PAPUA NEW GUINEA: FY18 Work Plan - May 2017 to April 2018 MID-YEAR UPDATE

TA Area	Objective	Country	Outcome Targeted	Activity	Planned Inputs (in person-days) LTX	STX	Total	#	Updated Inputs at Nov 1 (person-days - changes in red) PFTAC resident advisors	ST experts	Total	#	% of updated plan delivered at end-Oct	Delivery Status	Milestones	Comments	Experts
Financial Sector Supervision	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	RBS framework enhancement program. Diagnostic to assess effectiveness and efficiency of RBS framework and develop TA strategy and plan	7	16	23	1	7	16	23	1	100%	June 2017	i) RBS Framework Enhancement Strategy and TA Plan developed and initiated. April 2018	Initial mission to determine current RBS implementation status and identify priority TA	Stefanou/ Expert
			2.4 Strengthened institutional structure and operational and procedures for RBS implementation	RBS framework enhancement program. First follow-up mission from diagnostic. Focus to be on a key RBS component: Risk Rating and Supervisory Action Planning	7	16	23	1	10	16	26	1	0%	November 2017	i) Risk rating model, including impact index, is developed and implemented. October 2018 ii) Risk-based supervisory action planning process developed and implemented. October 2018 iii) Supervisory attention framework developed and implemented. April 2019	Continuation of RBS framework enhancement program. Risk rating and supervisory action planning.	Stefanou/ Expert
			2.4 Strengthened institutional structure and operational and procedures for RBS implementation	RBS framework enhancement program. Second follow-up mission from diagnostic. MCMFR led. LTX manage. Focus to be on a key RBS component: Risk Identification and Assessment - on-site examination.	-	-	-	-	5	-	5	1	0%	February 2018	i) Risk-based supervisory action planning process developed and implemented. October 2018 ii) Supervisory attention framework developed and implemented. April 2019	Mission from HQ - LTX managing as part of PFTAC / Bank PNG supervision framework enhancement program	Stefanou/ MCM / Expert
Macroeconomic Management	1. Improved macroeconomic policy advice to government and central bank management	PNG	1.2 Sound medium-term macroeconomic framework	Continue developing a macroeconomic and fiscal framework.	15	-	15	2	22	-	22	2	100%	May 5 - Jun 13; July 21 - Aug 4	(1) Consistent economic and fiscal forecasts are produced (Dec. 17). (2) The fiscal sector in the macroeconomic and fiscal framework produces internationally comparable data, i.e. it adopts government finance statistics (GFS) reporting (Dec. 17). (3) The macroeconomic and fiscal framework is used in budget preparations (Dec. 18). (4) The macroeconomic and fiscal framework is used in monetary policy settings (Oct. 18).		Claus
Public Financial Management	3. Improve budget execution and control.	PNG	3.1 Budget execution and controls are strengthened	Training Needs Assessment and Internal Auditor Training	0	21	21	1	0	21	21	1	100%	Oct 2 - 13, 2017	Training completed on PFM Systems Audit of at least large departments	Low PEFA Internal Audit scores due to lack of systems-based audits.	Morrison
Public Financial Management	4. Improve coverage and quality of fiscal reporting	PNG	4.2 Comprehensiveness, frequency, and quality of fiscal reports is enhanced	Implement IPSAS Cash Accounting	0	19	19	1	0	19	19	1	0%	Late Feb 2018	1. Gap analysis, action plan developed by PFTAC and adopted by authorities by March 2017 2. Staff trained on IPSAS Cash by November 2017	Part of PFM Roadmap	Mayes
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	1.3 Staff capacity increased through training, especially on developing source data, compilation methods, and dissemination	Train local staff to produce independent estimates of GDP	13	-	13	1	11	-	11	1	0%	November 2017	Relative to the baseline, the number of staff trained to compile and/or disseminate these statistics is adequate [RBM NA 3.1] by February 2018	(Joint work with ABS) • Existing 5 staff trained on methodology, data collection, compilation and dissemination (by February 2018)	Wild
			1.4 Data are compiled and disseminated using the concepts and definitions of the latest manual/guide	Further review of the GDP by production system; update road map	9	-	9	1	9	-	9	1	0%	February 2018	Relative to the baseline, deviations from 2008 SNA are reduced and/or eliminated [RBM NA 4.1] by February 2018	(Joint work with ABS) • Review of methods and identification/implementation of improvements towards closer consistency with the 2008 SNA (February 2017)	Wild
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	1.18 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.											• GFS are compiled and disseminated for the budgetary central government by April 2018. • GFS are compiled and disseminated for the general government by April 2019. [RBM – GO – 18.1]	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 cover all statutory bodies by December 2017.	DeLaBeer
			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	12	-	12	1	100%	Oct 16 - 27	• COA mapping in the Integrated Financial Management System (IFMS) completed by May 2017. Verification and revisions completed by end of December 2017. •Compilation process for completing quarterly GFS reports and provisions for regular revisions completed by April 2018. • GFS for budgetary central government operations are compiled and disseminated on a quarterly basis by January 2019. [RBM – GO – 12.1]	GFS for budgetary central government operations are compiled and disseminated on a monthly (or quarterly) basis.	
			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 for consolidation with GFS on a quarterly basis for general government by April 2019. • Initiate a work plan for collecting debt and foreign aid data by June 2018. • Establish a specialized interdepartmental taskforce to coordinate the collection of GFS sources including financing and debt data by December, 2017. [RBM – GO – 15.3 and 15.14]	GFS and debt are consistent or reconcilable with monetary and financial statistics and external sector debt statistics.	
Revenue Administration	1. Strengthened revenue administration management and governance	PNG	1.1 Reform strategy and implementation governance framework adopted and institutionalized	Strategy and governance arrangements in place to support reform initiatives	-	15	15	1	-	17	17	1	100%	July 12 - 25	Strategic and modernization plan in place and supported by a governance structure by 12/31/2017	PNG has requested PFTAC assistance in renewing the strategic plan.	McNeill
			1.1 Reform strategy and implementation governance framework adopted and institutionalized	Strategy and governance arrangements in place to support reform initiatives	-	-	-		10		10	1	100%	Aug 15 - 25	Member of FAD Medium Term Revenue Strategy (MTRS) Mission	PNG is considering undertaking a tax reform with IMF assistance. The MTRS was developed as a starting point.	Shrosbree

