

**Independent State of Papua New Guinea**  
**Department of Treasury**

**Project for Improving  
Resource Related Revenue Management  
in Papua New Guinea**

**Project Completion Report**

**March 2022**

**Japan International Cooperation Agency**

**Ernst & Young ShinNihon LLC.**

<b>GP</b>
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## List of Abbreviations

AGO	Auditor General’s Office
BO	Beneficial Ownership
BPNG	Bank of Papua New Guinea
CEPA	Conservation and Environment Protection Authority
CIMC	Consultative Implementation and Monitoring Council
COVID-19	Coronavirus Disease 2019
CSO	Civil Society Organisation
DAC	Development Assistance Committee
DNPM	Department of National Planning and Monitoring
DOF	Department of Finance
DOT	Department of Treasury
DPE	Department of Petroleum and Energy
EITI	Extractive Industries Transparency Initiative
FSVAC	Family and Sexual Violence Action Committee
GBV	Gender-Based Violence
GESI	Gender Equality and Social Inclusion
GoPNG	Government of Papua New Guinea
IA	Independent Administrator
IFMS	Integrated Financial Management System
IRC	Internal Revenue Commission
IT	Information Technology
JCC	Joint Coordinating Committee
JICA	Japan International Cooperation Agency
KPHL	Kumul Petroleum Holdings Limited
KRA	Key Result Areas
LAN	Local Area Network
M/M	Minutes of the Meeting(s)
MRA	Mineral Resources Authority
MRDC	Mineral Resources Development Company Limited
MSG	Multi-Stakeholders Group
MTDP	Medium Term Development Plan
NAS	Network Attached Storage
NEC	National Executive Council
NS	(PNG EITI) National Secretariat
ODA	Official Development Assistance
OJT	On-the-Job Training
PDM	Project Design Matrix
PFM	Public Financial Management
PGK	Papua New Guinea Kina
PNG	The Independent State of Papua New Guinea
PO	Plan of Operations
R/D	Record of Discussion
SOE	State Owned Enterprise
TOR	Terms of Reference
TWG	Technical Working Group

# **1 Basic Information of the Project**

## **1.1 Background**

The natural and mineral resources constitute one of the key sectors of the Independent State of Papua New Guinea (PNG). According to Medium Term Development Plan (MTDP) 2 (2016-2017) published in March 2015, the minerals sector provided more than one third of the government tax revenue. In 2013, the Government of PNG (GoPNG) decided to sign up for the Extractive Industries Transparency Initiative (EITI) to improve natural resources related revenue management and promote investment in the extractive sector. In order to meet the EITI membership requirements, the PNGEITI multi-stakeholder group (MSG) which comprises representatives from the government, companies and civil society was formed, and the PNGEITI National Secretariat (NS) was established under the Department of Treasury (DOT) to support the implementation of activities to be undertaken by the MSG. Following this, PNG was admitted as an EITI candidate country in 2014. PNGEITI issued “PNG EITI Report for the 2013 Financial Year” (PNGEITI 2013 Report) in 2016 for the first time.

PNGEITI 2013 Report indicated the high degree of necessity for more transparent, efficient and effective resource related revenue management. The Independent Administrator (IA) of PNGEITI 2013 Report pointed out vulnerability in systems and business processes at GoPNG, for example:

- High risk of information loss on the contracts and licenses due to paper-based data management at the Department of Petroleum and Energy (DPE);
- Limited participation of State-Owned Enterprises (SOEs) in MSG;
- Inefficient control embedded in the business process of resource related revenue;
- Lack of standardized information collection and sharing process and systems on production and export data;
- Insufficient public disclosure of information at the sub-national level.

Meanwhile, Japan International Cooperation Agency (JICA) conducted a field survey in PNG as part of its research project on “Economic and Financial Analysis of Natural Resources Country” in 2016. During the survey, GoPNG and JICA mutually agreed that PNG’s admission to EITI would be effective to improve the transparency of natural resources related revenue management, prevent corruption and promote good governance in terms of Public Financial Management (PFM). JICA subsequently conducted a project detailed design survey in May 2017 in response to a request from GoPNG for technical cooperation. It was followed by the conclusion of the Record of Discussion (R/D) by GoPNG and JICA in November 2017 to formally launch the Project for Improving Resource Related Revenue Management in Papua New Guinea (the “Project”).

## 1.2 Summary of the Project

### 1.2.1 Outline of the Project

The outline of the Project stipulated in the Project Design Matrix (PDM) and Plan of Operation (PO) is shown in the table below.

**Table 1: Project Outline**

<b>Country</b>
Independent State of Papua New Guinea
<b>Title of the Project</b>
Project for Improving Resource Related Revenue Management
<b>Overall Goal</b>
Resource related revenue management in PNG is further improved.
<b>Project Purpose</b>
Resource related revenue management and reporting in accordance with EITI Standard is promoted.
<b>Outputs</b>
<b>Output 1:</b> Data management at DPE is improved to comply with EITI Requirements.
<b>Output 2:</b> EITI reporting mechanism among extractive companies and government agencies is enhanced.
<b>Output 3:</b> Awareness and implementation structure for EITI is enhanced in the country.
<b>Implementation Agency</b>
Department of Treasury, Papua New Guinea
<b>Project Sites</b>
Papua New Guinea <sup>*1</sup>
<sup>*1:</sup> The key activities of the project will be conducted in Port Moresby, while awareness promotion activities are extended to a sub-national level.
<b>Target Groups of the Project</b>
PNG EITI National Secretariat in Department of Treasury Department of Petroleum and Energy (Other stakeholders may include: extractive industries including SOEs and civil society organizations from MSG; sub-national government entities; and the public of PNG.)
<b>Project Period</b>
4 years (From January 2018 to February 2022) <sup>*2</sup>
<sup>*2:</sup> The project period was initially set as 3 years from January 2018 to December 2020. However, it was extended for one year to December 2021 by the second revision of PDM made in October 2020. It was further extended for two months to February 2022 by the third revision of PDM made in November 2021.

