Papua New Guinea, 2017 to March 2022

MSG review of the outcomes and impact of the EITI

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# Introduction

Regular disclosure of extractive industry data is of little practical use without public awareness, understanding of what the figures mean, and public debate about how resource revenues can be used effectively. The EITI Requirements related to outcomes and impact seek to ensure that stakeholders are engaged in dialogue about natural resource revenue management. EITI disclosures lead to the fulfilment of the EITI Principles by contributing to wider public debate. It is also vital that lessons learnt during implementation are acted upon, that recommendations from EITI implementations are considered and acted on where appropriate and that EITI implementation is on a stable, sustainable footing.

The multi-stakeholder group may use this template to monitor the outcomes and impact of EITI implementation. Where information is already available elsewhere, it is sufficient to include a link to other publicly available documentation. The scope of this template reflects EITI Requirement 1.5 on work plan and Requirements 7.1 to 7.4 on outcomes and impact.

The MSG is required to review the outcomes and impact of EITI implementation annually (Requirement 7.4). The MSG is encouraged to update this document annually to monitor progress, keep track of efforts to improve data accessibility and inform work planning.

To inform Validation, the MSG is required to submit the completed form to the International Secretariat Validation team by the Validation commencement date. The period captured in this review may be the period since the previous Validation or the previous calendar/fiscal year. The MSG should clearly indicate the period covered by its review.

The MSG’s annual review of the outcomes and impact of EITI implementation should be publicly available, and stakeholders beyond MSG members should have an opportunity to provide feedback on the EITI process (Requirement 7.4).

# Part I: Relevance of EITI implementation

## Work plan (Requirement 1.5)

**1. Basic information about the current EITI work plan.**

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| Period covered by the current EITI work plan | January – December 20222022 Workplan can be accessed via this link[*http://www.pngeiti.org.pg/wp-content/uploads/2021/12/2022-Workplan.pdf*](http://www.pngeiti.org.pg/wp-content/uploads/2021/12/2022-Workplan.pdf)Minutes Approving 2022 workplan can be accessed via this link:[*http://www.pngeiti.org.pg/wp-content/uploads/2018/04/Minutes-of-MSG-Meeting-No.03-of-2021.pdf*](http://www.pngeiti.org.pg/wp-content/uploads/2018/04/Minutes-of-MSG-Meeting-No.03-of-2021.pdf) |
| Information on how the public can access the work plan. | The work plan is publicly accessible via this link:[*http://www.pngeiti.org.pg/pngeiti-annual-workplans/*](http://www.pngeiti.org.pg/pngeiti-annual-workplans/) |
| Process for producing the current EITI work plan | *[Summarise the process here. Include references to MSG meetings and other events where the work plan was discussed.]*The PNGEITI [workplan for 2022](http://www.pngeiti.org.pg/wp-content/uploads/2021/12/2022-Workplan.pdf) was prepared by the National Secretariat, reviewed, discussed and approved by the MSG in [the 3rd quarter MSG meeting on the 15th of December 2021](http://www.pngeiti.org.pg/wp-content/uploads/2018/04/Minutes-of-MSG-Meeting-No.03-of-2021.pdf)The 2022 annual plan objectives are:1. Ensuring a well-established and fully functional National Secretariat Office and MSG
2. Show extractive industries contribution (direct and indirect) to the PNG Economy
3. Improving public understanding in the management of extractive industries
4. Strengthen revenue generation and collection that is consistent with government policy setting and national development priorities
5. Endeavour to fully implement PNGEITI report recommendation as directed by cabinet
6. Monitoring and evaluation (M&E)

The plan emphasizes global objectives of sustaining transparency and accountability in the extractive sector by ensuring systematic data disclosures and making data more relevant and meaningful to the public.The 2022 annual workplan has been developed by reviewing the PNGEITI’s progress in implementing its previous annual work plans; taking into consideration outstanding activities that needed to be actioned from; * previous annual workplans,
* recommendations from previous PNGEITI reports (8 reports) including NEC Directives from these recommendations,
* recommendations from various scoping study reports (SOE, Sub-national payments, Beneficial Ownership disclosure, Contract Transparency etc.) that have been published,
* actions areas (gaps identified) from PNG’s first validation,
* other priority areas that are not directly provisioned under the EITI Standard such as the establishment PNGEITI as a statutory body with the drafting of the PNGEIT Commission Bill to be followed by a reporting law.

These annual workplans (past and current) have been mainly aligned to meeting the requirements of the EITI Standard (2016 and 2019) and the strategic priorities of the EITI in ensuring transparency and accountability in the extractive sector through systematic disclosures of financial data and information that are comprehensive, reliable, relevant and meaningful  to public users, and are consistent with and complementary to PNG’s development strategies[[1]](#footnote-2), goals, initiatives, reform efforts and the overall government’s commitment to implementation of EITI in the country to enhance better management and good governance in the extractive sector.Due to Covid-19 pandemic restrictions and lockdowns in late 2019 through to 2020 and 2021, much of the activities that were listed in the annual work plans were put on hold. Only meetings were held virtually until restrictions were uplifted. Considering the onset of Covid-19, implementation of EITI activities has been challenging. The plans and activities listed in the 2022 annual workplan will be implemented with a total budget of PGK4,499,300, i.e., about (USD1.0 million). This will be funded from the government allocated funds. Also note that some of the activities in the workplans are provided through technical support by development (donor) partners. The MSG approved the 2022 workplan during the third quarter MSG meeting dated 15th December 2021. Meeting minutes can be accessed via the link below:<http://www.pngeiti.org.pg/wp-content/uploads/2021/12/2022-Workplan.pdf> |
| MSG approval of the work plan | [15th December 2021](http://www.pngeiti.org.pg/wp-content/uploads/2018/04/Minutes-of-MSG-Meeting-No.03-of-2021.pdf) |

**2. Explain how the work plan’s objectives reflect national priorities for the extractive industry. Provide links to supporting documentation, such as studies or national development plans, if available.**

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| Previous annual work plans dating from 2015 to 2021 were reflective and consistent with the above broad objectives.The objectives of PNGEITI’s annual plans are aligned to EITI’s mission of promoting transparency and accountability as well as strengthening good governance and resource management in the extractive sector.As outlined above, PNGEITI’s annual work plans are also in accordance with [NEC Decision No.47/2011](http://www.pngeiti.org.pg/wp-content/uploads/2021/06/2011-NEC-Decision-No-.47.pdf) in which the government approved further investigations into the implementation of extractive industries transparency initiative in PNG. The [NEC Decision No.91/2017](http://www.pngeiti.org.pg/wp-content/uploads/2021/06/2017-NEC-Decision-No.-91.pdf) which endorsed recommendations from PNG’s first EITI report and that Decision directed the MSG to work with concerned entities (mainly government departments) to implement the recommendations. Furthermore, the [NEC Decision No.80/2019](http://www.pngeiti.org.pg/wp-content/uploads/2021/06/2019-NEC-Decision-No.-80.pdf) approved the National Policy for Transparency and Accountability in the Extractive Sector which set the basis for the MSG to include activities in the work plans to work towards establishing PNGEITI as an independent statutory body.A summary milestone of the activities for the period under review are listed below; * May 2021 - Publication of the SOE Scoping Study Report addressed the following requirements 2.1 legal framework, 2.6 state participation, 4.2 sale of state assets share and 4.5 transactions relating to quasi-fiscal expenditure.

<http://www.pngeiti.org.pg/wp-content/uploads/2021/07/PNGEITI-SOE-Scoping-Study-Report-090721.pdf>* December 2020 - Publication of the first Beneficial Ownership Disclosure Report addressed the following requirements 2.5 public disclosure of beneficial ownership information.

<http://www.pngeiti.org.pg/wp-content/uploads/2021/06/PNGEITI-BO-Report.pdf>* April 2019 - Publication of Subnational Payments Scoping Study Report addressed the following requirement 4.6 subnational payments from extractive companies to subnational government entities.

<http://www.pngeiti.org.pg/wp-content/uploads/2019/07/PNGEITI-Subnational-Payments-Report-May-2019.pdf>* 2021 - Publication of a Scoping Study Report on Education Mainstreaming *(Funded by development partner - World Bank and executed jointly with the PNGEITI National Secretariat)*

<http://www.pngeiti.org.pg/wp-content/uploads/2018/04/2020-Education-Mainstreaming-Draft-Report.pdf>* 2021 - Publication of a Scoping Study Report on EITI Electronic Data Portal *(Funded by development partner - World Bank and executed jointly with the PNGEITI National Secretariat)*

<http://www.pngeiti.org.pg/wp-content/uploads/2018/04/Terms-of-Reference-TOR-Electronic-data-platform-EITI.pdf>* 2021 - Publication of a Scoping Study Report on CSO Capacity Assessment *(Funded by development partner - World Bank and executed with the PNGEITI National Secretariat)*

<http://www.pngeiti.org.pg/wp-content/uploads/2018/04/2020-PNGRGC-Roadmap-v1_Draft-Report.pdf>* 2021 - Publication of a Scoping Study Report on Contract Transparency

<http://www.pngeiti.org.pg/wp-content/uploads/2022/02/PNGEITI-Contract-Transparency-Report-Final-Copy.pdf>* 2022 - Resource Related Revenue Management Project from 2018 was completed in 2022. The project was a technical support undertaken by JICA (Funded project by the Government of Japan)

<http://www.pngeiti.org.pg/wp-content/uploads/2018/04/2022-Signed-Project-Completion-Report-by-JICA-Expert-team..pdf>**Specific Activities under Resource Related Revenue Management Project**This project commenced in January 2018 and completed in March 2022. The project’s initial expected date of completion was December 2020. However due to Covid-19 pandemic disruptions, the project was further extended on two occasions. The first extension was to December 2021 and second was to February 2022. The Project’s primary goal was to promote resource related revenue management and reporting in accordance with EITI standards 4 and 5 on revenue collection and allocation. The project’s aim was to achieve the following results:* improving management of relevant data and information at the Department of Petroleum and Energy
* Enhancing reporting mechanisms among extractive sector companies and government agencies and
* enhancing awareness and implementation structures for PNGEITI in country.

To achieve the above results, a set of activities were implemented by the JICA team. A completion report on this project can be accessed through:<http://www.pngeiti.org.pg/wp-content/uploads/2018/04/2022-Signed-Project-Completion-Report-by-JICA-Expert-team..pdf>The following are the activities implemented under this project:

|  |  |
| --- | --- |
| **Results/Output** | **Specific Activities implemented by JICA** |
| 1. Improving management of relevant data and information at the Department of Petroleum and Energy
 | * Conducted a baseline survey from October 2018 to March 2019 to comprehend current process and practices in managing registry of licenses and contracts and revenue collected
* Improvement areas identified during the baseline survey
* The EITI unit has a function in DPE
* Training workshop conducted for DPE management and key staff members
* Technical advice provided to officers through DPE training unit during EITI reporting process
* Technical advice provided by experts to officers through EITI DPE unit
* Review of the EITI’s reporting practiced
* Development of the operating procedure and associated documents
* Procurement of required equipment necessary for EITI reporting and provided to relevant officers at DPE
* Training provided to relevant DPE officers
* Training workshop was provided to DPE management and key staff
* Technical advice provided to officers
* Training sessions provided to MSG and reporting entities including DPE to address recommendation in the EITI report
* Provided technical advise on information disclosure to EITI unit of DPE
* Assisted DPE with the launch of its website containing information on general licensing process and tenements map
 |
| 1. Enhancing reporting mechanisms among extractive sector companies and government agencies and
 | * Training visit to EITI Philippines conducted in March 2018
* Baseline survey conducted in 2018
* Areas of support discussed and agreed by experts and NS to provide through the project
* JICA experts and NS discussed, analyzed NS training needs and reporting entities to develop educational materials
* Conducted training for MSG members and selected reporting entities on the delivery of the developed educational materials
* Regular communication between JICA experts, NS and IA to learn the process of compiling EITI reporting templates
* Identification of target entities for the 2018 report process on the EITI Reporting templates.
* Hands on support was provided to entities for the 2018 report and online support provided to DPE for the 2019 report areas
* Feedback on the reporting practices (process, systems, accuracy etc.) shared with MSG and entities
* Provide technical advice to NS staff and supporting the reporting entities.
* Learning materials based on PNG context were developed
* Learning materials were distributed online and through training
 |
| 1. enhancing awareness and implementation structures for PNGEITI in country.
 | * A base line survey was conducted from 2018 October to March 2019
* Analyzed other countries communication strategies and Identification of good practice examples from peer EITI member countries by NS and JICA experts
* Principal endorsement of the revised communication and media strategy by MSG in December 2021
* Development of variety of awareness raising and training materials and contents by NS and JICA experts
* Variety of promotional materials were developed by NS and JICA experts
* Identified awareness promotional activities and decided on the delivery modalities and the necessary resources by NS and JICA experts
* Conduct a variety of awareness promotion activities by the NS and the experts
* Technical advice provided to NS to develop materials and deliver awareness promotion and activities by the experts.
 |

**Mining Project Memorandum of Agreement (MoA)** PNGEITI has been participating in the MoA reviews of the following mining projects 1. Woodlark
2. Wafi-Golpu
3. Simberi

