.com.pg/stakeholders-discuss-medium-term-development-plan-2023-2027/>

[https://m.facebook.com/story.php?](https://m.facebook.com/story.php?story_fbid=pfbid023GRkLSZVdxQvwmLEmD7qHsjX5HYixdq24TtLLNgWLiZaK5veZbG6Lwj4iiD73k1I&id=100064764756196&eav=AfaUQbGxBfEf-UlohljzI9A3Gjt5R6jl7t_I5BXD6VNP9mRznBbTOIV_cerdq8p5Ei8&m_entstream_source=timeline&paipv=0)

[story_fbid=pfbid023GRkLSZVdxQvwmLEmD7qHsjX5HYixdq24TtLLNgWLiZaK5veZbG6Lwj4iiD73k1I&id=100064764756196&eav=AfaUQbGxBfEf-UlohljzI9A3Gjt5R6jl7t_I5BXD6VNP9mRznBbTOIV_cerdq8p5Ei8&m_entstream_source=timeline&paipv=0](https://m.facebook.com/story.php?story_fbid=pfbid023GRkLSZVdxQvwmLEmD7qHsjX5HYixdq24TtLLNgWLiZaK5veZbG6Lwj4iiD73k1I&id=100064764756196&eav=AfaUQbGxBfEf-UlohljzI9A3Gjt5R6jl7t_I5BXD6VNP9mRznBbTOIV_cerdq8p5Ei8&m_entstream_source=timeline&paipv=0)

<http://www.planning.gov.pg/> (the Planning Website is currently offline- and the draft MTDP4 has not yet been uploaded)

Peer Reviewer

Opinion: Agree

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:

Comment:

The executive has not used public participation mechanisms during the budget implementation stage for FY 2022, although Fiscal Transparency and public participation are priorities set out in the current OGP National Action Plan, and there has been limited consultation over the preparation of the next Medium Term Development Plan (2023-27) which is meant to provide the priorities for expenditure planning over the next four years.

Peer Reviewer

Opinion: Agree

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 there 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:

Comment:

The executive has not used public participation mechanisms during the budget preparation or implementation stage for FY 2022. There has been limited public consultation in the preparation of the Medium Term Development Plan 4 (2023-27), which is meant to provide the priorities for public expenditure over the next four years.

Peer Reviewer

Opinion: Agree

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:

Comment:

In 2022 the executive did not use public participation mechanisms during the budget formulation stage related to the 2023 Budget.

Peer Reviewer

Opinion: Agree

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 take 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:

Comment:

The executive did not use public participation mechanisms during the budget implementation stage for FY 2022, although there are Government commitments to achieving public participation, notably with fiscal transparency and public participation as two of the focal areas under the Government-endorsed Open Government Partnership (OGP) National Action Plan 2018-22.

Peer Reviewer

Opinion: Agree

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:

The PNG Fiscal Responsibility Act 2006 Sn. 6 refers to the time table for the PBS and Sn. 9 refers to the Mid-year timetable
https://www.parliament.gov.pg/uploads/acts/16A_01.pdf

The PNG Planning and Monitoring Responsibility Act 2016 Sn. 6 refers to the timetable of the Annual Budget Framework.
[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)

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 for 2021 being the latest and then made no mention of public input).

Peer Reviewer

Opinion: Agree

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

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 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:

Comment:

The executive has not used public participation mechanisms during the 2023 budget formulation or implementation stages in 2022, although it may be noted that there has been limited consultation into the preparation of the Medium Term Development Plan 4 (2023-27), which provides a framework for public expenditure planning for those years, hosted by the Department of National Planning and Monitoring.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question

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:

<http://www.parliament.gov.pg/work-of-parliamentary-committees>

Comment:

The relevant committee responsible for reviewing and monitoring of the Budget formulation and implementation is the Plans and Estimates Committee, however, as confirmed by a committee member, the committee itself has barely met with the executive on the Budget, and then only really to be a rubber stamp, and it held no hearings with the public. The Public Sector Reform Management Committee held some consultations, but not specifically on the Budget. The Public Accounts Committee held no public Hearings in 2022.

Peer Reviewer

Opinion: Agree

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:

Comment:

No Parliamentary committee met with the public related to the Budget during 2022, additionally there is still no mechanism that allows the public/citizens to have discussions with the legislature regarding the formulation of the annual budgets. New membership of the Parliamentary Committees was approved following the 2022 National Election and late during 2022 (and into early 2023) committees held initial meetings, but were not yet ready for any Hearings. One committee which was formed was a committee to review the conduct of the (highly flawed) 2022 National Elections, including Budgetary aspects and expenditure use; Hearings were scheduled for early 2023.