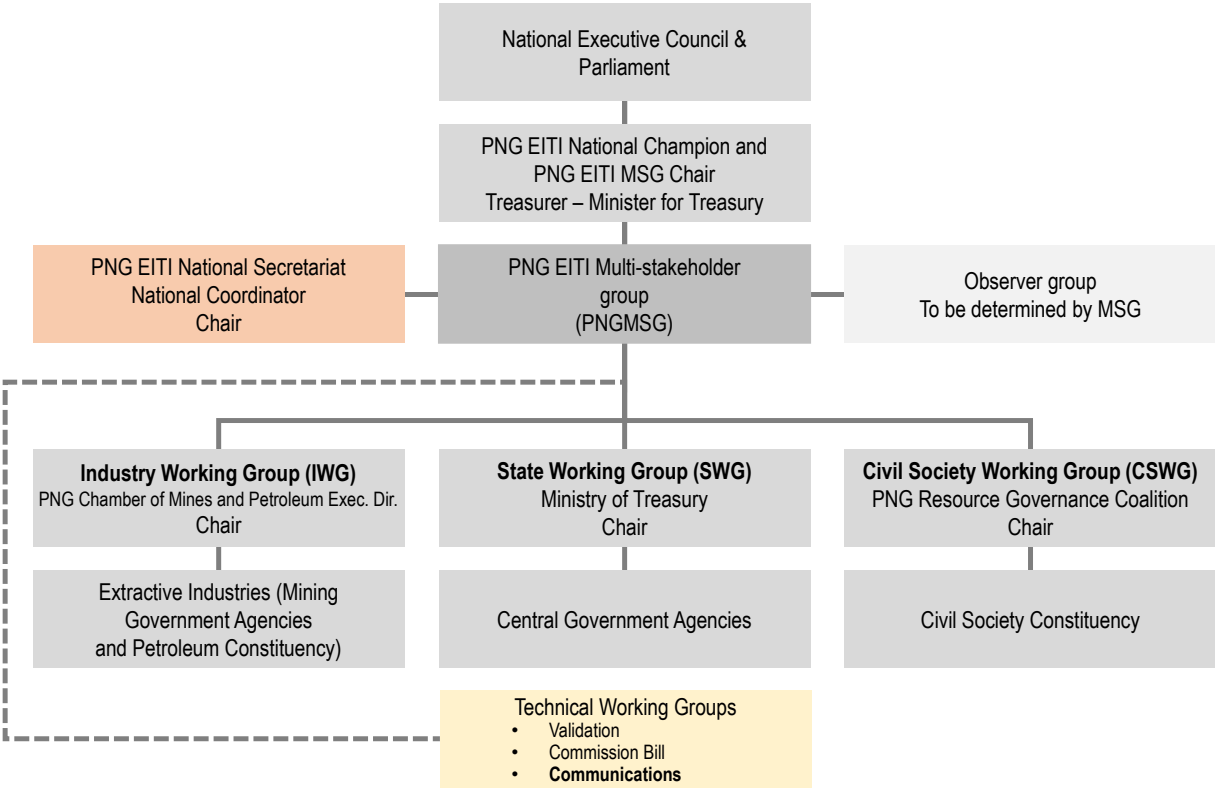
Source: JICA Expert Team

The details of the revisions of the PDM are explained in “2.4 History of PDM Modification.”

### 1.2.2 Project Implementation Structure

The governance structure of PNGEITI is shown in Figure 1. The MSG is chaired by the Treasurer and assisted by the Secretary for DOT. NS assists the Chair in providing coordination, facilitation and administrative support to the MSG. The counterpart agencies, namely the main target entities of the project were NS and DPE, but the coverage of the project activity was not limited thereto.

The government constituency includes the government reporting entities such as DPE and the Auditor General’s Office (AGO). SOEs are also part of it. The MSG establishes Technical Working Groups (TWGs) as and when required to review and examine specific issues and to prepare reports and recommendations for MSG’s consideration, approval or decision making.



**Figure 1 Governance Structure of PNGEITI**

Source: Prepared by JICA Expert Team based on the PNGEITI Structure of Governance on PNGEITI website (<http://www.pngeiti.org.pg/msg/>)

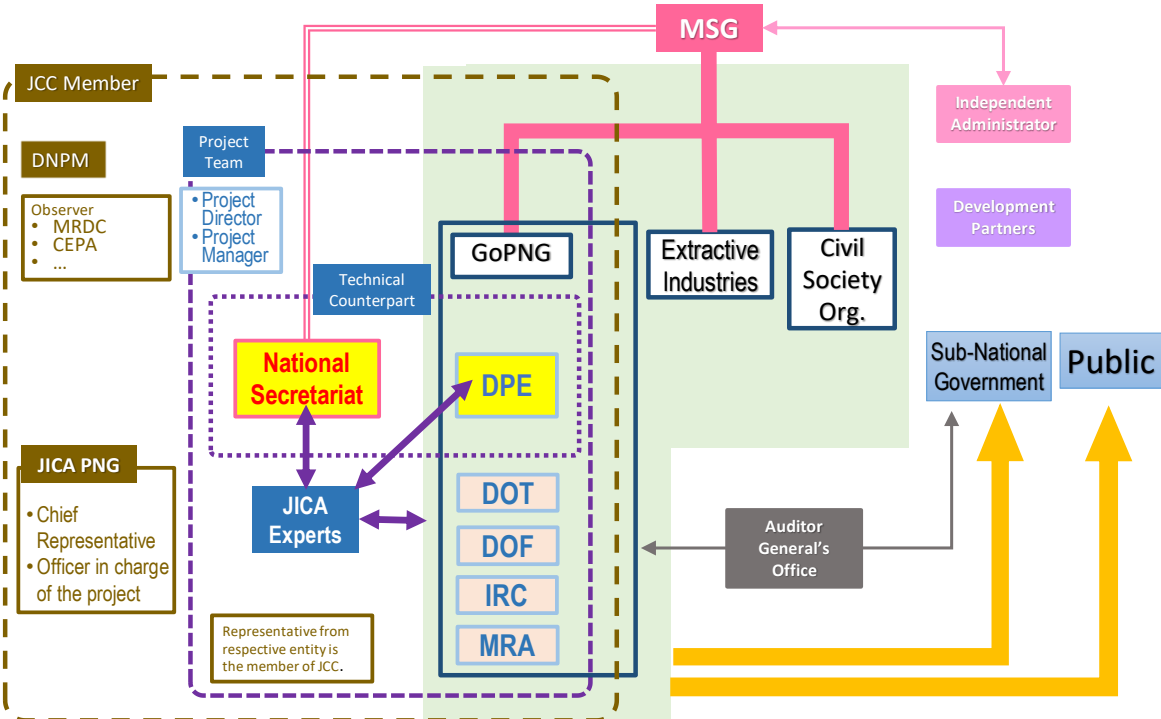
An overview of the project implementation structure is shown in Figure 2. The project team (the “Team”) consisted of staff of NS from DOT, staff from DPE and JICA experts.