The purpose of EITI’s participation in this reviews is to ensure transparency clauses are captured in the MoAs going forward. From the reviews that took place, there has been some progress noted. EITI transparency clause has been captured in the Woodlark Mining MoA, however, the document is still in draft and is also not a ‘public document’. Reports of PNGEITI’s participation at the above mining MoA reviews, can be accessed through this links:<http://www.pngeiti.org.pg/wp-content/uploads/2018/04/Duty-Travel-Report-Woodlark-MOA-Forum.pdf><http://www.pngeiti.org.pg/wp-content/uploads/2018/04/20180803_-Wafi-Gold-Outreach-Report.pdf>http://www.pngeiti.org.pg/wp-content/uploads/2018/04/Simberi-MOA-Review-PNGEITI-Participation-Report-Final.pdfMRA’s new corporate plan 2022 – 2027 has five key deliverables. One of the deliverables is to assist the mining provinces, provincial governments to build their capacity for administration and management of landowners financial transactions, reporting and other related activities. This includes reporting of royalty and other payments received from the mines. The new corporate plan 2022 – 2027 is still in draft and not approved for release. Therefore, it has not been made available on their website.  |

**3. Optional question: Has the MSG developed a theory of change on how EITI implementation will address the identified challenges of the sector in your country? If yes, please reference the corresponding document here.**

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| PNGEITI’s challenges identified are addressed through NEC directives as well as annual workplans and implemented by the National Secretariat and the Technical Working Groups (TWGs). Some of the key challenges identified and recommended in the first PNGEITI Report including feedback from the Department of Petroleum and Energy relating to disclosure of petroleum licenses, production volumes and values and license registry has been addressed with technical support through the JICA Project - Resource Related Revenue Management.<http://www.pngeiti.org.pg/wp-content/uploads/2018/04/2022-Signed-Project-Completion-Report-by-JICA-Expert-team..pdf>According to the Resource Related Revenue Management Project, the implementation status has improved from 2018 (for 2016 Report) to 2021 (for 2018 or 2019 Report). The completion report further outlined the improvements observed for the EITI requirements, captured on [page 28-29 of the report in Table 26 Assessment of Implementation Status of EITI Requirement](http://www.pngeiti.org.pg/wp-content/uploads/2018/04/2022-Signed-Project-Completion-Report-by-JICA-Expert-team..pdf). Below is a summary:

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| **EITI Requirement** | **2018 Validation Result** | **Corrective Action**  | **Improvements with the Project** |
| #2.2 – License Allocation | Inadequate | * PNG is required to publicly disclose information related to the award or transfer of mining tenements and oil and gas licenses pertaining to companies covered in the EITI Report.
* This information should include the number of mining tenements and oil and gas licenses awarded and transferred in the year under review, a description of the award and transfer procedures, including specific technical and financial criteria assessed, and any non-trivial deviations from statutory procedures in practice.
 | * DPE official website up and running

The following have been uploaded to the website;* Transfer of Licenses for the year 2019;

Outstanding for uploading is; * License award and transfer procedures
* Specific technical and financial criteria
* Non-trivial deviations from statutory procedures in practice if any
 |
| #2.3 – License register | Meaningful | * PNG should maintain a publicly accessible register or cadastre system(s), including comprehensive information on licenses for all oil, gas and mining companies.
* In the interim, PNG should ensure that information set out under EITI Requirement 2.3.b is publicly accessible for all mining, oil and gas companies.
 | The following has been uploaded and improved; * disclosed tenement map of oil and gas on its website
* a database was developed to maintain the license register,

Outstanding for this requirement is an official cadastre system for oil and gas companies.  |
| #3.2 – Production Data | Inadequate | * PNG should ensure that the complete production volume for oil and gas, and production values for each of the extractives commodities produced during the year under review be publicly accessible, disaggregated by commodity.
 | Production data on volume and value was reported in 2019 report and DPE has established mechanisms required to record and report production data. * Production volume – export volume for oil is captured for 2019 and is uploaded on website
* Export volume for LNG for 2019 is captured and uploaded on website
* Disaggregated by commodity and reported under projects

Oustanding for uploading * Production value for oil and gas
 |
| #4.1 Comprehensiveness | Inadequate | * PNG should ensure that the materiality threshold for selecting companies ensures that all payments that could affect the comprehensiveness of EITI reporting be included in the scope of reconciliation.
* The MSG should ensure that PNG’s next EITI Report includes the IA’s assessment of the materiality of omissions from non-reporting entities, an assessment of the comprehensiveness of the EITI Report and that full unilateral government disclosure of total revenues are provided, and including from non-material companies is provided for each of the material revenue streams.

In accordance with Requirement 8.3.c.i, the MSG should develop and disclose an action plan for addressing the deficiencies in comprehensiveness of reporting documented in the initial assessment. | The submission status of templates from reporting entities was improved to ensure that coverage of the report including description and explanations improved comprehensiveness in 2019 reports |
| #4.9 – Data Quality | Inadequate | * The EITI requires an assessment of whether the payments and revenues are subject to credible, independent audit, applying international auditing standards. In accordance with Requirement 4.9.b.iii and the standard Terms of Reference for the Independent Administrator agreed by the EITI Board, the MSG and Independent Administrator should:
* Ensure that the Independent Administrator (IA) provides a clear and categorical assessment of comprehensiveness and reliability of the (financial) data presented, including an informative summary of the work performed by the Independent Administrator and the limitations of the assessment provided.
* Ensure that the Independent Administrator provides an assessment of whether all companies and government entities within the agreed scope of the EITI reporting process provided the requested information. Any gaps or weaknesses in reporting to the Independent Administrator must be disclosed in the EITI Report, including naming any entities that failed to comply with the agreed procedures, and an assessment of whether this is likely to have had material impact on the comprehensiveness and reliability of the report.

In accordance with Requirement 8.3.c.i, the MSG should develop and disclose an action plan for addressing the deficiencies in the reliability of reporting documented in the initial assessment. | Description of the reconciliation and coverage was improved in the 2019 report and the variances in reported figures decreased in the 2019 report from previous reports due to reconciliation.  |

The report further states that, although improvements were observed, it is important for the reporting entities to participate actively to improve submission status and quality of information.JICA has also informed Independent Administrator (IA) that there are issues and challenges encountered in relation to license registry, production data, petroleum licenses and also difficulties in the completion of the reporting templates provided by IA. It was further reported that the templates need to be amended to include additional columns to allow DPE to report adequately.To address this issue going forward, it is expected that IA will organize a week’s training on the reporting templates to resolve issues before responsible entities supply data for fiscal years 2020 and 2021 PNGEITI Reports.It is also important to note that not so many of the gaps were addressed from 2018 after the first validation. This was due to covid-19 related restrictions. Other PNGEITI Report recommendations have been addressed through the various scoping study reports listed above. The recommendations that were made from these scoping studies gave rise to addressing these challenges in the short term, medium term and longer term. These will be undertaken as structural and legislative reforms that will be complementing the overall Government’s ongoing structural reforms. This is outlined in Volume 1 Economic and Development Policies 2022 National Budget, Section 10.8 (page 154) on PNG Extractive Industrials Transparency Initiative on the following link:<https://www.treasury.gov.pg/html/national_budget/files/2022/Volume1.pdf>The NEC Decisions and annual workplans can be accessed through this link: <https://www.pngeiti.org.pg/2020-validation/> |

## Monitoring progress

**4. Provide an overview of activities undertaken in the period under review and progress in achieving the objectives of the previous work plan**. The MSG is encouraged to provide a summary here and to document progress in more detail in the work plan itself.

|  |
| --- |
| *[Summarise progress in implementing the previous work plan. Provide a link to the previous work plan with a more detailed analysis of progress in undertaking planned activities and achieving each objective or attach it to this submission.]*The [2021 work plan](http://www.pngeiti.org.pg/wp-content/uploads/2021/03/2021-PNGEITI-Workplan-updated-final.pdf) included implementation of key activities such as:1. Procurement of IA to prepare 2020 EITI Report - Calls for expressions of interest and hiring of the Independent Administrator to prepare the 2020 EITI Report for publication. The procurement process was completed and the report preparation is underway. The ToR and the advert calling for expressions of interest can be accessed via the link below:

<http://www.pngeiti.org.pg/jobs/contract-terms-of-reference-for-the-preparation-of-the-png-eiti-2020-report/><http://www.pngeiti.org.pg/jobs/calling-for-expressions-of-interest-eoi-for-the-preparation-of-the-year-2020-png-eiti-report/> This activity is to ensure there is transparency in procuring the services of the Independent Administrator through an open tender process advertised online (websites) and the daily papers to inform the public at large and interested potential consultants to apply or show interest in taking up the report preparation. Secondly, to ensure that the outcome of these reports are translated into actual reforms to improve sector management. This is an ongoing project of the PNGEITI National Secretariat and seeks to achieve the overall outcome of showing how much the extractive sector (Oil, gas and mining) contributes to the economy of Papua New Guinea.1. Implementation of the recommendations from the [Beneficial Ownership Disclosure Report](http://www.pngeiti.org.pg/wp-content/uploads/2021/06/PNGEITI-BO-Report.pdf) however, this activity was delayed due to Covid-19 pandemic restrictions.
2. Implementation of the recommendations from the [State Owned Enterprise (SOE) Scoping Study Report](http://www.pngeiti.org.pg/wp-content/uploads/2021/07/PNGEITI-SOE-Scoping-Study-Report-090721.pdf) however, this activity was delayed due to Covid-19 pandemic disturbances
3. Establishment of a Communication Technical Working Group to implement the Communications Strategy– this was achieved as part of the revised Communications Strategy
4. Conducted public awareness and regional consultations on the draft PNGEIT Commission Bill. The regional consultations was conducted in 2021. A general awareness on EITI was carried out during the course of this consultation. The national and subnational stakeholders openly discussed matters relating to the mining, oil and gas sector. The discussions also included the renewable sector such as the fisheries, forestry, agriculture and tourism.

The Annual progress report for 2021 is being prepared. A draft is being reviewed and will be published by the 5th of April, 2022. Email circular requesting MSG approval - <http://www.pngeiti.org.pg/wp-content/uploads/2018/04/Email-circular-for-approval-of-2021-APR.pdf> Draft 2021 APR <http://www.pngeiti.org.pg/wp-content/uploads/2018/04/PNGEITI-2021-Annual-Progress-Report.pdf> The Annual progress reports from 2017 to 2020 can be accessed through the link below:<https://www.pngeiti.org.pg/1923-2/> |

**5. Provide an overview of the multi-stakeholder group’s responses to and progress made in addressing the recommendations from EITI reporting and Validation and gaps in information in accordance with Requirement 7.3.**

The multi-stakeholder group is required to list each recommendation and the corresponding activities that have been undertaken to address the recommendations and the level of progress in implementing each recommendation. Where the government or the multi-stakeholder group has decided not to implement a recommendation, it is required that the multi-stakeholder group documents the rationale.

Following the first validation in 2018, there were 14 recommendations that the PNGEITI MSG, the responsible reporting entities and the IA were to address before the next validation. The MSG established a Validation Technical Working Group in 2018 to address these recommendations.

**2018 Validation Recommendations:**

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| **Recommendation:** | **Status/progress:** |
|  | *[Has the recommendation been partly or fully addressed? How is the MSG following up on the recommendation? Has the MSG identified an agency or actor responsible for addressing the recommendation? If the MSG has decided not to implement the recommendation, please document the rationale.]* |
| 1. Requirement 2.2 License Allocation
* PNG is required to publicly disclose information related to the award or transfer of mining tenements and oil and gas licenses pertaining to companies covered in the EITI Report.
* This information should include the number of mining tenements and oil and gas licenses awarded and transferred in the year under review, a description of the award and transfer procedures, including specific technical and financial criteria assessed, and any non-trivial deviations from statutory procedures in practice.
 | JICA [Project for Improving Resource Related Revenue Management in PNG](http://www.pngeiti.org.pg/wp-content/uploads/2018/04/2022-Signed-Project-Completion-Report-by-JICA-Expert-team..pdf) contributed to addressing requirement 2.2 license allocation. Some of outcomes achieved by the project as outlined in pages 38 to 39 include:* Launching of DPE official website and disclosed licensing process on DPE website. Most of the information on licenses has been disclosed on the website except a few items such as license dates. The DPE website and DPE EITI links can be accessed via the links below: <https://petroleum.gov.pg/dpe-eiti/>
* JICA has also provided training to DPE staff and prepared an Operations Manual to assist DPE IT team to ensure that EITI data is disclosed in a timely manner.

