FY21 PFTAC Work Plan - May 2020 to April 2021: PNG

TA Area	Objective	Country	Outcome Targeted	Activity	May 2020 - April 2021 (in person-days)			Number of Missions/ Activities	Milestones	Comments	Planned Date	Experts
					PFTAC resident advisors	ST experts	Total					
Financial Sector Supervision	1. Develop and strengthen banking regulations in line with international standards	PNG	1.1 Supervisors and regulations require banks to apply sound policies and processes to identify, measure, monitor and control their financial risks on a timely basis and assess their capital adequacy in relation to their risk profile 1.2 Supervisors and regulations require banks to have robust governance policies and processes covering among others effective board and senior management oversight and sound control environment.	SFEP - Regulatory Framework - Prudential Standards - Assist BPNG develop a comprehensive suite of risk management prudential standards covering topics like General risk management guidelines, Governance, Liquidity Risk, Market Risk, Interest Rate Risk and IT Risk (desk review)	12	-	12	1	Applicable guidelines and regulations drafted Applicable guidelines and regulations are finalized and formally issued	Continutaion of the SFEP - regulatory component of project		
	1. Develop/strengthen cybersecurity regulations and prudential norms	PNG	1.1 Sound policies & processes to identify, measure, monitor and control cyber risks	Cyber Risk Regulation and Supervision Project - third component - onsite examination	5	10	15	1	Cyber Risk on-site examination framework implemented	On-site examinations to include regional participants		
	2. To implement a risk-based supervision (RBS) system and upgrade other supervisory processes	PNG	2.4 Strengthened institutional structure and operational and procedures for RBS implementation	SFEP - Finalize off-site financial risk analysis reform	5	-	5	1	Detailed Quarterly Financial Risk Report embedded	Finalization of the SFEP supervision components for PNG.		
				SFEP - Finalize market and liquidity risk examination reform	-	10	10	1	On-site examination framework for liquidity and market risk embedded			
Government Finance Statistics	1. Strengthened macroeconomic and financial statistics compilation and dissemination for decision making: compilation methodologies in line with international standards for GFS	PNG	1.12 Higher frequency data has been compiled and disseminated internally and/or to the public.	Assist in the verification and revisions of the COA mapping and associated compilation procedures for quarterly reporting.	12	-	12	1	•Compilation process for completing quarterly GFS reports and provisions for regular revisions to be completed. • GFS for BCG operations are compiled and disseminated on a quarterly basis.	GFS for budgetary central government operations are compiled and disseminated on a monthly (or quarterly) basis.	Mar, 2021	STX
			1.15 Macroeconomic data sets used by policy-makers have been made more intersectorally consistent (reduced discrepancies).	Prepare a reconciliation and include data for the financial balance sheet and public sector data to the monetary statistics and balance of payments.					• Consistent reporting of financial assets and liabilities data (financial balance sheet) for consolidation with GFS on a annual and quarterly basis for general government. • Refine and improve the process for collecting debt and foreign aid data. • Collect and compile accounts receivable and payable (arears) information for at least 1 completed fiscal year and continue to produce the data.	GFS and debt are consistent or reconcilable with monetary and financial statistics and external sector debt statistics.		
			1.18 A new data set has been compiled and disseminated internally and/or to the public.	Assist in the verification and revisions of data compiled for GFS.					• Annual GFS are compiled and disseminated for the GG FY2019. • Institutional table need to be updated to cover statutory bodies	A new set of GFS are compiled and disseminated for the general government as recommended by the GFSM 2014 guidelines. The institutional table need to be updated to in parallel to cover all statutory bodies.		
Real Sector Statistics	1. Strengthen compilation and dissemination of data on macroeconomic and financial statistics for decision making according to the relevant internationally accepted statistical standard, including developing/improving statistical infrastructure, source data, serviceability and/or metadata.	PNG	1.9 Data are compiled and disseminated using appropriate statistical techniques, including dealing with data sources, and/or assessment and validation of intermediate data and statistical outputs	Assessing quality of data sources to be used to compile financial and construction industry's output	12	-	12	1	Review of methods and data sources used for output and value added estimations of the financial industry		Sep, 2020	Scheiblecker
Macroeconomic Programming and Analysis	Well functioning macroeconomic policy and institutions: improved macroeconomic policy advice to government	PNG	4. Strong institutional structures for macroeconomic policymaking.	Establish and support an interagency macroeconomics working group.	5	16	21	2	(1) The Bank of Papua New Guinea's Monetary and Fiscal Forecasting Model continues to be used in monetary policy settings (Apr. 21). (2) The Department of Treasury's macroeconomic programming framework continues to be used in budget preparations (Dec. 20). (3) The frameworks are used to undertake sustainability analysis of policy scenarios (Apr. 21). (4) The compilation of key macroeconomic statistics is supported by users and source data providers (Apr. 21). (5) All relevant macroeconomic policy entities meet at least quarterly to discuss the country's economic and fiscal outlook (Apr. 21). (6) Policy proposals are consulted on (Apr. 23).	Support of the working group will be supplemented by assistance from the PFM program, the Institute for Capacity Development, and the Singapore Regional Training Institute.		Beaumont/ Claus

Public Financial Management	1. Improved laws and effective PFM institutions	PNG	1.2 The capacity of ministry of finance to meet its PFM responsibilities is enhanced	Developing PNG PFM roadmap	12	16	28	1	PFM roadmap prepared and approved	Follow up from the PEFA	Oct, 2020	Neves
	4. Improve coverage and quality of fiscal reporting		4.2 Comprehensiveness, frequency, and quality of fiscal reporting is enhanced	Implementation of IPSAS Cash Reporting	-	12	12	1	Inclusion of IPSAS cash reporting process as a priority in PFM roadmap		Nov, 2020	1 STX
Revenue Administration	2. Strengthened core functions evidenced by an accurate taxpayer base, taxpayer services supporting voluntary compliance, improvements in filing, payment and audit activities	PNG	2.1 The integrity of the taxpayer base is strengthened	More accurate and reliable taxpayer information held in centralized database	-	32	32	2	Improved delivery of taxpayer services by 31/12/2020 and measured against TADAT dimensions.	Assistance with improving taxpayer services requested by authorities	May 4 - 15, 2020/ Sep 7 - 18, 2020	Scott/ Bell
				TOTAL	63	96	159	12				