In implementing the project activities, NS coordinated with MSG and other stakeholders. In order to implement the project activities with respect to Output 1, DPE established EITI Unit in May 2018, consisting of officers in charge of EITI reporting from various Divisions and Branches. The DPE EITI Unit conducted EITI related activities such as preparation of an EITI reporting template and information sharing to increase awareness on EITI within DPE.

With respect to Output 3 which aims at awareness promotion, the Team worked with Civil Society Organizations (CSOs) and the Communications TWG, which was formulated in January 2022 under the MSG.

The 2016 EITI Standard required that the payments and revenues be reconciled by an IA. NS engaged IA to task this role and prepare the EITI Reports annually with ensuring the quality and independence of

exercise by IA. IA was required to collect and reconcile the data by providing the assessment of the comprehensiveness and reliability of disclosures, and provide recommendations on the corrective actions and reforms for MSG in implementing EITI. The 2019 EITI Standard requires an assessment of whether the payments and revenues are subject to credible, independent audit, applying international auditing standards. Although it encourages the systematic disclosure allowing an implementing country to use existing government and corporate reporting systems by obtaining approval from EITI Board in advance, PNGEITI continues to use IA for preparing the Report.



**Figure 2 Implementation Structure**

Source: JICA Expert Team



## 2 Results of the Project

### 2.1 Inputs to the Project

Following is the summary of the inputs from Japanese and PNG sides. The details are shown in Annex 1.

#### 2.1.1 Input by Japanese Side

##### (1) Assignment of JICA Experts (Short-term Experts)

**Table 2. Assignment of JICA Experts**

No.	Position	# of people	Man-Months in Japan	Man-Months in PNG
1	Chief Advisor / Public financial management	1	11.76	5.07
2	Deputy Chief Advisor / Information management	1	5.75	6.20
3	Accounting	2	6.30	6.93
4	Awareness promotion	1	6.70	0.47
5	Awareness promotion/Coordination	2	7.35	7.66
-	(Total)	7	37.86	26.33

Source: JICA Expert Team

##### (2) Operation Expense (Local Operation Cost)

10 Million Japanese Yen

##### (3) Equipment Provided by JICA

**Table 3 Operation Expense (Japanese side)**

No.	Item	Procured in	Amount in PGK	Note
1	Laptop Computer	August 2021	7,849.00	*
2	Laptop Computer	August 2021	7,849.00	*
2	Laptop Computer	August 2021	7,849.00	*
4	NAS	August 2021	8,395.00	*
-	(Total)		31,942.00	

\*: Handed over to DPE in February 2022.

Source: JICA Expert Team

#### 2.1.2 Input by PNG Side

##### (1) Assignment of Counterpart Personnel

**Table 4 Assignment of Counterpart**

No.	Position in Project	Officer in charge
1	Project Director	Deputy Secretary for Treasury - Economic Planning, DOT
2	Project Manager	Head of PNG EITI National Secretariat
3	Counterpart staff at NS	Staff of NS, DOT
4	Counterpart staff at DPE	Member of DPE EITI Unit

Source: JICA Expert Team

## (2) Project Office and Facilities

DOT provided office space for JICA experts at Treasury Building in Port Moresby with necessary facilities such as electricity and internet connection for project use. DPE also provided office space for the experts initially at its temporary office in Waigani and afterwards at its permanent office.

## (3) Local Cost borne by GoPNG

- DOT

DOT bore the costs of workshops and meetings in most cases and covered the expenses incurred for the staff of NS in conducting the project activities.

- DPE

DPE covered the costs incurred for the staff of DPE in conducting workshops and meetings of the project.

## 2.2 Activities Implemented

The implemented activities prescribed in PDM are summarized as follows with reference to the details of the activities.

<b>Output 1: Data management at DPE is improved to comply with EITI Requirements.</b>
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**Table 5 Activities Implemented: Output 1**

PDM Activities	Implemented Activities	Ref
1-1 Conduct a baseline survey and comprehend the current process and practices of managing the registry of licenses and contracts and the revenue collected to review the workflow at DPE.	The baseline survey was conducted from October 2018 to March 2019.	2.2.1
1-2 Identify the areas of improvement in the process of managing the license and revenues at DPE.	The areas of improvement were identified during the baseline survey.	2.2.1
1-3 Prepare a Terms of Reference for the focal point at DPE for implementing EITI and the project.	The EITI Unit has functioned in DPE.	2.2.2.1
1-4 Provide induction training for the identified officer(s) on EITI Standard.	A training workshop was conducted for DPE management and key members of staff.	2.2.2.2.1
1-5 Provide technical advice to the officer(s) during the course of the project activity and the implementation of EITI at DPE.	During EITI reporting process, the experts provided technical advice to the officers through DPE's EITI unit.	2.2.2.2.2 2.2.2.3
1-6 Analyze the data management at DPE on the data items related to EITI reporting, such as license, revenues, and productions.	The EITI unit and the experts reviewed the EITI reporting practices and considered the reporting process	2.2.2.4

	to be integrated and coordinated under the unit.		
1-7	Prepare the standard operation procedures of data management at DPE on the data items related to EITI reporting.	The EITI unit and the experts clarified the EITI reporting process and standard operating procedure.	2.2.2.4
1-8	Assist DPE to equip the information infrastructure for data management of EITI reporting, if necessary.	Equipment necessary for EITI reporting was procured and provided to DPE.	2.2.2.5.1
1-9	Assist DPE to operationalize the data management framework of the production data, if necessary.	Training on the application software was provided to the relevant officers of DPE.	2.2.2.5.2
1-10	Plan and implement induction training for DPE officers to familiarize themselves with EITI reporting.	A training workshop was conducted for DPE management and key members of staff.	2.2.2.2
1-11	Provide hands-on training and consultation on the EITI reporting template submission.	During EITI reporting process, the experts provided technical advice to the officers through DPE's EITI unit.	2.2.2.3
1-12	Conduct educational session for DPE officers through MSG on the topics to address the recommendations in the EITI report and to follow up the action plan.	Training sessions were provided to MSG members and reporting entities, including DPE.	2.2.2.2.2 2.2.3.1
1-13	Elaborate the contents to be disclosed in compliance with EITI Standard.	The experts provided technical advice on information disclosure to the EITI unit of DPE.	2.2.2.6
1-14	Assist DPE to collect and upload the contents through the DPE website.	DPE was assisted with the launch of its website which contains information on the general licensing process and the tenements map.	2.2.2.6