Some actions taken to ensure issues relating to license allocation were addressed included: * Ensuring key staff in registry and licensing and those involved in data compilation offered permanent employment with DPE including the head of DPE
* To avoid delay in disclosure of the information particularly in relation to data authentication and endorsement a written approval letter from the head of DPE was given. Refer link below: <http://www.pngeiti.org.pg/wp-content/uploads/2018/04/2020-DPE-Response-Letter-on-uploading-of-data.pdf>

The petroleum license information has been updated for 2019 and uploaded to the DPE website. The license information includes information on transfers, total blocks (areas) under license, names of license holders and the percentage interests held by the license, location of the licenses, i.e., specific provinces, the commodity under the license, the date of lodgment of applications, date of award and expiry of licenses have all been uploaded and can be accessed via this link: <https://petroleum.gov.pg/dpe-eiti/>MRA has provided license allocation data and provided to IA for the FY2019 Report. Data processing/review is in progress for providing full disclosure – full compliance (‘satisfactory’) status likely to be met in the FY2019 Report. Improved reporting is emphasized in the FY2019 Report, disclosure of license allocation.  |
| 1. Requirement 2.3 License Registers

PNG should maintain a publicly accessible register or cadastre system, including comprehensive information on licenses for all oil, gas and mining companies,  | Yes, the recommendation for requirement 2.3 has been partially addressed. JICA [Project for Improving Resource Related Revenue Management in PNG](http://www.pngeiti.org.pg/wp-content/uploads/2018/04/2022-Signed-Project-Completion-Report-by-JICA-Expert-team..pdf) contributed to addressing requirement 2.3 license registers on page 38 -39 as follows:* DPE disclosed tenement map of oil and gas on its website. The project confirmed that the database was developed to maintain license register and provided support on infrastructure and capacity development of application software. The tenements map can be accessed via this link: <https://petroleum.gov.pg/dpe-eiti/>

MRA cadaster portal can be accessed via this link: <https://portal.mra.gov.pg/Site/MapPage.aspx?PageID=e735c534-5f4e-4b2b-a544-89b90357e0f1>All information in relation to application date, award and expiry date in cadastre portal is comprehensive.  |
| 1. Requirement 2.6 State Participation

PNG should clearly establish its definition of SOEs to delineate the SOEs within the scope of EITI reporting and ensure that a comprehensive list of state participation in the extractive industries, including terms associated with state equity and any changes in the year under review, be publicly accessible.PNG must also clarify the rules and practices governing financial relations between all SOEs, including their subsidiaries, and the state, including the existence of any loans or guarantees extended by the state, or SOEs, to extractives companies or projects. |  The MSG commissioned  [SOE scoping study](http://www.pngeiti.org.pg/wp-content/uploads/2021/07/PNGEITI-SOE-Scoping-Study-Report-090721.pdf) to provide a comprehensive understanding of requirement 2.6 state participation and its implications for PNG (page 8). The recommendations of the scoping study will be implemented in the PNGEITI 2020 report as indicated in the [terms of reference](http://www.pngeiti.org.pg/wp-content/uploads/2021/09/TOR-for-FY2020-PNGEITI-Report.pdf). The recommendations of the scoping study were approved for implementation by the MSG at its [meeting on 5th July 2021](http://www.pngeiti.org.pg/wp-content/uploads/2018/04/Minutes-of-MSG-Meeting-01.pdf). Some of the recommendations as outline on pages 51 to 53 include:* Adoption of the definition of SOEs
* Adoption of definition of QFEs
* Adoption of a new SOE reporting template
* MSG and National Secretariat commission a project to collect, reconcile and disclose transactions concerning the sale of SOE’s share of oil, gas and minerals.

The SOE scoping study also outlined the legal and governance framework for extractive sector SOEs on pages 20 and 21. Page 31 of the SOE Scoping study refers to the PNG LNG Project Umbrella Benefits Sharing Agreement (UBSA) which is an overarching agreement that “outlines how a number of the state’s project revenues streams will be shared with project area, landowners, local level governments and provincial government”. The key revenue streams of UBSA include (1) royalties, equity, development levy, infrastructure development grants and business development grants.  |
| 1. Requirement 3.2 Production Data

PNG should ensure that the complete production volume for oil and gas, and production values for each of the extractive commodities produced during the year under review be publicly accessible, disaggregated by commodity. | Production data has always been a challenge as reporting entities and DPE provide different information. The JICA [Project for Improving Resource Related Revenue Management in PNG](http://www.pngeiti.org.pg/wp-content/uploads/2018/04/2022-Signed-Project-Completion-Report-by-JICA-Expert-team..pdf) reported on page 38 -39 that production data on volume and value was reported in 2019 report and DPE has established mechanisms required to record and report production data. DPE has publicly disclosed production data on its website and can be accessed via this link: <https://petroleum.gov.pg/dpe-eiti/>The reconciliation of production data still remains a challenge as indicated by MRA that the process is difficult and lengthy and involves more time because the normal reconciling process takes place at the end of the year and that is when most of the employees are on break. The extractive industries use fly in fly out (FIFO) approach for their employees resulting in communication breakdown. This was discussed in the Tuhava meeting the minutes make reference to the matrix. Minutes of meetings can be accessed via this link: <http://www.pngeiti.org.pg/wp-content/uploads/2022/02/Minutes-MSG-Pre-validation-assessment-workshop.pdf>DPE has suggested that production data template for oil and gas be reviewed with relevant parties when reporting commodities to minimize and/or eliminate providing differing information. The PNGEITI Report 2019 (page 124) disclosed data by companies and MRA is reconciled by the IA with noteworthy findings such as -100% variance in Lihir (Luise caldera) project, 707% variance in Kainantu project, etc. These findings have been followed up with MSG and will be improved in future disclosures.  |
| 1. Requirement 3.3 Export Data

PNG should ensure that export volumes and values are disclosed publicly for each mineral commodity (including oil, condensate and gas) exported in the year under review. | Export data volumes and values were disclosed in the 2019 PNGEITI Report. Export data is also publicly disclosed on DPE’s website and can be accessed via the following link: <https://petroleum.gov.pg/dpe-eiti/>However, there still remains a gap in relation to inconsistencies between oil and gas company export data and DPE production data which still remains to be addressed. At the 2021 [First Quarter MSG Meeting (1/2021)](http://www.pngeiti.org.pg/wp-content/uploads/2018/04/Minutes-of-MSG-Meeting-01.pdf), during the discussion of Agenda Item 3 Project Update - 3.1 - Approval of FY2019 PNGEITI Report for Publication. The IA urged DPE to continuously engage in report preparation process so updated information and data on the production values will be provided to be disclosed in the report. Disclosure of oil and gas production values still, remains a challenge and information should be made available for public and government agencies to access and use the information. DPE has publicly disclosed export volumes for LNG and Naphtha for 2019 on the website which can be accessed through this link: <https://petroleum.gov.pg/wp-content/uploads/2022/03/2019-PNG-LNG-Exports.pdf>According to 2019 report page 150, it was suggested that to address the gap in relation to inconsistencies in production data, as a regulator, DPE should enforce guidelines for reporting, including reviews to verify accuracy of the data.  |
| 1. Requirement 4.1 Comprehensiveness of data
* PNG should ensure that the materiality threshold for selecting companies ensures that all payments that could affect the comprehensiveness of EITI reporting be included in the scope of reconciliation.
* The MSG should ensure that PNG’s next EITI Report includes the IA’s assessment of the materiality of omissions from non-reporting entities, an assessment of the comprehensiveness of the EITI Report and that full unilateral government disclosure of total revenues are provided and including from non-material companies is provided for each of the material revenue streams.

In accordance with Requirement 8.3.c.i, the MSG should develop and disclose an action plan for addressing the deficiencies in comprehensiveness of reporting documented in the initial assessment. | Requirement 4.1 Comprehensiveness of data gradually being addressed and included in the 2017 to 2019 reports, however there is still a need to improve credibility and reliability of revenue data and hence testing of revenue receipts by government agencies and departments was recommended. The testing of revenue numbers by Auditor General’s office will be included in the PNGEITI 2020 report as indicated in the terms of reference. <http://www.pngeiti.org.pg/wp-content/uploads/2021/09/TOR-for-FY2020-PNGEITI-Report.pdf>The JICA [Project for Improving Resource Related Revenue Management in PNG](http://www.pngeiti.org.pg/wp-content/uploads/2018/04/2022-Signed-Project-Completion-Report-by-JICA-Expert-team..pdf) on page 38 -39 has also contributed to addressing requirement 4.1 comprehensiveness as the submission status of templates from reporting entities was improved to ensure that coverage of the report including description and explanations improved comprehensiveness in 2019 reports. JICA project also enable DPE to automate its data management system and improved its reporting. Recommendation from 2019 report also include improving comprehensiveness of data for reconciliation. It was noted that several SOEs were yet to be audited for year ending 31 December 2019. OK Tedi has audited financial statements uploaded on their website and accessed via this link: <https://oktedi.com/who-we-are/annual-performance/>KPHL and MRDC do not have current audited data and constitute 19.08% of total revenue.IA reconciled 99.42% of the extractive industries revenue streams reported in the 2019 Report with the application of the classification of the revenue streams under quantitative and qualitative definition of materiality covered in the report. Whereas the portion of 97.84% reconciled revenue is the coverage based on government receipts validated by the quantitative definition of materiality only. Hence, some revenue stream not covered do not affect the comprehensive of the report. |
| 1. Requirement 4.5 SOE Transactions

PNG should undertake a comprehensive assessment of transactions between extractives SOEs (and their subsidiaries) and mining, oil and gas companies, as well as between the extractives SOEs (including their subsidiaries) and government in its scoping for future EITI Reports. All SOEs collecting material revenues or making material payments to the government should be included in future EITI reporting. | State transactions have been included in PNGEITI 2019 report, the comprehensiveness of the transactions main a challenge and hence MSG commissioned the SOE scoping study to provide an understanding around these transactions. The recommendations of the scoping study is expected to be implemented in the PNGEITI 2020 report and some of the recommendations include adoption of a definition for SOE and QFEs and a new SOE reporting template (pages 12 -14). The SOEs making material payments as identified in the report include KPHL, KMHL, OK Tedi Mining Ltd (OK Tedi) and its subsidiaries, Mineral Resources Development Cooperation Ltd (MRDC) and Enga Orion Children Fund (page 26). The revenues of each SOE is details from pages 26 to 45 including how the raise equity to pay for interests in JVs or subsidiaries. However, due to the lack of participation from MRDC in the scoping study a recommendation for MSG to commission a specific study on MRDC financial flows was made by the consultants (page 52).   |
| 1. Requirement 4.6 Direct Sub-national Payments

PNG should establish whether direct subnational payments (to government entities) by extractives companies are material. Where material, PNG is required to ensure that direct subnational payments are reconciled between company payments and subnational government entities’ receipts.Given widespread confusion, yet vivid interest among stakeholders from all constituencies over extractives revenue flows accruing to subnational governments, PNG should consider mapping out subnational revenue flows associated with each individual extractive project, drawing on results from the scoping study on subnational revenue flows being prepared in 2018. | PNGEITI 2019 Report has recorded subnational transfer information on distribution of revenues and of the funds managed by MRDC. This information was disclosed on pages 79 – 96 of the PNGEITI 2019 Report. However, the comprehensiveness of sub-national payments remains a challenge in relation to reconciliation of sub-national payments. Over the past 2 years, the country has been hit by Covid–19 pandemic hence, execution and implementation has been affected.MSG has disclosed sub-national payments in the PNGEITI 2019 report which are reconciled with MRA and DPE. However, the reconciliations with local level governments have not being implemented and is expected to be implemented in the current year.  |
| 1. Requirement 4.9 Data Quality

The EITI requires an assessment of whether the payments and revenues are subject to credible, independent audit, applying international auditing standards. In accordance with Requirement 4.9.b.iii and the standard Terms of Reference for the Independent Administrator agreed by the EITI Board, the MSG and Independent Administrator should* Ensure that the Independent Administrator (IA) provides a clear and categorical assessment of comprehensiveness and reliability of the (financial) data presented, including an informative summary of the work performed by the Independent Administrator and the limitations of the assessment provided.
* Ensure that the Independent Administrator provides an assessment of whether all companies and government entities within the agreed scope of the EITI reporting process provided the requested information. Any gaps or weaknesses in reporting to the Independent Administrator must be disclosed in the EITI Report, including naming any entities that failed to comply with the agreed procedures, and an assessment of whether this is likely to have had material impact on the comprehensiveness and reliability of the report.
* In accordance with Requirement 8.3.c.i, the MSG should develop and disclose an action plan for addressing the deficiencies in the reliability of reporting documented in the initial assessment.
 | The accuracy of the data remains a challenge despite improvements as highlighted by the JICA project. Apart from the reconciliations, there was no quality assurance, audit, verification and/or review undertaken to test or confirm the accuracy during reconciliations.The JICA [Project for Improving Resource Related Revenue Management in PNG](http://www.pngeiti.org.pg/wp-content/uploads/2018/04/2022-Signed-Project-Completion-Report-by-JICA-Expert-team..pdf) on page 38 -39 highlight that descriptions of reconciliations and coverage was improved in 2019 and variances in reported figures deceased in the PNGEITI 2019 report from previous reports to the reconciliations. However, the data quality still, remains a challenge in relation to audited financial statements for government departments, agencies and SOEs whose audits are not completed up to 2019 except OK Tedi. * OK Tedi has audited financial statements uploaded on their website - <https://oktedi.com/who-we-are/annual-performance/>
* KPHL and MRDC who do not have current audited data constitute 19.08% of total revenue.