<http://www.parliament.gov.pg/work-of-parliamentary-committees>

Peer Reviewer

Opinion: Agree

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:

Comment:

No feedback was published as there is yet to be a mechanism that allows the public/citizens to have an input in the formulation of the annual budget.

Peer Reviewer

Opinion: Agree

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 legislative 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:

Comment:

After the 2022 National Elections and a new Parliament in August 2022, a new membership, including Chair, was appointed to the Public Accounts committee, but no public Hearings to deliberate on audit reports occurred in 2022, although introductory meetings occurred with staff of the SAI. However, as of yet there is no proper mechanism that creates a platform for the legislature to have a dialogue with public/citizens regarding audit reports

Peer Reviewer

Opinion: Agree

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/)

https://ago.gov.pg/wp-content/uploads/2022/08/PNG_AGO_Strategic_Plan_2022_2027.pdf

<https://www.ogp.gov.pg/national-action-plan-nap/>

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 concern and

particularly need community input, However, with some 1,400 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 Auditor General's Office Strategic Plan 2022-27 specifies under Priority 3 (Increased Stakeholder Management Engagement): "An audit office can only operate effectively if key stakeholders value the work and role of the Auditor-General. To raise awareness of the PNG AGO's roles, responsibilities and reports to the Parliament, audited entities, international donors, investigative and enforcement agencies, media and the public, the PNG AGO needs to have regular interaction with stakeholders.

In the preparation of the Strategic Plan the SAI hosted a workshop and consulted with a variety of stakeholders from government, the accounting and auditing profession in PNG, and civil society organizations and think tanks. However, constraints, including deficient funding, the major backlog in their work and, during 2020-2021, the Covid-19 constraints, 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 2018-22 (a term extended owing to slow implementation under the Covid-19 pandemic) and the second action plan 2022-24, 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. Progress is being made but as of yet there is still no efficient and reliable mechanism for public/citizen to have an input and discussion on the SAI reports and the reports formulation.

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question

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:

There is no formal mechanism that allows the public to have an input on the SAI's audit program.

<http://www.ago.gov.pg/publications>

https://ago.gov.pg/wp-content/uploads/2022/08/PNG_AGO_Strategic_Plan_2022_2027.pdf

<https://www.ogp.gov.pg/national-action-plan-nap/>

Comment:

Despite positive intentions, as highlighted in the Corporate Plan, the Strategic Plan 2022-27, participation in the preparation of the Open Government Partnership National Action Plan 2 and participation at some CIMC consultations, 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 established formal mechanisms to reach out more widely to the public/citizens for their input the SAI audit program.

Its current strategic plan (2022-27) gives a priority under its Key Priority Area 3:

3.1 Increase awareness of PNG AGO's role and reports

a) Number of media releases by the PNG AGO.

b) Number of articles published by mainstream media concerning the PNG AGO in the year.

c) Number of external subscribers to the PNG AGO website.

d) Trend in monthly visitors to PNG AGO's website.

3.2 Improve relationship with audited entities

3.3 Promote oversight of PNG AGO reports by Parliament and its Committees

3.4 Strengthen collaboration with investigative and enforcement agencies

Peer Reviewer

Opinion: Agree

Government Reviewer

Opinion: I choose not to review this question

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/publications>

https://ago.gov.pg/wp-content/uploads/2022/08/PNG_AGO_Strategic_Plan_2022_2027.pdf

<https://www.ogp.gov.pg/national-action-plan-nap/>

Comment:

There are no formal arrangements for public engagement by the Auditor General, although during the preparation of the current strategic plan (2022-27) it undertook extensive consultation with stakeholders, including civil society organizations and policy think tanks, and specified its third priority as, enhanced stakeholder engagement

3.1 Increase awareness of PNG AGO's role and reports

a) Number of media releases by the PNG AGO.

b) Number of articles published by mainstream media concerning the PNG AGO in the year.

c) Number of external subscribers to the PNG AGO website.

d) Trend in monthly visitors to PNG AGO's website.

3.2 Improve relationship with audited entities

3.3 Promote oversight of PNG AGO reports by Parliament and its Committees

3.4 Strengthen collaboration with investigative and enforcement agencies

At this stage, despite active engagement and commitments in consultative forums, including CIMC and under the Open Government Partner, to improved mechanisms for public feedback and participation, it has not yet been put into practice systematically, partly owing to the SAI's limited capacity and major workload, including long overdue audit reporting.

Peer Reviewer
Opinion: Agree

Government Reviewer
Opinion: I choose not to review this question