Source: JICA Expert Team

**Output 2: EITI reporting mechanism among extractive companies and government agencies is enhanced.**

**Table 6 Activities Implemented: Output 2**

	PDM Activities	Implemented Activities	Ref
2-1	Conduct a Third-Country training to learn good practice in EITI compliant country.	A training visit to EITI in the Philippines was conducted in March 2018.	-
2-2	Conduct baseline survey and comprehend the current process and practices of managing the payments and receipts of the resource related revenues and reporting on the relevant public finances and the EITI templates, to identify the areas of improvement.	A baseline survey was conducted from October 2018 to March 2019.	2.2.1
2-3	Review the EITI report with JICA experts to consider action plan to address the recommendations for the subsequent reporting.	The experts and NS discussed and agreed upon the areas of support to be provided through the project.	2.2.3.1

2-4	Conduct research and analysis on the topics to address the recommendations in the EITI report (such as the best practices of EITI reporting in other countries) to develop the educational materials.	The experts and NS discussed developing educational materials by analysing the training needs of NS and reporting entities.	2.2.3.1 2.2.3.2
2-5	Deliver the developed education materials to MSG members on the topics to follow up the action plan for the recommendations.	Trainings for MSG members and selected reporting entities were conducted.	2.2.3.1 2.2.3.2
2-6	Communicate with the Independent Administrator to learn the process for compilation of the EITI reporting templates and the reconciliation.	During EITI reporting process, the experts and NS communicated with IA regularly to share and monitor reporting progress.	2.2.3.1
2-7	Select the reporting entities to be supported for submission of the EITI reporting template.	Target entities for support were identified for the 2018 Report process.	2.2.3.1.1
2-8	Review the operation of filling out the EITI reporting template in the reporting entities with the Secretariat.	Meetings were held with the target entities to review and facilitate the reporting process.	2.2.3.1.1
2-9	Provide hands-on supports to the reporting entities for filling out the EITI reporting template through the Secretariat.	Hands-on support was provided to the entities for the 2018 Report process, and online support was provided to DPE for the 2019 Report process.	2.2.3.1.1 2.2.3.1.2
2-10	Provide feedback and share the lessons learnt from the review and the supports with the reporting entities and MSG.	Feedback on reporting practices (processes, systems, accuracy etc.) was shared with the entities and MSG.	2.2.3.1
2-11	Provide technical advice and hands-on training to the Secretariat staff in the process of the review and the supports for the reporting entities by JICA experts.	The experts provided technical advice to NS staff and worked with them when supporting the reporting entities.	2.2.3.1
2-12	Research and analyse the effective learning materials and the contents on the EITI basics and the EITI reporting template based on the feedback.	Learning materials aimed at increasing the understanding of EITI basics and reporting adapted to the context of PNG were developed.	2.2.3.2
2-13	Develop learning materials for MSG on the EITI basics and the EITI reporting templates to disseminate.	Learning materials for reporting entities were developed and distributed through training and shared online.	2.2.3.2

Source: JICA Expert Team

**Output 3: Awareness and implementation structure for EITI is enhanced in the country.**

**Table 7 Activities Implemented: Output 3**

	PDM Activities	Implemented Activities	Ref
3-1	Conduct baseline survey and comprehend the current practices of awareness promotion activities and materials for communicating EITI issues to identify the areas of	A baseline survey was conducted from October 2018 to March 2019.	2.2.1

	improvement.		
3-2	Research and analyse the good practices of communicating EITI (such as other EITI implementing countries practices) to review the communication strategy.	The experts and NS analyzed other countries' communication strategies and practices and identified good practice examples from peer EITI member countries.	2.2.4.1
3-3	Revise the communication strategy.	The revised communication and media strategy was principally endorsed by MSG in December 2021.	2.2.4.1
3-4	Identify the materials and contents of awareness promotion to be developed with the project.	The experts and NS developed a variety of awareness raising and training materials and contents.	2.2.4.3
3-5	Assist the Secretariat to develop the materials and contents.	The experts and NS developed a variety of awareness promotion materials.	2.2.4.3
3-6	Identify the promotion activity to be conducted with the project.	The experts and NS identified awareness promotion activities and decided on delivery modalities and necessary resources.	2.2.4.2
3-7	Assist the Secretariat to conduct the promotion activity with MSG to enhance the awareness of EITI and EITI reporting.	The experts and NS conducted a variety of awareness promotion activities.	2.2.4.2
3-8	Provide technical advice to the Secretariat staff in developing and delivering the materials and contents to maintain them by JICA experts.	The experts provided technical advice to NS staff to develop materials and deliver awareness promotion and training activities.	2.2.4.2 2.2.4.3

Source: JICA Expert Team

### 2.2.1 Baseline Survey

The baseline survey was conducted from October to December 2018 during which the JICA experts interviewed key personnel from stakeholder organizations and analyzed key documents. The timing of the survey coincided with a busy period when the Asia-Pacific Economic Cooperation conference was hosted by GoPNG, resulting in a slight delay of survey completion by 1-2 months. The interviews with DPE officers were also interrupted due to the temporary closure of DPE's Konedobu office after landowners' insurgence in November.

The baseline survey report provided an analysis of the institutional framework, business process and capacity of NS and DPE, revenue streams, the auditing of reporting entities, the communicating EITI (awareness promotion), and the recommendations from the PNGEITI 2017 Report and the Validation report. The report was shared with the Joint Coordinating Committee (JCC) members and discussed at the second JCC meeting held in March 2019.

A summary of key observations from the baseline survey is as follows.

- **DPE [Related to Output 1]**

DPE needs to improve data management on petroleum licenses, revenues and production in the oil and gas sector and communication with relevant organizations and the public in compliance with the EITI Standard. However, data management and communications at DPE are hindered by several factors, including a lack of information and communication infrastructure at DPE offices, limited awareness and knowledge of DPE management and staff on the EITI Standard and PNGEITI, and a lack of standard operating procedure for disclosure of EITI data. DPE also needs to assign a person and/or a section in charge of PNGEITI matters and facilitate communication with stakeholder organizations in the reporting process.