Since the submission is through portal where all authorised representative has access, there is risk that one user can update or edit the file/submission of the other template. Hence, reporting templates had been included with a password to safeguard the information within the document. Authorised representative of each reporting entity is given their own unique password to be used. The auditor general’s office (AGO) has undertaken to establish status of audits of government departments, agencies and SOEs and will do revenue testing on the reporting entities to confirm figures for reports as agreed in the TWG meeting with AGO. The minutes of meeting: <http://www.pngeiti.org.pg/wp-content/uploads/2018/04/2020-Validation-Meeting-with-AGO_TWG.pdf> |
| 1. Requirement 5.1 Distribution of Extractive Revenues

PNG should clarify which extractive revenues are recorded in the national budget. Where revenues are not recorded in the national budget, the allocation of revenues should be explained, with links provided to relevant financial reports. | Information relating the distribution of revenues has been updated and included in PNGEITI 2019 Report and additional information is provided relating to the distribution of funds managed by MRDC. The recommendation by IRC to amend the reporting template to include requirement for reporting entities to include their Tax Identification Number (TIN) enabled IRC to retrieve correct company information from IRC’s system ensured accurate reporting by IRC in the PNGEITI 2019 report. Refer to TWG minutes : <http://www.pngeiti.org.pg/wp-content/uploads/2018/04/2020-IRC-TWG-Validation-Minutes.pdf> |
| 1. Requirement 5.2 Sub-national Transfers

PNG is required to ensure that material subnational transfers of extractives revenues are publicly disclosed, when such transfers are mandated by a national constitution, statute or other revenue sharing mechanism such as benefit-sharing agreements. The MSG should also disclose any discrepancies between the transfer amount calculated in accordance with the relevant revenue sharing formula and the actual amount transferred between the central government and each relevant subnational entity on an annual basis. | There is a section for subnational payments and transfers in the 2019 PNGEITI Report. However, as discussed above, implementation of subnational transfers and payments are yet to be fully presented due to mobility limitation from the Covid-19 pandemic. MRDC, DoT and IA were agencies responsible for addressing requirement 5.2. However, MRDC indicated that it was not directly involved in subnational transfers and was only responsible for royalty payments and hence suggested that DPE should be involved. IA is to discuss MSG on what has been done as a follow up to Sub-national payments report. However, the [SOE scoping study](http://www.pngeiti.org.pg/wp-content/uploads/2021/07/PNGEITI-SOE-Scoping-Study-Report-090721.pdf) also makes recommendation of commissioning a study on MRDC’s financial flows (page 52) as well as undertake a pilot study to collect, reconcile and disclose transactions on the sale of SOE’s share of oil, gas and minerals.  |
| 1. Requirement 6.1 Mandatory Social Expenditure

PNG should ensure that reporting of mandatory social expenditures be disaggregated by type of payment and beneficiary, clarifying the name and function of any non-government (third party) beneficiaries of mandatory social expenditures.. | Requirement 6.1 have been recorded in the 2019 PNGEITI Report. However, the challenge remains that the data provided for social mandatory expenditure is not comprehensive and not all organisations disclose mandatory social expenditures such as SOEs. The MSG’s classification of what is mandatory social expenditure is in accordance with descriptions provided in [the Sub-national Payments Report](http://www.pngeiti.org.pg/wp-content/uploads/2019/07/PNGEITI-Subnational-Payments-Report-May-2019.pdf) page 82 to 83 and the list of expenditures that are considered mandatory on pages 65 to 66. MSG expects that implementation of recommendation from the SOE [scoping study](http://www.pngeiti.org.pg/wp-content/uploads/2021/07/PNGEITI-SOE-Scoping-Study-Report-090721.pdf) especially adoption of definition of QFEs and new reporting template would provide some clarity in reporting social mandatory expenditure for SOEs as the findings indicated that “the low level of understanding around the concept of QFE in SOEs and types of payment it covers” (page 49) are barriers to disclosing information.  |
| 1. Requirement 6.2 Quasi-fiscal expenditures

PNG should undertake review of all expenditures undertaken by extractive SOEs (and their subsidiaries) that could be considered quasi-fiscal.PNG should develop a reporting process with a view to achieving a level of transparency commensurate with other payments and revenue streams and should include SOE subsidiaries and joint ventures.  | Requirement 6.2 quasi-fiscal expenditure (QFE) still, remains a gap however, MSG is taking steps to address this. QFEs were not recorded in the PNGEITI 2019 Report due to the classification of QFEs not being straight forward as such MSG commissioned an SOE Scoping Study to make recommendation to address this requirement and requirements 2.1, 2.6, 4.2 and 4.5. Some of the recommendations in the [SOE Scoping Report published in May 2021](http://www.pngeiti.org.pg/wp-content/uploads/2021/07/PNGEITI-SOE-Scoping-Study-Report-090721.pdf) include;* Adoption of a definition of SOE (pages 12 – 13)
* Adoption of a definition of QFEs (pages 13 – 14)

The definition of QFEs includes 3 options, a set criteria to judge if a payment can be considered QFE, a topology approach which is judged against a list of QFE payments and quantitative test to determine if it represents a transfer from SOE to the private sector or another government entity. * Adoption of new reporting template for SOEs (Appendix 5 pages 117-123).

The new reporting templates identifies 6 key areas of data to be collected which includer: (1) Company Data, (2) Financial Data, (3) Quasi-Fiscal Expenditure, (4) Subsidiaries & Investments, (5) Declaration, (6) Guiding Notes. The new template is also to ensure that data provided is comprehensive and data provided addresses a number of requirements including requirement 6.2. * The consultants have also proposed a materiality level of K500,000.00 for QFEs (page 17) for consideration by the MSG.

The MSG approved the recommendations from the SOE Scoping Report at its meeting dated 5th July 2021 - meeting minutes here: <http://www.pngeiti.org.pg/wp-content/uploads/2018/04/Minutes-of-MSG-Meeting-01.pdf>The recommendations will be implemented in the PNGEITI 2020 Report as outlined in the [ToR for the IA](http://www.pngeiti.org.pg/wp-content/uploads/2021/09/TOR-for-FY2020-PNGEITI-Report.pdf). Based on the findings of the [SOE Scoping report](http://www.pngeiti.org.pg/wp-content/uploads/2021/07/PNGEITI-SOE-Scoping-Study-Report-090721.pdf) on page 49, payments made by MRDC and SOEs are not classified as QFE as a result of the low level of understanding of the concept of QEF and the types of payments that QFEs cover. MRDC is the equity holder for landowners for mining and oil and gas projects which the state acquires. MRDC is incorporated under Companies Act and is expected to comply with all requirements under Companies Act and as such its revenues and how it spends these revenues do not go through the national budgetary process. However, there are legal regimes that provide a guide as to how the state’s project revenue will be shared with project area, landowners, local level governments and provincial governments. For the PNG LNG Project there is PNG LNG Project Umbrella Benefits Sharing Agreement (UBSA). Refer to pages 31 to 33 of [SOE scoping report](http://www.pngeiti.org.pg/wp-content/uploads/2021/07/PNGEITI-SOE-Scoping-Study-Report-090721.pdf) for details on the UBSA.  |
| 1. Requirement 7.4 Review of Outcomes and Impact

The MSG is required to review the outcomes and impact of EITI implementation on natural resource governance in PNG and ensure all prescribed details of the annual progress report are mentioned in the next report.  | Requirement 7.4 has been addressed in the PNGEITI 2018 and 2019 Reports. MSG has also published annual progress reports for years 2017 to 2020 with the 2021 report currently in review. Annual progress reports for the period under review can be accessed here: [2022 Validation – PNGEITI](http://www.pngeiti.org.pg/2020-validation/) |
| *(add rows as necessary)* |  |

**6. How have lessons learned from EITI implementation informed the current work plan?**

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| The implementation of PNGEITI, the publication of the seven PNGEITI reports, and their recommendations had provided many critical lessons to learn from in addressing the many challenges and issues for better management of the extractive sector in PNG.These challenges and issues include: data and information gaps, weakness in the government systems and processes, the opaque nature of SOE’s operations, lack of reliable and up to date data/information, data quality and comprehensiveness have given rise to the need to address these issues/challenges. The MSG was informed and has taken steps to formulate plans on the current work plan to source and mobolise available recources to take action not only through the current work plan but consistently address the issues going forward.The MSG will soon develop medium term plans ie 3-5 years and longer term plans i.e, 5 years and more to address these issues overtime going forward. To enable them to do this, MSG is now developing a legislation to sustain EITI implementation in the country. The first validation outcome has influenced the current work plan and will also influence future work plans. 1. Validation Technical Working Group meetings are conducted during the year to address the corrective actions from the first validation. 2. Furnish Ministerial Briefs to the Minister, to inform on the progress of EITI implementation and to seek his support and commitment in pursuing the report recommendations. 3. Address report recommendations from previous reports (2013-2019) in the upcoming reports. 4. Conduct information awareness sessions with relevant stakeholders at the national and subnational level on EITI report recommendations. 5. Work with Government agencies and departments to enhance their reporting processes and systems to record the revenue received from the mining, oil and gas sector.  |

## Innovations and impact

**7. Summarise any steps taken by the MSG to exceed EITI Requirements in a way that addresses national or local extractive sector governance priorities**.

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| * National Policy framework – [National Policy on Transparency and Accountability](http://www.pngeiti.org.pg/wp-content/uploads/2018/04/PNG-EITI-National-Policy_Draft-Final-1.pdf) in the PNG Extractive Sector was adopted in 2019 [(NEC Decision No.80)](http://www.pngeiti.org.pg/wp-content/uploads/2021/06/2019-NEC-Decision-No.-80.pdf),

This Policy sets out the mission and objectives for an independent administrative body that promotes and requires transparency and accountability in the mining and petroleum (oil and gas) sectors in Papua New Guinea. This public body will both domesticate international standards and respond to national needs. The public body continues and extends the work of the Extractive Industries Transparency Initiative (EITI) in PNG by transforming the initiative into a legally constituted administration with powers to require reporting organisations (both companies and government bodies) to disclose information. The initiative will further be transformed by acquiring a formal place in an existing context of government institutions.Through nine policy objectives, this Policy outlines the core functions of the independent administrative body, determines the multi-stakeholder nature of its oversight body, and summarises its key reporting outputs. This Policy also sets out how the new independent administrative body will be embedded within an existing institutional framework by supporting anti-corruption and public financial management activities, but also by assessing the quality and timeliness of information on the extractives sector produced by other government agencies and making recommendations for improvement. Finally, this Policy outlines how the administrative body’s outputs will be used to inform and educate citizens and stakeholders to improve public debate and policy making.This Policy provides multiple benefits: it ensures that there is multi-stakeholder participation (government, the private sector and civil society) in the oversight of the work of the independent administrative body. It also ensures that there are mandatory disclosure requirements placed upon those who are required to provide information, leading to more comprehensive publicly available information. This Policy will guarantee that information produced onin the extractive sector is both timely and credible and supports anti-corruption activities within government as well as public financial management. This Policy will also lead to better understanding of the extractives sector across Papua New Guinea and help build trust that the revenues from mining and petroleum are of benefit to all citizens.This Policy requires two laws to be drafted and approved: firstly, an establishment law that gives the administrative body its legal basis, and secondly, a reporting law that sets out the disclosure and compliance requirements that the administrative body will implement. There will likely be a series of consequential amendments to other legislation related to the extractives sector. <http://www.pngeiti.org.pg/wp-content/uploads/2018/04/PNG-EITI-National-Policy_Draft-Final-1.pdf><https://adamsmithinternational.com/news/institutionalising-transparency-in-the-extractives-sector-in-png/> • PNG Extractive Industries Transparency Commission BillEITI implementation in PNG has gained momentum with increased participation by relevant regulatory departments and state-owned entities, provincial authorities, industry companies and civil societies. The sustainability of EITI implementation in the country is dependent on having it legally established. The reason being that the EITI is currently implemented through a NEC Decision that holds no legal obligation for reporting entities to ensure compliance, especially providing financial data and information for EITI reporting purpose. The PNGEITI reports that have been published so far continue to have data and information gaps resulting in significant discrepancies in the data and information presented to the public from reporting entities. Additionally, this scenario also presents constraints in implementing a number of EITI requirements due to the absence of a legal framework to sustain EITI governance and reporting framework domestically. Examples of reporting gaps that require legislative intervention include; disclosure of contracts for contracts transparency, disclosure of beneficial ownership details and the process involved in the issuance and transfer of mining, oil and gas licenses and the absence of a license registry or a database at both the MRA and the Department of Petroleum offices amongst others for mining and petroleum activities respectively. These gaps have been identified and recommended for actioning in the 2018 Validation Report and the PNGEITI reports that have been published.Limited visibility in revenue reporting over the years have hindered informed decision making for effective governance and better management of the extractive sector. The introduction of the EITI concept and the subsequent intervention of the PNGEITI National Policy now sets the framework for improved governance, not only in the mineral sector, but also in the non-mineral sector utilizing the EITI model for improved transparency and accountability. The stakeholders have been making efforts in moving towards sustaining EITI implementation with a mandatory disclosure regime. These efforts are consistent with the [NEC Decision No. 90/2013)](http://www.pngeiti.org.pg/wp-content/uploads/2018/04/2013-NEC-Decision-No.-90.pdf) for PNGEITI to be established as an independent statutory body. A proposed PNGEIT Commission Bill is currently being finalized to be presented to Parliament in November this year for enactment. • Legislative amendment Amendment of the Income Tax Act administered by the Internal the Internal Revenue Commission (IRC) removed a secrecy provision in this Act in 2018. This enables the IRC to disclose taxpayer information and tax revenue data without the tax payer’s consent for EITI reporting purpose. This action was taken by the MSG arising from the recommendation made in the second PNGEITI report that was published.* Open Data Policy

Digitizing and Opening up government data for access to information and transparency. This is included in the Open Government Partnership Program (OGP) the PNG Government has signed up to implement in 2014 as outlined below.* [Open Government Partnership](https://www.opengovpartnership.org/members/papua-new-guinea/) – PNGEITI is under cluster 4 Extractive Industries.
* In May 2014, the Minister for Foreign Affairs informed the Government of PNG’s interest to become a member of this multilateral initiative**.** There are many similar developments relative to policy and legislative reforms that the Government of PNG is undertaking. These include Public Private Partnership (PPP), PNG Strategy for Development of Statistics, Budget reforms (Multi-year budgeting and policy driven budget), State-CSO Partnership and Improvement of Legal Structures for accountability and transparency that are similar to the commitments of other OGP members. By becoming a member of this international initiative, PNG would not only gain from sharing its experiences with other OGP members but most importantly, learn from their experiences and improve its current national initiatives that it has undertaken domestically, especially improving good governance and citizen engagement.
* In October 2015, PNG was accepted as a member of the OGP at the Global Summit in Mexico. As a voluntary initiative, OGP members are required to demonstrate a minimum level of open government commitments in four (4) key areas (Fiscal Transparency, Access to Information, Income and Assets Disclosures and Citizen engagement) to be eligible to join which PNG has done.
* As an OGP Member, PNG has made commitment to provide an “open government effective service delivery to its citizens”. This, in essence aligns well with the visions and aspirations envisioned in the National Constitution. The OGP National Action Plan (NAP) also conforms to our National Goals and Directive Principles-particularly the goals on “Integral Human Development; Equality and Participation; Natural Resources and Environment; and commitments to the UN Sustainable Development Goals.