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					LTX	STX	Total		PFTAC resident advisors	ST experts	Total						
Administration	arrangements		1.1&1.2 Clear reform strategy adopted and organizational arrangements enable the more effective delivery of reforms	Finalize corporate strategy and develop structure to support delivery of reforms		-	-	-		19	19	1	0%	Nov 20 - Dec 8	Corporate Strategy finalized by 6/30/2018 and the new structure incorporates a LTO, design unit and taxpayer services unit	These activities will take place in line with the implemenation of an MTRS	McNeill
			1.3 Support functions enable more effective delivery of strategy and reforms	Develop an IT strategy			-	-		14	14	1	0%	Dec 6-19	IT strategy developed by 12/31/2018	PNG will introduce a new IT system to support implementation of the MTRS	Dark
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 Integrity of the registered taxpayer base strengthened	Integrity of the registered taxpayer base strengthened.	-	15	15	1	-	-	-	-	0%	Cancelled	A reliable and accurate taxpayer base aligned to TADAT dimensions by 07/31/2018.	The current data base is corrupt - the authorities have requested PFTAC advise to rectify.	Lawrence
			2.3 Larger proportion of taxpayers meet their filing obligations as required by law	Improve on-time filing rates over time.											On-time filing operations based on TADAT dimensions with improvements by 6/30/2018.	The authorities have requested PFTAC TA to assist in improving on-time filing ratios.	
			2.4 Larger proportion of taxpayers meet their payment obligations as required by the law	On-time payment compliance and management of arrears improves over time											On-time payment operations based on TADAT dimensions with improvements by 6/30/2018.	The authorities have requested PFTAC assistance to improve poor on-time payment levels.	

	LTX	STX	Total	#
Original Plan Total Days:	63	102	165	11
Updated Plan Total Days:	86	122	208	14
Delivered by Oct 31:	51	54	105	7
Percentage of Revised Plan:	59%	44%	50%	50%