- **PNGMSG [Related to Output 2]**

PNGMSG needs to discuss corrective measures that address the recommendations in the first Validation and PNGEITI 2017 Report in compliance with the EITI Standard, with a focus on the requirements assessed as “inadequate” or “meaningful progress” by the Validation. In addition, PNGMSG members need to increase their understanding of PNGEITI and the EITI Standard as outlined in the EITI guidelines and international practices.

- **Reporting Entities [Related to Output 2]**

The quality of information input by reporting entities, including GoPNG members, SOEs, and extractives companies, impacts the comprehensiveness of PNGEITI Report. Reporting entities should ensure comprehensive, accurate and timely responses using a uniform reporting template. This process should be facilitated with increased support from NS during the reporting process. Improved measures on data quality and assurance mechanism should also be put in place to minimize variances in reconciliation, as some audit statements for GoPNG constituencies and SOEs in the target period may not be obtainable during the reporting process.

- **NS [Related to Output 2 and Output 3]**

NS is mandated to support PNGMSG to implement PNGEITI activities and facilitate the dissemination of relevant data and information. NS is expected to be involved more actively in the reporting process, promoting awareness and instructions to the reporting entities, monitoring the reporting process in cooperation with IA, and ensuring the comprehensiveness and data quality of PNGEITI Reports. The communication strategy needs to incorporate lessons learnt from and feedback on awareness promotion activities, changing socio-economic environments surrounding PNGEITI and extractives sector, and emerging requirements such as beneficiary ownership disclosure and subnational payments and transfers for efficient and effective implementation awareness promotion activities to diverse target groups.

The following measures were proposed in the project in response to the above issues.

- **Capacity Development of DPE on PNGEITI [Related to Output 1 / Output 2]**

- Assist in assigning a focal person/unit in charge of PNGEITI and providing support to activate

communication with stakeholder organizations (in relation to EITI requirement #1.1 Government engagement).

- Assist in improving internal data management on licenses (#2.2 License allocations and #2.3 License register), revenues (#4.1 Comprehensive disclosure of taxes and revenues) and production (#3.2 Production) to ensure data quality necessary for reporting and disclosure.
- Conduct training and awareness raising activities and provide essential skills on the EITI Standard and PNGEITI at individual and institutional levels (#4.9 Data quality and #7.2 Data accessibility).
- Assist in developing contents and facilitating information disclosure on the DPE official website in compliance with the EITI Standard.
- **Capacity Development of PNGMSG, Reporting Entities and NS [Related to Output 2]**
  - Assist in providing capacity development activities to PNGMSG members to facilitate discussions on the corrective measures addressing the key issues and challenges of PNGEITI for deepened awareness of EITI Standard.
  - Assist in providing training and consultation to the reporting entities and monitoring the submission of reporting templates to improve the compliance status of PNGEITI Reports with the requirements of “Comprehensiveness” and “Data quality”.
  - Conduct capacity development activities for NS to improve its supporting functions for PNGMSG and the reporting entities.
- **Awareness Promotion of PNGEITI [Related to Output 3]**
  - Assist NS to review and revise the communication strategy.
  - Assist NS in developing contents and organizing activities for more efficient and effective awareness promotion on PNGEITI focusing on key priorities to be determined in the revised communication strategy.

Based on the survey outcome as described above, modifications to PDM and PO aiming at addressing the various recommendations in the PNGEITI Reports and the Validation report was proposed.

These modifications made to PDM are shown in “2.4.1 First Revision Based on the Baseline Survey.”

## 2.2.2 Output 1: DPE data management

**Output 1: Data management at DPE is improved to comply with EITI Requirements.**

### 2.2.2.1 Functioning of EITI Unit in DPE

#### ● Establishment of EITI Unit

In light of the baseline survey, the experts suggested that DPE designate relevant officers in charge of EITI-related activities and establish a unit that would help improve the department's commitment to PNGEITI and facilitate communication with stakeholder organizations in the reporting process.

DPE established the EITI Unit to improve the reporting practices and awareness of EITI in the department and coordinate with NS and other stakeholders in March 2019, in accordance with the Unit's terms of reference (TOR) prepared by the experts. The TOR sets out the roles and responsibilities of the Unit. The function of the Unit was clarified following the TOR and the specific tasks were also identified, such as (1) reviewing the template received from IA to check any changes or updates, (2) distributing the template to relevant officers, (3) collecting and compiling the information, (4) obtaining the authorization, (5) submitting the template, and (6) responding to queries from IA or NS.

The EITI Unit, headed by the Director for Special Programs, originally consisted of staff responsible for EITI reporting, including Legal Counsel, the Assistant Director of Registry Branch, Revenue Officer, and Policy Officer. In February 2020, new Unit members, including IT Managers, were officially appointed by the Secretary of DPE.

#### ● Working for EITI Reporting Process with EITI Unit

The experts provided induction training (as explained 2.2.2.2.1) and technical advisory to the Unit members and worked with them to implement the project activities.

Since its establishment, the Unit has served the coordination role to carry out EITI related activities in DPE and increased the level of communication with other stakeholders, which resulted in improved visibility of DPE among MSG membership.

The EITI Unit has worked effectively to facilitate internal and external communication of DPE about EITI issues. DPE has attended all MSG meetings, and most TWG meetings since the Unit was established. Thus, it helps to comply with the EITI requirement #1.1 Government engagement.

#### ● Work Plan of EITI Unit

The experts proposed an annual work plan for the EITI Unit and clarified tentative schedule of the tasks for implementing EITI and DPE activities. The experts shared the proposals discussed it with the Unit to finalize it. The plan was confirmed by the Unit to be implemented in line with the PNGEITI Work Plan. It was also confirmed that the Unit would coordinate the tasks for EITI reporting.



## **2.2.2.2 Training for DPE Management and Key Staff**

### **2.2.2.2.1 Induction Training for DPE Management and Key Staff**

The EITI Unit, in cooperation with the JICA experts, held a one-day educational seminar on 6th June 2019. This seminar was an induction training on EITI for the management and key staff of the Department to increase their knowledge and awareness of EITI/PNGEITI and the Department's responsibilities. Before the induction training, most of the DPE participants were unfamiliar with EITI/PNGEITI and unaware of the Department's roles on PNGEITI. A total of 21 DPE staff, including three from the management, attended the seminar. The experts facilitated the session, which included video clips explaining the requirements of the EITI Standard prepared by the experts. The seminar was interactive with lively discussions and Q&As, facilitating a better understanding by the participants. According to the feedback forms collected, most of the participants felt that the session met their expectations and highly satisfied their learning needs, particularly in terms of increasing their knowledge of the EITI Standard and required actions to be taken by DPE. The softcopy of seminar materials was shared with DPE through the EITI Unit. The experts emphasized the important roles of DPE on information collection, management and disclosure for successful implementation of PNGEITI, especially license (#2.2 License allocations and #2.3 License register), production (#3.2 Production) and Revenue (#4.1 Comprehensiveness).