PNG OGP Commitments and [National Action Plan (NAP)](https://www.opengovpartnership.org/documents/papua-new-guinea-action-plan-2018-2020/)1. Upon joining, member states through broad public consultations, inform on OGP Commitments and establish a multi-stakeholder forum for on-going dialogue with civil society on OGP implementation.

Since becoming a member in 2015, PNG has undertaken these public consultations and established Government Working Groups comprising of selected Government Departments with key Civil Society Partners. These Working Groups were tasked to work on the National Action Plan and report through their Cluster Commitment Leaders to a Steering Committee that is co-chaired by the Department of National Planning, Department of Foreign Affairs and Transparency International PNG Inc from the Civil Society Organizations (CSOs). 1. The stakeholders of PNG OGP held several Workshops to formulate a National Action Plan (NAP). As briefly mentioned above, the OGP members report on their commitments which are grouped into **seven (7) clusters**:
2. **Public Participation** – Engaging Citizens in Policy-Making.
3. **Government Integrity** - Fight Corruption and Strengthening Democratic Institutions.
4. **Freedom of Information** - Guaranteeing Access to Public Information.
5. **Fiscal Transparency** – Helping Citizens follow the money.
6. **Public Service Delivery** – Making Service work for the people.
7. **Extractive Resources Transparency** – Ensuring Extractive Revenues are used for public benefit.
8. **Open Data** – Digitizing and Opening up Government Data for Access to Information and Transparency.
9. Based on the consultations held from these workshops, officials agreed to focus on four (4) clusters under the first National Action Plan (NAP) that were relevant to PNG’s national context and would basically derive these commitments to its NAP. These **four (4) main** **Cluster Commitments** are also based on existing Government programs and projects:
10. **Freedom of Information**

(i). Access to Information Act; (ii). Integration of Government Information System;(iii). Implementation and Open Data Portal; (iii). Mechanism for Government. 1. **Public Participation**

 (i). Informal Sector Voice Mechanism; (ii). Informed Citizens Annual Budget and Planning Priorities1. **Fiscal Transparency**

(i).Provision of accurate, timely and accessible fiscal data. 1. **Extractives Industry Transparency-**

 (i). Develop PNGEITI Policy; - **Amendment to Mining Act 2014 (still in draft)** Constant PNGEITI presence in the mining project forums led by the MRA promoted the need and importance for Transparency. MRA’s latest Corporate Plan captures Transparency as a Focus area that entails a key delivery item to build Subnational Governments’ capacity to report on the royalties and other payments they received from the mining companies. |

**8. What kind of outcomes and impact have these measures resulted during the period under review?**

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| *[Explain how the MSG tracks outputs, outcomes and impact and include link(s) to any relevant documents. Summarise the outcomes and impact of efforts to ensure that EITI implementation addresses national or local extractive sector priorities. If the MSG has documented this elsewhere, please provide a link to relevant documents. Outcomes and impact can be disaggregated by constituency or beneficiary group, if relevant.]*]The MSG tracks outputs, outcomes and impact of EITI implementation in country through these main areas below:(i) The annual workplans – it reviews the workplan outputs at the end of each year to ensure that the activities that were not implemented in that year are included in the following year’s workplan. This ensures that there is continuity and sustainability in EITI implementation activities as some activities can be implemented in a single year while some can be implemented over a short term or more longer term. Links have been provided to our annual workplans.If there were any activities, there were not implemented in the year under review then reasons or Justifications are provided/documented in the minutes of the quarterly MSG Meetings and follow up for action in the next annual work plan. Links have been provided to our MSG meeting minutes already.(ii) The mainstream and social media coverage – MSG tracks the impact of EITI implementation by observing the discussions covered by traditional media i.e. the local newspaper articles, television and radio including the most popular medium used these days, Facebook, LinkedIn, Twitter and Instagram for some. This extends to debates by academics, researhcers, individual oliticians, and think-tank institutions (e.g., INA and NRI), universities (eg, ANU), the IMF and World Bank research publications including other similar outlets and publications. (iii) Obtaining Cabinet Directive to implement critical recommendations from EITI Reports published. To ensure outcomes are achieved from the EITI report recommendations, the MSG made submissions to the National Executive Council (NEC) twice and obtained Cabinet Directives (refer to NEC Decisions indicated in the earlier sections) for responsible or concerned Sate entities to action/implement. The amendment to the Income Tax Act that removed secrecy provision to disclose tax revenue data by the IRC and the ongoing work to enhance petroleum license database at the Department of Petroleum are two examples of such outcome.1. The publication of Annual Progress Report (APR) – the report provides a progress update and documents activities undertaken by the MSG. It serves as a basis to measure outputs, outcomes and impact of EITI in the country. Previous APRs are available on the website <http://www.pngeiti.org.pg/1923-2/>

The latest Annual Progress Report for 2021 is being reviewed and will be finalised for uploading by 5th of April, 2022. The National Government Budget Development Policy Document – the reform related activities coming out of EITI implementation (Recommendation from EITI published reports, validation gaps, etc.) are documented and included in the National Government’s Budget documents through the Economic Development Policy Volume 1 under the sectoral policy reform section. This way, the EITI induced reform activities in the country are not seen to be implemented in isolation but are complementing the Government’s overall sectoral reform efforts. The aim is to ensure that EITI related reforms are fruitful by riding on the overall Government reform agenda and programs.  |

**9. If the MSG has plans to include new issues or approaches to EITI implementation, please describe these**.

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| (i) The MSG has plans to extend EITI implementation into the forestry and fisheries, and the agriculture sector (renewable sector) in the near future.(ii) The MSG also has embarked on including EITI syllabus (resource extraction and governance) in the PNG educational institutions (colleges and universities) under the PNGEITI/World Bank Education Mainstreaming Project. An initial scoping work on education mainstreaming study was executed by a World Bank consultant. The report is available on the website <http://www.pngeiti.org.pg/wp-content/uploads/2018/04/2020-Education-Mainstreaming-Draft-Report.pdf>(iii) The MSG intends to extend EITI reporting to the subnational level of government to enhance transparency and accountability on payments and transfers made to that level. National Secretariat is currently working with the World Bank to undertake phase 2 of this project this year. Phase 1 of the project was undertaken by a consultant funded by the Australian Government.(iv)The MSG plans to seek corporate support (funding) from current reporting companies going forward.(v) The MSG intends to have a multi-year workplan (5 years). A long-term workplan that will enable donors and development partners to provide concrete support by addressing medium and long-term structural, policy and legal reforms that seek greater impact for EITI implementation in the country. |

**10. What kind of outcomes and impact are these plans expected to result in?**

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| The outcomes and impact expected from these plans are:1. The extension of EITI implementation to the renewal sector (point (i) is to improve transparency and accountability in these areas where we get reports of illegal activities, especially in the logging/forestry and fisheries. There is perceived high level of corruption in the forestry and logging activities.
2. The education mainstreaming project will provide an opportunity for students to learn about EITI in the higher and tertiary learning institutions - a preparatory stage. When students graduate from these institutions and into the workforce, they would be equipped with knowledge on EITI.
3. On subnational level EITI reporting, it will result in improving transparency and accountability at the subnnational (provincial and local level governments). This is anticipated to have a significant impact by ensuring transparency in the payments and transfers made.
4. The Corporate support (funding) arrangement will also reinforce reporting companies to take greater ownership of EITI implementation activities through the MSG arrangement. Currently the Government has been the main sponsor (fund) for the EITI activities with technical support from a couple of development partners (donors).
5. Having a multi-year Workplan in place will provide a good basis for donors and development partners to plan, align and confirm their support to EITI implementation. Also, having a long-term plan will serve as a guide as to what the MSG intends to achieve and work towards achieving the outcomes.
6. MSG and MRA/Government Institutions will liaise and institutionalize EITI, with each government institutions having its specific EITI Desk or Unit with permanent EITI Officers and Budgets. This will address the EITI standards on streamlining institutions.
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**11. Summarise the MSG’s efforts to strengthen the impact of EITI implementation in the period under review, including** **any actions to extend the detail and scope of EITI reporting or to increase engagement with stakeholders. The MSG is encouraged to document how it has taken gender considerations and inclusiveness into account.**

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| MSG’s efforts to strengthen the impact of EITI implementation, including actions taken to extend the detail and scope of EITI reporting or to increase engagement with stakeholders have been outlined in Parts 7, 8 and 9 of this template so please refer to these as they are the same.The MSG has taken gender seriously as a new requirement in the EITI Standard and has been working with JICA consultants through the support provided by the Government of Japan to enhance this area. This particular gender reporting requirement by EITIT is consistent and complementary to the Government of PNG’s policy on Gender Equality Support Initiative (GESI).MRA considers gender equality seriously. They have a female lawyer as a member of the EITI team of three at MRA. She is the member of the TWG on PNGEITI Commission Bill. |

# Part II: Public debate

## Open data (Requirement 7.2)

**12. Open data policy and disclosures**

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| Provide a link to the open data policy agreed by the MSG (Requirement 7.2.a) | *[Add link(s) to relevant open data policy(ies) and any commentary.]*EITI Open data policy, approved by MSG on 30 December 2016<http://www.pngeiti.org.pg/wp-content/uploads/2018/04/PNG-Open-Data-Policy-and-Framework.pdf> |
| Is EITI data available in open data format and publicized? (Requirement 7.2.b) | *[EITI data refers to disclosures within the scope of the EITI Standard, including the tables, charts and figures from EITI reports.]*Yes this is available in machine readable format.Attachements of the PNGEITI reports are in pdf files abd can be accessed publicly via the link below:<http://www.pngeiti.org.pg/reports/> |
| Has the MSG identified gaps in the availability of EITI data in open format? If yes, what kind of gaps? (Requirement 7.2.b) | No. EITI data is available in open format. |
| Has the MSG undertaken efforts to improve the availability of data in open format? If yes, please describe these. (Requirement 7.2.b)  | Not applicable.  |
| Have summary data files been completed for each fiscal year for which data has been disclosed? (Requirement 7.2.c) | Yes, summary data for years 2017, 2018 and 2019 have been disclosed on PNGEITI website.The summary data can be excessed via the lin below:<http://www.pngeiti.org.pg/summary-data-sheets/>The 2018 Summary Data is pending IA to update to new format – currently working on.  |
| *What systematically disclosed data that is in the scope of EITI disclosures is machine readable and inter-operable? (Requirement 7.2.d)* |  |

## Outreach and communications (Requirement 7.1)

**13. Describe the MSG’s efforts in the period under review to ensure that information published about the extractive sector is comprehensible and available in appropriate languages**.

