



PNG EXTRACTIVE INDUSTRIES
TRANSPARENCY INITIATIVE
NATIONAL SECRETARIAT



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**EXPRESSION OF INTEREST (EOI) FOR A SCOPING STUDY ON THE
OPERATIONS OF STATE OWNED ENTITIES (SOEs) AND TRUSTEES IN
THE EXTRACTIVE SECTOR**

The Extractive Industries Transparency Initiative (EITI) is a global standard that promotes transparency and accountability in the oil, gas and mining sectors. One of the key requirements for PNG as an EITI implementing country is to systematically disclose company payments and government receipts of extractive revenues through the existing systems consistent with the EITI Standard.

EITI implementation in PNG was validated against the EITI Standard in 2018. PNG met some of the key requirements of the Standard through this validation process in improving governance in the extractive sector. However, there remains a number of critical areas the Government needs to address in order to fully meet the requirements of the EITI Standard.

One of such actions as recommended is for PNG to clearly establish its own definition of SOEs to delineate these entities within the scope of EITI reporting. This is to ensure that a comprehensive list of State participation in the extractive industries (oil, gas and mining), including terms associated with State equity and any changes in the year under review be publicly accessible.

The study is required to clarify the rules and practices governing financial relations between all extractive SOEs and Trustees, including their subsidiaries and the State. This includes the existence of any loans or loan guarantees extended by the State, or by SOEs and Trustees to the extractive companies or mining, oil and gas projects.

The study is also required to provide a comprehensive assessment of transactions between extractives SOEs (and their subsidiaries) and mining, oil and gas companies, and government in its scoping for future EITI reports. The study should provide a comprehensive assessment of all SOEs and Trustees collecting material revenues or making material payments to government for future EITI reporting.

Furthermore, the study should provide a comprehensive review of all expenditures undertaken by extractive SOEs (and their subsidiaries) that could be considered as quasi-fiscal expenditures. The study should provide a basis for the Government to develop a reporting process with a view to achieving a level of transparency commensurate with the global best practice standard. This should include SOE subsidiaries and joint ventures and their financing and equity arrangements in extractive projects.

The PNGEITI National Secretariat through its Multi-Stakeholder Group (MSG) seeks a competent and credible consultant, free from conflicts of interest to undertake the above study. The project is expected to take approximately five (5) months and will commence in April 2020.

Interested bidders are advised to obtain a copy of the Terms of Reference (ToR) from the Secretariat office or the same can be downloaded from the website: www.pngeiti.org.pg , which provides full details on the scope of work required.

All Submissions must be received **no later than 4.30pm on the 6th of March, 2020** and emailed to Francis Diakon on Francis.Diakon@treasury.gov.pg or can be delivered to the PNGEITI Secretariat Office on Level 8 of The Treasury Building

Authorised By:

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