### **2.2.2.2.2 Training for MSG Members**

A learning session for the MSG members was conducted on 23rd August 2019, as detailed in "2.2.3.1.1 Support for 2018 EITI Report Preparation Process". Seven staff from DPE took part in the learning session on the comprehensiveness and data quality in the EITI requirements.

## **2.2.2.3 Technical Advice and Hands-on Training for DPE**

### **2.2.2.3.1 Support for 2018 EITI Report Preparation Process**

Previously, for the PNGEITI 2017 Report, DPE had failed to provide data on license awards/transfers and production volumes, which are all EITI requirements. For the preparation of PNGEITI 2018 Report, the DPE EITI Unit coordinated data collection by liaising with relevant officers within the Department. During this process, the experts provided technical advice and hands-on support to DPE.

We however noted that there was a lack of completeness and accuracy of reporting data submitted by DPE. It was therefore suggested to convene a meeting with the Department of Finance (DOF), Bank of Papua New Guinea (BPNG) and NS in which all parties discussed reporting on revenues, such as Development Levy and Royalty paid by the operators of extractive projects through Trust Accounts. As a result, it was proposed that DOF share the bank statements of Trust Accounts with DPE and that DPE be responsible for keeping records and submitting data to IA on such revenues. Accordingly, based on the bank statements shared by DOF, DPE was able to fill in the required revenue amounts in the reporting template and managed to submit it to IA without delay. The meeting also discussed how to increase efficiency of the operational

flow of revenue collection at DPE and agreed that once the Integrated Financial Management System (IFMS) is introduced, DPE will start recording the receipts and payments of these revenues.

During the reconciliation process by IA, the EITI Unit facilitated the communication between IA and relevant officers in DPE. In addition, the experts assisted the operators of the oil and gas projects whose payments did not match with the receipts in identifying the cause of variance. The single and centralized unit responsible for EITI within DPE led to a decrease in the discrepancies in reported figures between payments and receipts, compared to the previous report.

#### **2.2.2.3.2 Support for 2019 EITI Report Preparation Process**

The experts could not travel to PNG from March 2020 due to the unforeseen global pandemic of the corona virus disease 2019 (COVID-19). The Project had no choice but to suspend some of the planned activities and switch to remote online support. We initially faced challenges, especially during the lockdown in Port Moresby. A poor and limited internet connection was also an issue. The Team shared the status of the project activities with the EITI Unit mainly by email during this period. Later on, the experts supported the IT Manager, who is a member of the EITI Unit, to set up an online conference tool (MS Teams), which significantly improved communication between DPE and the experts. The DPE staff utilized MS Teams to attend the reporting template training conducted in September 2020.

The experts remotely assisted the EITI Unit in filling out the 2019 reporting template by connecting online and in cooperation with IA.

After launching the 2019 report, the experts held a micro-training session for the EITI Unit to brief the Unit on the report summary and review the reporting process. They discussed the areas of further improvement and actions for the future reporting process.

#### **2.2.2.4 Standardizing the Operating Procedure for EITI Reporting under the EITI Unit**

##### **2.2.2.4.1 Overview of Standard Operating Procedures for EITI Reporting**

During the baseline survey, the experts analyzed the EITI reporting data and information flow and drafted a data flow diagram to present to the EITI Unit. In order to clarify the actual practice of reporting process, the experts worked with relevant officers in charge of data management of license, production, and revenue within DPE to review the process of preparing and submitting the EITI reporting template. Based on the review results, the members of the EITI Unit and the experts discussed integrating the EITI reporting under the coordination of the Unit. They clarified the standard operating procedure for reporting and disclosure of EITI data with the reporting items and requirements as well as the tasks of the Unit as a focal point throughout the process. The standard operating procedures consisted of i) data collection and storage, and ii) data retrieval and disclosure processes. In the context of EITI reporting, DPE is required to collect, storage, retrieve and disclose the data on a) license; b) production; and c) revenue.

#### **2.2.2.4.2 Data Collection and Storage Process**

The data related to EITI related is collected and managed by different branches within the DPE, namely, license data by Registry Branch, production data by Exploration Branch, and revenue data by Finance and Accounting Branch. For license and production data, MS-Access based databases have been developed in house respectively and updated regularly. The expert and DPE staff confirmed that these databases have sufficient information and that they can be exploited for the EITI reporting. Meanwhile, Revenue Branch did not have such database, and data was stored on spreadsheets. The members of the EITI Unit and the experts confirmed that the necessary data can be retrieved from these spreadsheets.

While the existing process of DPE can provide necessary data for EITI reporting, the experts proposed the following measures to incorporate into the standard operating procedures and overcome the system vulnerability. One is in-house development of database for revenue data to improve data quality in terms of accuracy, integrity and security. The other is to have backup facilities of the database and spreadsheets stored by each branch.

#### **2.2.2.4.3 Data Retrieval and Disclosure Process**

As mentioned in the TOR of EITI Unit, the Unit is responsible to collect necessary data for EITI reporting from each branch. Each branch retrieves the relevant data from the database or spreadsheets and fills in the reporting templates. After compiling the response, the EITI unit and each branch seeks authority from the DPE management to disclose the information outside the department. The reporting templates are submitted to IA or NS after authorization by the management. Some information is also uploaded to the DPE website, such as license map data.

The above procedure was discussed and finalized by the Unit members and the experts. The process will be adapted from the reporting process of the 2020 Report onwards.

#### **2.2.2.5 Information Infrastructure for the Data Management at DPE**

##### **2.2.2.5.1 Procurement of Equipment**

The experts participated in the first workshop of PNGEITI Validation TWG in Alotau in October 2019 and presented the proposal on the management of the EITI related data at DPE that addresses the EITI requirements of “License allocation (#2.2)”, “License register (#2.3)”, “Production Data (#3.2)” and revenue (Comprehensiveness (#4.1)). The proposal was prepared after the interviews with key personnel of DPE and thorough analysis by the experts to enable the authorized staff of DPE to manage and disclose the EITI related data efficiently. The proposed plan included the following.