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| PNG has over 800 languages with English as its official language of business and thus PNG has published brochures and other materials in English. There are other two national languages spoken widely through out the country and these are Tok Pisin, spoken mostly in the Highlands, Morobe, Sepik and Madang areas (MOMASE region) as well as the New Guinea Islands regions. The third language, Hiri Motu is spoken mainly in the Southern part of the country. During awareness campaigns, outreaches and roadshows, the use of Tok Pisin and Motu are also used to illustrate and convey information on EITI for better understanding, especially in the rural towns and remote settings where population is comprehension around English is limited.PNGEITI has developed various news articles (newsletters, press statements, ministerial speeches), and resources materials (promotional videos, factsheets, brochures, phamplets, summary data sheets, executive summary sheets) on different aspects about EITI and implementation requirements. Knowledge of these products are communicated through the PNGEITI website and also through public awareness activities that PNGEITI National Secretariate and the MSG carry out in different provinces in PNG. The news articles and promotional resources can be accessed through the PNGEITI website [here](http://www.pngeiti.org.pg/) and then on the specific links below:1. The brochures <https://www.pngeiti.org.pg/brochures/>
2. Promotional Videos <https://www.pngeiti.org.pg/promotional-videos/>
3. Press Statements <https://www.pngeiti.org.pg/category/latest-news/>
4. Quarterly Newsletters <https://www.pngeiti.org.pg/impact-newsletter-issues/>
5. Fact Sheets <http://www.pngeiti.org.pg/factsheet/>
6. Summary Data <https://www.pngeiti.org.pg/2020-validation/>
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**14. Describe examples of use of EITI data.**

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| *[Document instances of use of EITI data in various formats, whether from MSG members or any stakeholders. Examples of types of EITI data use could include:** *Print and broadcast media coverage of stories referencing EITI data*
* *Research and analytical studies drawing on EITI data*
* *Advocacy and lobbying notes referencing EITI data*
* *Parliamentary submissions or proceedings drawing on EITI data*
* *Etc.*

*Provide links to supporting evidence where available.]**Anecdotal evidence can also be recorded, for instance in the following way:* *[This person / group ] has used [type of data in the scope of EITI disclosures] to do [what the data was used for / what problem did it solve.]*PNGEITI has published and continues to publish extractive industries data through its country reports and through it’s [website](http://www.pngeiti.org.pg/). The PNGEITI website publishes oil & gas and extractives data from the country and scoping studies reports through its online portals. The data found in the portals are in open format and are publicly accessible.PNGEITI at times receives external requests from the media, legislators, development partners, think-tank institutions, universities, academics, individuals, politicians, multilateral institutions (World Bank and IMF) and the general public to provide information on extractive industries data for various purposesPNGEITI published data is also used internally in outreach activities, seminars and research by MSG constituents.**PNGEITI Data**1. On the 12th August 2021. The National Newspaper published an article on the contribution of extractive industries to PNG’s economy citing data and information from PNGEITI 2019 Report

 <https://www.thenational.com.pg/extractive-industry-drives-economy/>1. A Post Courier article dated 05th August 2019 reported that: Associate Professor Martin Davies at the University of Washinton, Lee and Dr Marcel Schroder an economics lecturer at Lebanese American University who are both guest lecturers at the University of Papua New Guinea constructed a new database based on the PNGEITI annual reports that documented fiscal resource revenue for a large source of resource rich countries from 2006 to 2017.The data was used for a research study and found that the government is receiving its share of resource benefits and further recommended to the government to broaden its Economic base inorder to increase its bargaining power in current and future extractive projects. The article can be accessed vial the link below:

 <https://postcourier.com.pg/govt-not-receving-fair-share-study/> <https://www.thenational.com.pg/govt-not-getting-share-of-resource-benefits-report/>1. PNG Chamber of mines has used the PNGEITI 2017 report to respond to public statements that the industry is not paying sufficient taxes that it should be paying. From the report, the chamber was able to respond stating that mining and petroleum industries in PNG pay royalties and dividends as well as substantial amount of taxes on employee wages according to an article on the 19th of July 2019. The article can be accessed via the link below:

<https://www.thenational.com.pg/mining-petroleum-firms-also-pay-taxes-chamber/>1. Peter Dwyer and Monica Minnegal published an article titles “Landowner Identification in PNG: A job for the Government” used the PNGEITI reports to reveal a surprising revelation that the single largest revenue stream called group taxes were taxe paid on salaries and wages earned by employees. The article can be viewed in the lind below:

 <https://www.devpolicy.org/2019-Pacific-Update/PNG-Blog-booklet-18-19-Web-FINAL.pdf>  |

**15. Provide information about outreach events organized to spread awareness of and facilitate dialogue about governance of extractive resources, building on EITI disclosures**.

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| --- | --- | --- | --- | --- | --- | --- |
| **Event name**  | **Brief description of the event** | **Date** | **Location** | **Organizer** | **Number and type of attendees** | **Links to further information** |
| 2017 |
| Sub-national capacity building workshops | Workshop objectives: (1) sensitise provincial government officials about EITI reporting requirements, (2) sensitise civil society leaders about EITI process and how CSO can use data to improve governance and service delivery at subnational level and establish provincial focal points for EITI CSO representation | 17th-18th Oct 2017 | Lae, Morobe | PNGEITI National Secretariat, World Bank (WB), Institute of National Affairs (INA) & Consultative Implementation and Monitoring Council (CIMC | Senior administration officers from Provincial governments & CSO representatives | [PNGEITI-2017-Annual-Progress-Report-.pdf](http://www.pngeiti.org.pg/wp-content/uploads/2019/01/PNGEITI-2017-Annual-Progress-Report-.pdf) |
| Sub-National Capacity Building Workshops | See above objective | 8th -10th Nov 2017 | Kavieng, New Ireland | See above organisers | See above number and type of attendees | [PNGEITI-2017-Annual-Progress-Report-.pdf](http://www.pngeiti.org.pg/wp-content/uploads/2019/01/PNGEITI-2017-Annual-Progress-Report-.pdf) |
| Sub-National Capacity Building Workshop | See previous objective  | 21st -23rd Nov 2017  | Wewak, East Sepik Province | See previous organizers  | See above number and type of attendees | [PNGEITI-2017-Annual-Progress-Report-.pdf](http://www.pngeiti.org.pg/wp-content/uploads/2019/01/PNGEITI-2017-Annual-Progress-Report-.pdf) |
| Please Refer to PNGEITI Annual Progress Report 2017 Summary of 2017 PNGEITI Outreach Activities (pp. 15 – 20).  |  |  |  |  |  | [PNGEITI-2017-Annual-Progress-Report-.pdf](http://www.pngeiti.org.pg/wp-content/uploads/2019/01/PNGEITI-2017-Annual-Progress-Report-.pdf) |
| 2018 |
| Outreach information sessions | Purpose of information session was to sensitise targeted groups which included resource owners, provincial and local level governments including general public in preparing for their participation in the 208 MRA Mining Development Forum.. | 26th Jul – 1st Aug 2018 | Lae Morobe Province | PNGEITI National Secretariat Mineral Resources Authorithy | Wafi Golpu Stakeholders – resource owners, local level government and provincial government officers | [PNGEITI-2018-Annual-Progress-Report-.pdf](http://www.pngeiti.org.pg/wp-content/uploads/2019/11/PNGEITI-2018-Annual-Progress-Report-.pdf) |
| Please refer to PNGEITI Annual Progress Report 2018 Summary of 2018 EITI Outreach Activities (pp. 15 – 17). |  |  |  |  |  | [PNGEITI-2018-Annual-Progress-Report-.pdf](http://www.pngeiti.org.pg/wp-content/uploads/2019/11/PNGEITI-2018-Annual-Progress-Report-.pdf) |
| 2019 |
| UPNG-ANU research presentation, “Does the PNG government get its fair share from the resource sector?” | Research presentation on PNG Governments share of revenue from resource sector | July 2019 | Port Moresby | Institute of National Affairs | General Public | [PNGEITI-2019-Annual-Progress-Report.pdf](http://www.pngeiti.org.pg/wp-content/uploads/2020/12/PNGEITI-2019-Annual-Progress-Report.pdf) |
| Beneficial Ownership Asia & Pacific Regional Workshop | EITI member countries reports on the progress on how the issue of beneficial ownership is addressed and reported through the EITI process within neighbouring countries.  | 19th -20th Mar 2019 | Manila, Philipines | Internaltional EITI & ADB Institute | EITI Member Countries | [2019-Q1-Q2-Newsletter.pdf (pngeiti.org.pg)](http://www.pngeiti.org.pg/wp-content/uploads/2019/10/2019-Q1-Q2-Newsletter.pdf) |
|  |  |  |  |  |  |  |
| Subnational Governance and Reporting in the Extractive Sector | To establish linkages to nationa and Provincial reporting so as to ensure transparency and accountability with payments at the provincial and local government | 3rd-4th June 2019 | Port Morseby | PNGEITI & Pacific Leadership and Governance Precinct (PLGP) | National and Provincail Stakeholders | [2019-Q1-Q2-Newsletter.pdf (pngeiti.org.pg)](http://www.pngeiti.org.pg/wp-content/uploads/2019/10/2019-Q1-Q2-Newsletter.pdf) |
| Papua New Guinea State of Environment (PNG 2019 SoE) Reort Pre-Workshop | Provide best available information on current state of Papua New Guinea Environment as the basis for effective environmental management, planning, and reporting. | 11th July 2019 | Port Moresby | PNGEITI Head of the National Secretariat & Conservationa & Environment Protection Authority (CEPA) | Government Stakeholders, Industry and Civil Society | [2019-Q1-Q2-Newsletter.pdf (pngeiti.org.pg)](http://www.pngeiti.org.pg/wp-content/uploads/2019/10/2019-Q1-Q2-Newsletter.pdf) |
| Organizational Culture in a Digital Age-CPA PNG Annual Conference 2019 | Present a talk about the future of digital online reporting for EITI in PNG to ensure greater efficiency in reporting from stakeholders | Aug 2019 | Lae, Morobe | CPA PNG & PNGEITI Deputy Head of Secretariat Christopher Tabel | CPA members, Accountants, | [2019-Q3-Q4-Newsletter.pdf (pngeiti.org.pg)](http://www.pngeiti.org.pg/wp-content/uploads/2019/12/2019-Q3-Q4-Newsletter.pdf) |
| Please refer to PNGEITI Annual Progress Report 2019 Summary of Stakeholder Engagements and  Outreach Activities in 2019 (pp.12)  | Feb 2020  | Kerema Gulf Province  | PNGEITI National Secretariat and JICA  | Gulf Provincial government staff  |  | [PNGEITI-2019-Annual-Progress-Report.pdf](http://www.pngeiti.org.pg/wp-content/uploads/2020/12/PNGEITI-2019-Annual-Progress-Report.pdf) |
| 2020 |
| Media Workshop  | Objective was to talk to different media organisations about the information contained in the 2018 EIT Report and emphasize the importance of the general public understanding data and information in the report | Jan 2020  | Port Moresby | PNGEITI National Secretariat & MSG  | All media organizations’ staff  | [EiTi Progress Annual Report\_2020 (pngeiti.org.pg)](http://www.pngeiti.org.pg/wp-content/uploads/2022/02/EiTi-Progress-Annual-Report_2020.pdf) |
| Validation Technical Working Group (TWG) Second Workshop  | This workshop took place to see the progress and achievement so far in preparation for the second country validation to take place.  | Feb 2020  | Port Moresby | PNGEITI National Secretariat and TWG Validation Team  | TWG members  | [EiTi Progress Annual Report\_2020 (pngeiti.org.pg)](http://www.pngeiti.org.pg/wp-content/uploads/2022/02/EiTi-Progress-Annual-Report_2020.pdf)  |
| Scoping awareness | Objective of awareness was to improve resource related revenue management in PNG   | Feb 2020 | Kerema Gulf Province  | PNGEITI National Secretariat and JICA  | Gulf Provincial government staff  | [EiTi Progress Annual Report\_2020 (pngeiti.org.pg)](http://www.pngeiti.org.pg/wp-content/uploads/2022/02/EiTi-Progress-Annual-Report_2020.pdf) |
| Started Publications in the Development PNG Magazine (local magazine). | The objective of this magazine publication is to publish stories and articles in the resource sectors like oil gas and mining, as well as other sectors like agriculture, fisheries and business | June 2020  |  |  | General Public  | [EiTi Progress Annual Report\_2020 (pngeiti.org.pg)](http://www.pngeiti.org.pg/wp-content/uploads/2022/02/EiTi-Progress-Annual-Report_2020.pdf) |
| Publications and advertisements in the PNG Energy Publications (PNG Resources Magazine). (Foregn - Australian Magazine)  | The objective of this magazine is to publish artices on the petroleum and mineral industry in PNG where PNGEITI articles and acommercial advertisements have been placed for publicity and awareness. | various issues from 2016-2021 |  |  |  | [www.pngresourcesonline.com](http://www.pngresourcesonline.com/)  |
| Commission Bill Workshop  | Objective  of the workshop was for the NS to reconvene the TWG members to review the draft Commission Bill for the establishment of PNGEITI as an independent entity.    | Dec 2020  | Mt. Hagen Western Highlands  | PNGEITI and TWG members  | Stakeholder members  | [EiTi Progress Annual Report\_2020 (pngeiti.org.pg)](http://www.pngeiti.org.pg/wp-content/uploads/2022/02/EiTi-Progress-Annual-Report_2020.pdf)  |
| Please refer to PNGEITI 2020 Annual Progress Report Summary of Stakeholder engagement   |  |  |  |  |  | <http://www.pngeiti.org.pg/wp-content/uploads/2022/02/EiTi-Progress-Annual-Report_2020.pdf> |
| 2021 |
| Webinar series on gender justice in extractive industries | Gendered impacts of resource extraction and the development of a new feminist agenda  |  | Online | CSO | General Public |  |
| Training Video Title: “Transparency is King”.  | The objective of the video was to address challenges caused by the pandemic. It also pointed out the importance of the role of Civil Society organisations during the pandemic.  | 2020 | Online | JICA Project Team  | Multi-Stakeholder Groups (MSG)  | [2021-Q1-Newsletter.pdf (pngeiti.org.pg)](http://www.pngeiti.org.pg/wp-content/uploads/2021/05/2021-Q1-Newsletter.pdf)  |

**16. Describe the MSG efforts in the period under review to consider access challenges and information needs of data users, including different genders and subgroups of citizens**.

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| PNG being one of the least developed countries, is experiencing information accessibility challenges due to slow or no internet connectivity, in addition to the covid-19 pandemic which limited MSG and PNG National Secretariat in awareness efforts on EITI. However, online platforms have been used extensively in the past two years including Facebook and official website updates. In prior years, roadshows were carried out to cater for those with limited or without internet access. There was an outreach activity targeting resource owners of the Waffi-Golpu project area. The PNGEITI team conducted a series of information awareness sessions with stakeholders of the Waffi-Golpu project in the Morobe province. The purpose of the outreach activity was to sensitise targeted groups; the resource project owners, provincial and local level governments, the three (3) main landowner groups Yantu, Babuaf, Hegambu including the general public.The content of the information shared during the outreach activity was focused on; the EITI 2016 Standards and the corresponding provisions, the PNGEITI Reports and its content inclusive of contextual findings and reconciliation of data; the value of the EITI in the MoAs and the stakeholders. <http://www.pngeiti.org.pg/wp-content/uploads/2018/04/20180803_-Wafi-Gold-Outreach-Report.pdf> |

**17. Describe other efforts by the MSG in the period under review to ensure that information is widely accessible and distributed**.

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| *[Document whether the MSG has* * *produced summary reports, thematic reports or other analysis* *that is accessible, concise and easily understood by target audiences;*
* *summarized and compared the share of each revenue stream to the total amount of revenue that accrues to each respective level of government.*
* *undertake capacity-building efforts, especially with civil society and through civil society organisations, to improve understanding of the information and data from the reports and online disclosures and encourage use of the information by citizens, the media and others.*

*Provide links to supporting evidence.]*Refer to #14 and #15 which list down the awareness programs and road shows held. Revenue streams are explained, analyzed and compared in the PNGEITI Reports. Each PNGEITI report has an executive summary which provides brief background and highlights information which the MSG considers as relevant for the readers. Independent Administrator also hold training sessions prior to release of PNGEITI Scoping, Inception and Reporting templates. The audience always includes reporting entities and civil society.* Media workshop on the PNGEITI Report (2019) – 2020 Newsletter Q1 – Q2

 <http://www.pngeiti.org.pg/impact-newsletter-issues/> * Micro training – on the 2019 PNGEITI Report – same information posted on PNGEITI social media – Facebook and LinkedIn sites

 [PNG Extractive Industries Transparency Initiative | Facebook](https://www.facebook.com/pngeitipng/) [PNG Extractive Industries Transparency Initiative | LinkedIn](https://pg.linkedin.com/company/png-extractive-industries-transparency-initiative)* Reports are also distributed at conference and workshops for example;

 - the Certified Practicing Accountants conference – 2018, 2019, (newsletter online)<http://www.pngeiti.org.pg/wp-content/uploads/2019/12/2019-Q3-Q4-Newsletter.pdf>- PNG Mining and Petroleum biannual conference hosted by the Chamber of Mines & Petroleum (newsletter online) - PNGEITI Regional Consultations on the Commission Bill – (newsletter online) - Project MoA review – awareness and presentation of PNGEITI Reports (newsletter online/and activity reports) * Distribution of EITI reports by MRA in it’s road shows, i.e. Goroka Show, Lae Agriculture Show and other events.
* MRA also positions the reports at strategic locations for public viewing in the Mining Haus reception and the library.
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**18. How could the MSG improve the accessibility and distribution of information, considering the needs of different subgroups of citizens?**

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| Local roadshows can be done as frequent as required. Local conventions supported by local government units can also be done to reach out to wider audience. During festivities, where local communities gather, EITI can make itself visible and present by placing kiosks or show its activities in a wide screen.This is addressed by the revised Communications Strategy which is very comprehensive and detailed. The revision and drafting of the Communications Strategy was done with technical support from the JICA expert team, under the PNGEITI JICA Project – under Activity Output 3- Awareness Promotion. Content of awareness material are being translated to Tok Pisin. The revised communications strategy can be accessed via the link below:<http://www.pngeiti.org.pg/wp-content/uploads/2018/04/104-PNGEITI_-Media-Communication-Strategy-2022-2023_final_v0406-002-Autosaved-converted.pdf>Also, there are ongoing calendar events that are organised annually such as the TIPNG’s Walk Against Corruption Association (WACA) Mike Manning Camp that PNGEITI is invited to present or do an awareness presentation.Similarly, PNG Chamber of Mines and Petroelum organises the Mining and Petroleum Conference in December where PNGEITI presents the findings of the EITI Report, the reconciliated financial Data, general update on progress of EITI implementation as well as exhibit information at the display booths. Most of these reports or updates are captured in the Newsletter. PNGEITI National Secretariat staff and MSG members have had attended number of talk back shows, talking about EITI on local radio stations (FM100 and NBC).  |

# Part III: Sustainability and effectiveness

**19. The MSG is requested to present any additional information and evidence related to the indicators for assessing the sustainability and effectiveness of EITI implementation**.

Each indicator will be assigned 0, 0.5 or 1 points by the EITI Board. The points will be added to the Outcomes and impact component score. The assessment of performance on the indicators will draw on information provided by the MSG, publicly available sources, stakeholder consultations and disclosures by the implementing country and companies. Please see the EITI Validation Guide for further information about how performance on these indicators will be assessed.

1. EITI implementation addresses nationally relevant extractive sector governance challenges. This indicator also recognises efforts beyond the EITI Standard.

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| * EITI Related Reforms to improve sector governance challenges

EITI implementation in PNG has given rise to some critical reforms to improve sector governance. These reforms culminated from the recommendations made from the PNGEITI reports that have been published and the outcome of the first validation. This is also coupled with mandatory actions required from PNG to meet a number of new requirements of the EITI Standard. These ongoing reform-oriented programs and activities are outlined below:**1.1 Disclosure of Beneficial Ownership Information**According to the Beneficial Ownership Roadmap Report, a beneficial owner is defined as a beneficial owner in respect of a company means the natural person(s) who directly or indirectly ultimately owns or controls the corporate entity.The 2019 EITI Standard requires that EITI reports from 2020 onwards include information relating to the beneficial ownership of corporate entities that bid for, operate or invest in extractive assets. The PNGEITI commissioned a scoping study on Beneficial Ownership that was completed in November 2016 and a Beneficial Ownership Roadmap report was published in 2017.The roadmap included a costing and a work plan which was implemented from 2017 to 2019. The PNGEITI defined the following in the context of PNG:* Beneficial Ownership
* Politically exposed person(s) in line with the PNG Anti-Money Laundering and Counter Terrorist Financing Act 2015;
* A materiality threshold for beneficial ownership set at 5%, but which also considers the corporate structure of the companies operating in the country, an individual’s full aggregated interest as well as different means of exercising ownership and control.

PNGEITI MSG has agreed that establishing of beneficial ownership registers or licence registers with the Investment Promotion Authority would be the most appropriate government agency. As such, there is an on-going work at IPA, supported through ADB technical assistance project for review of all legislations administered by the IPA as part of the government’s legislative reforms to create a conducive environment for further investment. The consultant is required to recommend practical approaches to working with the PNG IPA through these legislative reforms to include the EITA work on beneficial ownership, especially to amend the Companies Act and other laws for BO reporting in the future. More information can be accessed via the links below:[PNGEITI-Roadmap-Implementation-Manager-Completion-report-phase-2.pdf](http://www.pngeiti.org.pg/wp-content/uploads/2018/04/PNGEITI-Roadmap-Implementation-Manager-Completion-report-phase-2.pdf)<http://www.pngeiti.org.pg/wp-content/uploads/2018/04/TOR-for-BO-Report-Preparation-1.pdf>Furthermore, a beneficial ownership report was published in 2020 which included a description of the approach, definitions and scope of the BO data collection and provided recommendations on issues that needed to be addressed. The PNGEITI has been working closely with IPA on the BO register since the BO requirement came into existence in the 2016 standard and made compulsory for EITI implementing countries to report on BO from 2020. A scoping study report has been completed and a [BO report was commissioned by the MSG in 2020 and completed in 2021](http://www.pngeiti.org.pg/wp-content/uploads/2021/06/PNGEITI-BO-Report.pdf). PNGEITI will continue to work with the IPA, BPNG and other relevant entities in 2022 to consider amending the Companies Act and other associated legislations for a mandatory BO disclosure regime and the creation of a BO data registry at the IPA office. All reports are available on the PNGEITI website can be accessed via the link below:<http://www.pngeiti.org.pg/beneficial-ownership-reporting/>Additionally, a pilot project was undertaken to make beneficial ownership maps searchable on an online portal open to the public. A template was developed to capture beneficial ownership information at point of registration by companies with the Investment Promotion Authority (IPA). This will be piloted with future company registerations. To develop the template, comparations were made between IPA forms and EITI forms. The process and outputs of the pilot report are documented well in the report (Beneficial Ownership Disclosure Report - December 2020) Most of the extractive companies operating in the sector did fill out the BO Decleration Forms, signed off and submitted. The BO declaration form captured BO identities, shareholding structures, companies ownership map. Page 5 of the Pilot Disclosure Report outlines process taken. It can be accessed through this link below:<http://www.pngeiti.org.pg/wp-content/uploads/2018/04/PNGEITI-BO-Disclosure-Pilot-Phase.pdf>The progress of the BO work has been shelved for some time due to the worldwide pandemic. However, the PNGEITI MSG have agreed and accepted a BO template that is to be used to collect BO data and information to be included in the PNGEITI Reports under the BO Disclosure sub-heading. Future plans on the BO Register is to be kept at IPA, the government mandated entity that take care of company registrations and incorporation. Most of the BO information is already captured in the IPA company register and it is available only on the IPA website and can be accessed through the link below:<https://www.ipa.gov.pg/forms-for-download/companies/>* 1. **Transparency in the operations of Extractives State-Owned Enterprises**

State-Owned Enterprises (SOEs) and Trustees play a key role in managing and distributing PNG’s wealth from extractive activities**.** Transparentdisclosure of their processes for managing and transferring funds to beneficiaries (landowners, sub-national governments, national governments, etc.) is therefore critical for a comprehensive EITI report. Material SOEs and trustees are those with interests in (or responsibility for managing State interests) extractive projects that are producing saleable commodities during the production period.State participation in the extractive industries contributes to government revenues through equity distribution receipts, dividends and tax payments to the Department of Treasury and the Internal Revenue Commission (IRC) respectively. Where the SOE is also the operator of the project (as in the case with Ok Tedi), the SOE pays a production levy to the Mineral Resources Authority (MRA). Royalty payments are also distributed to local governments and landowners through the Mineral Resources Development Company (MRDC).Each SOE and associated subsidiary companies is considered material for reporting purposes regardless of whether the qualitative thresholds are met. This is due to the requirement of the EITI Standard to transparently report the management of funds through these entities. Each SOE, its structure, subsidiaries and its contribution to extractive industry revenues are discussed in more detail in the 2019 PNGEITI Report and the SOE Scoping Study Report that were published in 2021.The SOE Scoping Study Report proposes definitions for ‘state owned enterprises’ and ‘quasi-fiscal expenditures’ which are consistent with the definitions in the EITI Standard. According to the [[SOE Scoping Study Report](http://www.pngeiti.org.pg/wp-content/uploads/2021/07/PNGEITI-SOE-Scoping-Study-Report-090721.pdf) chapter 3.1 of pages 12-13](http://www.pngeiti.org.pg/wp-content/uploads/2021/07/PNGEITI-SOE-Scoping-Study-Report-090721.pdf) the definitions for “State Owned Enterprises” are as follows: 1. An enterprise is State-owned if it is a legal entity that is:

a) At least 50% owned by one or more PNG government agencies, or b) Controlled by one or more PNG government agencies, or c) A subsidiary that is at least 50% owned by a company that meets the definition in a) or b). 1. A PNG government agency is any PNG national ministry, ministerial department or executive agency, provincial government department or agency or local government department or agency.
2. One or more government agencies is deemed to control a legal entity where they have the right to:

a) Appoint the majority of the Board of Directors, or b) Exercise the majority of voting rights, or c) Set the budget including dividends, operating expenses and investment plans. 1. Any enterprise which is State-owned and meets the definition above is a State-owned enterprise (SOE) and in scope for EITI reporting, where it:

a) Applies for a license to explore for or exploit oil, gas or mineral resources b) Holds an interest in a license or production sharing agreement for oil, gas or mineral c) Holds in trust the interest of those who hold either of the aboved) Holds an interest in a JV that applies for or holds a license or PSA. The recommended definitions of Quasi-fiscal Expenditure according to [[the Scoping Study report](http://www.pngeiti.org.pg/wp-content/uploads/2021/07/PNGEITI-SOE-Scoping-Study-Report-090721.pdf) chaper 3.2 of pages 13-18](http://www.pngeiti.org.pg/wp-content/uploads/2021/07/PNGEITI-SOE-Scoping-Study-Report-090721.pdf) states that the QFE includes any case where: **Set Criteria** Social Service – An SOE directly or indirectly pays for goods or services which would normally be part of the social services provided by the government, including healthcare and education. Public infrastructure – An SOE directly or indirectly pays for goods or services directly related to the design, construction, maintenance or other works on public infrastructure. This should exclude any infrastructure Soley for the benefit of the SOE. National debt servicing – An SOE transfers value, either monetary or in specie, to a third-party provider of national debt. This should also encompass the capital repayment of national debt. **Quantitative** Transactions where there is a structural or contractual expectation of a net flow of value from the SOE to the private sector: Supply of goods or services – An SOE provides goods or services under or over value (including fuel subsidies), including from another SOE or central government. Procurement of goods or services – An SOE procures goods or services under or over value, including from another SOE or central government. Loans or other financing – An SOE provides a loan or other form of financing at uncommercial rates. **Typology** In addition, the following specific items are defined as QFE: SOE Foundations – Payments made by SOE into their Foundations Tax Credit Schemes – Only if the tax credit does not fully reimburse the SOE for the related expenditure. Benefits to Directors – Only these are outside the normal materiality threshold. Natural disasters and pandemics – An SOE provides assistance during periods of natural disasters (e.g., earthquakes) and pandemics. Rural electrification – An SOE provides funding towards the Governments Rural Electrification Program. Sports Sponsorship – An SOE provides sponsorship to a sporting body, team and or a completion that exceeds the materiality threshold. Student Sponsorship – An SOE provides sponsorship to educational institutions or students in PNG or oversees that exceeds the materiality threshold. Materiality threshold to be set by MSG on a regular basis. This materiality threshold should apply to the valuer of the transaction alone, or when taken in conjunction with other directly related transactions in any calendar year. Extractive sector SOEs are governed by laws that are specific to the sector, to each of the government’s holding companies and to general legislation covering commercial activities. This legal framework makes it clear that SOEs are subject to an independent board and management and their operations must be conducted on a commercial basis and they are subject to external audit under international accounting standards. [The SOE Scoping Study Report](http://www.pngeiti.org.pg/wp-content/uploads/2021/07/PNGEITI-SOE-Scoping-Study-Report-090721.pdf) contains information describing the relationship between each SOE holding company and its subsidiaries. These include legal structures showing SOEs and their subsidiaries as well as functional diagrams showing flow of taxes and dividends. The key findings concern the lack of readily available information in the public domain despite SOEs producing annual reports and financial statements. In most cases, it was found that this information is available internally in each of these entities but there is general reluctance to disclose the information. The study makes recommendations to increase the availability of information, including a recommendation that PNGEITI advocates for a legal obligation for disclosure of annual reports and audited financial statements to be made public. The key recommendations focus on the need for extractive sector SOEs to adopt a more proactive approach to information disclosure and transparency. There is also a recommendation for specific matters affecting the operations of the extractive sector and also for PNGEITI to undertake a pilot project on commodity trading transparency for SOEs. The Scoping Study documents the operations of the SOEs in the extractive sector, their challenges and other structural issues that needed to be addressed for greater transparency and accountability. These entities have been operating under an opaque environment and therefore critical recommendations were made in this study to undertaking policy and legislative reforms to improve corporate governance and increase transparency within these entities.* 1. **Disclosure of Contracts (Contracts Transparency)**