- **Upgrade PC to improve performance and reliability:**  
Procurement of PC and software
- **Backup of the replicated database for data security:**

Procurement and installation of Network Attached Storage (NAS) at DPE's Local Area Network (LAN) with appropriate allocation of data access by authorized users

- **Retrieve necessary data for disclosure regularly:**

Selection of data items in consideration of minimum requirement as per the 2019 EITI Standard

- **Disclose EITI related data:**

Launching DPE's website and uploading data

The experts discussed the proposal with the EITI Unit and decided to procure three laptop PCs and one NAS. These were procured and delivered to DPE in the presence of the Project Manager and the Head of NS on 11th August 2021. The respective officers in charge of licenses, production, and revenues received the PCs to record and maintain the EITI related data. The IT Manager received the NAS to connect their LAN for database backup. In addition, the experts guided the officers on how to utilize the online communication tools installed on the PCs.

The PCs were used for recording the data necessary for EITI reporting by relevant officers and maintained by the IT manager. The information flow using the PCs was clarified with the operating procedure. The IT manager connected NAS to LAN for backup storage.

Although the officers can maintain the EITI related data with PCs, there were some challenges in practicing the reporting and operating the information disclosure regularly since the office set up of DPE's new location was ongoing after the relocation took place in October 2021.

#### **2.2.2.5.2 Training of the Application Software for Data Management**

The experts developed training materials to provide skills and knowledge on application software such as "Microsoft Access" and "Microsoft Excel VBA" for the officers in charge of handling data of licenses, production, and revenues.

The experts provided training on the application software for the officers when their work was resumed in PNG in January 2022. They guided the application software and the training by hands-on through the actual development of the database for EITI reporting.

#### **2.2.2.6 Information Disclosure by DPE**

The experts shared a proposal on EITI related data management and disclosure by DPE at the Validation TWG workshop in October 2019. During the workshop, the representatives from Mineral Resources Authority (MRA) proposed their support to develop a website similar to MRA's Mining Cadastre Portal for disclosure of DPE's data. After the workshop, the experts supported organizing the tripartite meeting among DPE, MRA and NS. In the meeting, the representatives from MRA demonstrated the cadastre portal sites and indicated further actions to introduce the proposed website.

After the internal discussion within DPE, DPE eventually launched its official website in March 2020 to

disclose information in accordance with the EITI requirements (#7.2 Data accessibility), such as Petroleum License Map.

The experts continued the discussion with EITI Unit about the way forward to timely disclosure of information of the license register, the production data and the revenue data in light of mainstreaming EITI reporting by considering the auditing and quality assurance mechanism.

### **2.2.3 Output 2: MSG & Reporting Entities**

**Output 2: EITI reporting mechanism among extractive companies and government agencies is enhanced.**

#### **2.2.3.1 Support for the Reporting Entities and MSG**

##### **2.2.3.1.1 Support for 2018 EITI Report Preparation Process**

###### **(1) Capacity Development of MSG Members**

NS staff and the experts discussed the priority areas to provide educational sessions for MSG members during the project period. Both confirmed to focus on “Comprehensiveness (#4.1)” and “Data quality (#4.9)” among the EITI requirements, which were rated as “inadequate progress” in the first Validation.

The first training workshop was conducted in the afternoon on 23rd August 2019 as a learning session entitled “Wok Wantaim,” a Tok Pisin phrase meaning “Work Together,” following a morning session on reporting template in coordination with IA. The experts facilitated the three-hour learning session, which consisted of lectures and group work. The lectures focused on two EITI requirements of “Comprehensiveness” and “Data quality.” The experts provided presentations and video clips to review the previous PNGEITI Reports and the Validation results and introduce some case studies in other EITI compliant countries. In the group work, the 33 participants simulated the reporting process from collection to disclosure of data and information. It was aimed at learning how to prepare a comprehensive set of data for EITI reporting. The experts designed the training materials which reflected the culture and context of PNG. The training was highly interactive with participants taking part in a game session which encouraged their active participation. This training led to the participants’ increased knowledge of the EITI requirements, the reporting process, the materiality of the reporting, and the importance of comprehensiveness. According to the training evaluation forms completed by the participants, including NS staff, the satisfaction rating of the learning session was around 4.5, which, based on a 5-point scale evaluation (the highest being 5 and the lowest 1), indicates a successful learning outcome to enhance their conceptual understanding of the two EITI requirements.

The experts presented at the second workshop of PNGEITI Validation TWG in Madang from 28th to 30th November 2019. The workshop scrutinized the draft of the 2018 Report. At this meeting, the experts gave feedback to improve and correct some descriptions and provided technical advice to the reporting entities,

particularly addressing the requirements of “Comprehensiveness” and “Data quality.” For instance, two suggestions were provided by the experts: an omission of an inadequate word which might decrease the data comprehensiveness, as described in detail below in (2); an addition of the legal definition of SOEs in the chapter of the Report which explains the situation of SOEs in PNG.

## **(2) Communication with IA**

IA was selected for PNGEITI 2018 Report in June 2019. The experts and NS coordinated training for MSG on 23rd August, as mentioned above in (1). In the morning session, IA explained the structure of and data required in the reporting template with a view to improving data completion by the reporting entities. In the afternoon session, the experts delivered the lecture on the EITI requirements of “Comprehensiveness” and “Data quality” of the EITI Standard and facilitated the case study with group work. The workshop was attended by 33 people from MSG members, including DPE and NS. The number of participants increased from the similar training conducted by IA in the previous year, indicating increased interest and commitment by MSG members.

During the reporting process, the experts and NS had meetings with IA to share the status of reporting template submission and the progress of preparing the draft report and exchange views on how to improve the responses from the reporting entities. The experts reviewed the 2017 Report and suggested some actions to improve the presentation of revenue streams on the report at the MSG meeting held on 20<sup>th</sup> August 2019. Proposed actions include removing unclear terms such as “known revenue”, which may decrease the comprehensiveness of the Report. Moreover, the experts provided timely comments and advice to amend reconciliation errors during the draft report feedback process from November to December 2019. For example, where calculation errors were found in the chapter describing reconciliation results were amended. These activities allowed the Report to be upgraded, which in the long run leads to improving the evaluation results at the Validation to come.