The details of contracts (resources project agreements) and licenses are protected by confidentiality provisions in Section 163 of the Mining Act, Section 52 of the MRA Act and Section 149 of the Oil and Gas Act. Contracts or agreements (MoAs, MoUs (Memorandum of Understanding), UBSAs, LBSAs, etc.) are held and maintained by the Office of the Solicitor General. Without legislative amendments, agreements could only be made public with the approval of both the company and the Department of Petroleum and Energy (DPE) or MRA (as appropriate). To date no contracts have been made publicly available, not even a list of all current contracts or project agreements. Broader benefit sharing agreements related to mining and oil and gas projects are also currently not publicly disclosed. Despite these challenges, PNGEITI has continued to make progress with responsible stakeholder entities. The MRA is seeking legal advice on making all mining project Memorandum of Agreements (MoAs) publicly available. The PNGEITI has been engaging with the State Solicitor and other government entities to explore solutions to non-disclosure of contracts. It has now become mandatory (as of early 2021) for PNG to disclose details of contracts or project agreements, consistent with the EITI Standard. To support the PNGEITI in pursuing this matter, a scoping study was undertaken, and the report was published in December last year. The study describes the legal framework for contracts disclosure in PNG and evaluated the risks and challenges as well as the opportunities and benefits associated with disclosing extractive sector contracts. The study provided the basis to enhance stakeholders' understanding of the potential risks and recommend practical solutions to address such risks and to reap the benefits of public disclosure. * 1. **Subnational Payments and Transfers in Extractive Sector**

Through the EITI reporting process, much progress has been made on the reporting of extractive revenues to the national government. Yet payment data at the sub-national level is non-existent, too aggregated to be meaningful, inconsistent across projects, or difficult to obtain. The lack of clear, reliable, timely and useful reporting on sub-national payments and transfers is particularly problematic in PNG where landowners, affected communities and subnational government entities receive a broad range of payments and transfers. There is a ‘closeness’ about sub-national extractive payments in PNG’s extractive provinces – they connect to peoples’ land, their families and their communities in a way that is meaningfully different to payments at the national level. More effective reporting of sub-national payments and transfers through the EITI reporting process can provide local stakeholders access to relevant and timely information on the extractive revenue flows that affect them most. Strengthening PNGEITI sub-national reporting can also drive transparency and accountability in PNG’s extractive provinces, contribute to decentralization efforts, and potentially improve social license to operate for extractive companies. A scoping study on sub-national payments and transfers in PNG’s mining, oil and gas sector was undertaken in 2018 by the PNGEITI. The purpose of the study was to: * Identify and map out sub-national payments and transfers in PNG’s extractive sector;
* Document stakeholder views on enhanced sub-national reporting through PNGEITI; and
* Develop a reporting framework and roadmap for PNGEITI sub-national reporting.

Based on a review of global best practice, stakeholder interviews, case studies, and analysis of subnational payment data, a series of key questions were considered in the development of a proposed framework for PNGEITI subnational reporting. A key recommendation proposed in the scoping study was that other than attempting a country wide implementation of subnnational reporting, PNGEITI to pilot subnational reporting in three extractive provinces. Piloting subnational reporting will assist the PNGEITI, and the provincial counterparts learn lessons about what works and what does not work prior to a wider roll out of EITI sub-national reporting in PNG. Involving key stakeholders from extractive provinces in an ‘adaptive’ implementation of subnational reporting will also mean a greater chance of ownership over the process. This will in turn generate on the ground learnings that can be taken into account in the final design of a PNGEITI subnational operating framework. **1.5** **Improvement in Resource Related Revenue Management** This project commenced in January 2018.The primary goal of the project is to promote resource related revenue management and reporting in accordance with the EITI Standard. The project aims to achieve a number of outputs including:  * improving management of relevant data and information at the Department of Petroleum and Energy.
* Enhancing reporting mechanisms among extractive sector companies and government agencies; and
* Enhancing awareness and implementation structure for PNGEITI in the country.

 The project was to have been concluded in December 2020, however due to Covid-19 pandemic disruptions it was extended to the end of December 2021. The project was funded under the JICA Technical Cooperation Programme and the PNGEITI is currently in liaison with JICA to secure Phase II of the project going forward. Piloting sub-national reporting in extractive provinces (phase 2 project) was on hold in 2020 due to the onset of the Covid-19 Pandemic and the project has been pending since. The PNGEITI had prioritized this project in its Annual Work Plan to be continued in 2022.* 1. **Scoping Studies on Education Mainstreaming, Electronic Data Reporting Platform and CSO Capacity Assessment Projects**

PNGEITI in partnership with the World Bank have jointly commissioned the publication of three scoping studies in 2020. The purpose of embarking on these studies was basically to enhance the outputs of the PNGEITI in accordance with EITI implementation in the country. The three scoping reports are as follows: * Mainstreaming the PNGEITI reports and standards in the formal education sector;
* Digitizing the PNGEITI reporting process through an Electronic Reporting Platform;
* Conducting Capacity Assessment of Civil Society Organisations (CSOs) participation in the EITI implementation process.

The three reports were reviewed and assessed on both their relevance and priority areas to PNGEITI policy and the EITI Standards. The PNGEITI acknowledges the first drafts of the reports and appreciated the need for continual improvement of the reports to make informed decisions for the benefit of implementing the EITI Standard. The PNGEITI had provided inputs to the World Bank to consider prior to progressing to the piloting phase of the projects.**1.7 Proposed PNG Extractive Industry Transparency Commission (PNGEITIC) Bill**EITI implementation in PNG has gained momentum with increased participation by relevant regulatory departments, state-owned entities, provincial authorities, industry companies and civil societies. The sustainability of EITI implementation in the country is dependent on having it legally established. The reason being that the EITI is currently implemented through NEC Decision that holds no legal obligation for reporting entities to ensure compliance to providing financial data and information for EITI reporting purpose. PNGEITI reports that have been published, so far continues to have gaps in the data and information provided resulting in significant discrepancies in the data and information presented to the public from the reporting entities. Additionally, this scenario also presents constraints in implementing a number of EITI requirements due to the absence of a legal framework to sustain EITI governance and reporting framework domestically. Examples of reporting gaps that require legislative intervention include; disclosure of contracts for contracts transparency, disclosure of beneficial ownership details and the process involved in the issuance and transfer of mining, oil and gas licences and the absence of a licence registry or a data base at both the MRA and the Department of Petroleum offices amongst others for mining and petroleum activities respectively. These gaps have been identified and recommended for actioning in the 2018 Validation Report and the PNGEITI reports that have been published.Limited visibility in revenue reporting over the years have hindered informed decision making for effective governance and better management of the extractive sector. The introduction of the EITI concept and the subsequent intervention of the PNGEITI National Policy now sets the framework for improved governance, not only in the mineral sector, but also in the non-mineral sector utilizing the EITI model for improved transparency and accountability. The stakeholders have been making efforts in moving towards sustaining EITI implementation with a mandatory disclosure regime. These efforts are consistent with the [NEC Decision No. 90/2013](http://www.pngeiti.org.pg/wp-content/uploads/2021/06/2013-NEC-Decision-No.-90.pdf) for PNGEITI to be established as an independent statutory body. A proposed PNGEIT Commission Bill is currently being finalized to be presented to Parliament in November this year for enactment. |

1. **Extractive sector data is disclosed systematically through routine government and corporate reporting.**

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| * PNGEITI Reports <http://www.pngeiti.org.pg/reports/>
* Department of Petroleum and Energy <https://petroleum.gov.pg/>
* Mineral Resources Authority <https://mra.gov.pg/>
* PNG Environmental Data Portal – Extractive Industry <https://png-data.sprep.org/dataset/extractive-industry>
* Kumul Petroleum Holdings Ltd <https://kumulpetroleum.com/licence-interests/>
* Ok Tedi Mining Ltd <https://oktedi.com/who-we-are/annual-performance/>
* Mineral Resources Development Company <https://www.mrdc.com.pg/index.html>
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1. **There is an enabling environment for citizen participation in extractive sector governance, including participation by affected communities.**

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| 1. *Development forums for oil and gas resource provinces;*
2. *Memorandum of Agreements (MOA) forums for mining project provinces.*
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1. **Extractive sector data is accessible and used for analysis, research and advocacy.**

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| <https://devpolicy.org/papua-new-guineas-disappearing-resource-revenues-20180815/><https://squarecircle.org/portfolio/pngeiti-capacity-building-program/> <https://png.embassy.gov.au/pmsb/810.html> <https://www.mfat.govt.nz/assets/Uploads/Papua-New-Guinea-Country-Programme-Evaluation-Development-Context.pdf>  |

1. **EITI has informed changes in extractive sector policies or practices.**

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| 1. *EITI implementation in PNG had given rise to the need to adopt a National Policy Framework on Transparency and Accountability, and thus the policy was approved by Cabinet in 2019 and is in place now as outlined in earlier sections of this template.*
2. *The improvement of Department of Petroleum and Energy data management systems, e.g. from paper ledger system to electronic database. A website was also developed and launched for data uploads.* [*https://www.businessadvantagepng.com/transparency-initiative-report-calls-for-improved-systems-in-extraction-sector/*](https://www.businessadvantagepng.com/transparency-initiative-report-calls-for-improved-systems-in-extraction-sector/)
3. *It is evident that the EITI data and reports produced over time had some indirect influence on the Government to change its past practice in negotiating for better equity share in new mining and petroleum development projects and in renewal of licences for existing projects.*
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# Part IV: Stakeholder feedback and MSG approval

**19. Describe opportunities provided to stakeholders beyond MSG members to give feedback on the EITI process, including the EITI work plan.**

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| The discusions on the EITI process including the reports have been communicated to the broader stakeholders through the following; * The recent regional consultation on the PNGEIT Commission Bill;
* Mining project MoA review forums;
* The CIMC (CSO) national and regional development forums;
* Report launching and media workshop which provides venue for awareness and feedback;
* Professional annual conference such as the CPA (Certified Practicing Accountants) Annual regional conferences;
* The Extractive Industry annual conferences such as the PNG Mining Conference and Exhibition hosted annually by the PNG Chamber of Mines and Petroleum;
* The TIPNG’s Annual Mike Mannging Camp conducted for youths, and secondary school students under their YACA (Youth Against Corruption Association) program.
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**20. Describe how any feedback from stakeholders beyond MSG members have been considered in the review of the outcomes and impact of EITI implementation.**

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| * Regional Consultation on the PNGEIT Commission Bill carried out at the subnational level, has captured information about extending EITI implementation into extractive sectors to include forestry, fisheries, agriculture (renewable sector). The feedback is captured in the draft report of the Regional Consultations <http://www.pngeiti.org.pg/wp-content/uploads/2022/03/DRAFT-2-Consolidated-Regional-Consultation-Report-PNGEIT-Commission-Bill.pdf>
* Set up of EITI Provincial desks to implement Subnational reporting.
* EITI transparency clauses are captured in the Mining MoAs – to name a few; Woodlark Mine, Simberi Mine, Waffi-Golpu, K92 Mine <http://www.pngeiti.org.pg/wp-content/uploads/2018/04/Duty-Travel-Report-Woodlark-MOA-Forum.pdf>
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**21. Date of MSG approval of this submission and information on how the public can access it, e.g. link to national EITI website**.

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| 25th March 2022The template can be accessed by the general public via this link: <http://www.pngeiti.org.pg/2020-validation/>  |

1. <https://www.treasury.gov.pg/html/publications/files/pub_files/2011/2011.png.vision.2050.pdf> and <https://www.treasury.gov.pg/html/publications/files/pub_files/2011/png-development-strategic-plan.2010-2030.pdf> [↑](#footnote-ref-2)