## **(3) Hands-on Support to the Reporting Entities**

The experts and NS staff, in consultation with IA, selected DPE and Kumul Petroleum Holding Limited (KPHL) as the target entities to provide hands-on support during the EITI reporting process to improve the reporting status for the 2018 Report. The reporting process started in August 2019. NS and the experts discussed how to complete the reporting template with the target entities for improving the status of compliance with the requirements, in particular, “Comprehensiveness (#4.1)” and “Data quality (#4.9)”.

### **● DPE**

NS staff and the experts visited DPE’s EITI Unit to provide hands-on training during the reporting process. The EITI Unit held internal meetings to study the reporting template, identify the tasks, and facilitate the data collection from relevant officers. In addition, the experts assisted the EITI Unit in organizing meetings with other stakeholders. For example, meetings with DOF and BPNG were set up to discuss the above issues about Trust Account (2.2.2.3.1). Also, the operators and IA clarified the variance between the reported figures and successfully decreased the discrepancies in reported

amounts between DPE and operators, which contributed to enhancing “Data quality.” The understanding of the difference between cash basis accounting and accrual basis accounting was of significance for the DPE revenue officer to report the amounts appropriately. Cash basis accounting, which is adopted in the Report, reflects business transactions on the Report when the cash flows into or out of the reporting entities. Accrual accounting, in contrast, recognizes revenue when it's earned, regardless of when money actually changes hands. The hands-on supports by the experts enhanced the understanding by DPE revenue officer so that the data quality reported by DPE was improved.

- **KPHL**

NS staff, the experts and the IA held a few meetings with KPHL to clarify revenue streams through SOEs. It was important to avoid possible misconceptions resulting from unclear presentation of the payment flow through KPHL in the Report. Although having not engaged hitherto, the KPHL’s accounting officer became more supportive of the activities of PNGEITI, including the workshop in Madang in November 2019, where he joined the discussion to scrutinize the draft of the Report. NS followed up with KPHL to ensure that KPHL’s template was correctly filled in and confirmed that presentation of revenue streams for the draft 2018 Report was improved, which resulted in the improvement of “Comprehensiveness” and “Data quality”.

- **Mineral Resources Development Company (MRDC)**

In addition to DPE and KPHL, the experts and NS staff supported MRDC since a description of the revenue stream through MRDC was unsatisfactory for explaining the actual cash flows in the draft report. Through a discussion with IA on reporting figures for further clarification, MRDC identified the data in the template to be reviewed and later confirmed the correct revenue flow, which improved the presentation in the Report with regard to “Comprehensiveness” and “Data quality”.

#### **(4) Technical Advice and Hands-on Training to NS Staff**

In addition to the training workshop, the experts explained the EITI requirements of “Comprehensiveness (#4.1)” and “Data quality (#4.9)” with NS staff during the reporting process. Furthermore, the experts and NS staff jointly attended meetings with target reporting entities as much as possible, which contributed to the capacity development of NS staff.

NS has recruited three new staff since July 2019. The experts assisted them in conducting orientation and induction training and sharing the knowledge and key issues mainly focusing on the requirements of “Comprehensiveness” and “Data quality”. The training materials were also shared, including presentation and video clips prepared for an educational seminar for DPE and the training session to MSG members.

#### **2.2.3.1.2 Support for 2019 EITI Report Preparation Process**

##### **(1) Capacity Development of MSG Members**

The experts and NS recognized the importance of timely support to reporting entities and discussed with IA the need to conduct training on the new reporting template before the reporting process begins. After

some trial use, a training session over Microsoft Teams on the reporting template for the 2019 Report was organised and co-hosted by IA on 2nd September 2020. During the session, IA presented the reporting template for the 2019 Report which was updated in compliance with EITI Standard 2019 and introduced a reporting portal site created to facilitate online data submission by reporting entities.

Additionally, the experts created short learning videos entitled “Transparency is King”, highlighting the importance of transparency which underlies a range of activities in compliance with EITI Standard even under the COVID-19 situation, and gave lectures on “gender” by using presentation slides to strengthen awareness of the new EITI requirements (#1.4, #6.3, #7.1 and #7.4). Also, the experts supported IA to develop an online feedback form and uploaded the training materials and recorded videos onto online storage for the participants and absentees of the training. The experts also briefly provided the lectures on these at the MSG meeting held online on 25th September 2020 within the project updates.

## **(2) Communication with IA**

Through the discussion as mentioned in (1), the experts shared with IA the improvements and challenges observed in the previous year’s reporting process. In addition, the experts had regular meetings with IA to share and monitor the progress of reporting preparation for the 2019 Report. It helped the experts to have a good understanding of various challenges IA was facing in collecting and reconciling required data.

During the draft report feedback process from November 2020 to June 2021, the experts provided timely comments and advice to amend reconciliation errors and build an independent chapter on employment data disaggregated by sex, which contributed to improving the compliance with several EITI requirements of “Comprehensiveness”, “Data quality” as well as the gender-related requirements such as “#1.4 Multi-stakeholder group” (to consider gender balance), “6.3 The contribution of the extractive sector to the economy” (for information to be disaggregated by gender), “#7.1 Public debate” (to consider access challenges and information needs of different genders), and “#7.4 Review the outcomes and impact of EITI implementation” (for gender considerations).

After completing the 2019 Report, the experts and IA held a meeting where IA shared their observations regarding the 2019 Report compilation. Overall, although the Report was published a couple of months behind, IA noted that reporting entities had made some progress in understanding the EITI reporting template and submitting data according to templates despite the difficult situation of COVID-19. However, IA pointed out that data collection and verification required more time allocation. It is because some SOEs delayed responses due to their authorization process, and MSG members and reporting entities increased feedback on the draft report due to their extensive work.

## **(3) Hands-on Support for the Reporting Entities**

On-site support for reporting entities could not be provided during the reporting process for the 2019 Report. Instead, the experts supported DPE through the EITI Unit by remote communication. The experts had meetings with the EITI Unit to share the discussion results with IA, determine the milestones of the reporting process and monitor the status of preparation and submission of the reporting template to IA.



Accordingly, DPE completed the reporting process to improve the template submission status without relying on the experts' support.

After launching the 2019 Report, the experts and NS implemented micro-training sessions online for some of the key MSG members from August to October 2021. The experts shared highlights of the 2019 Report, including the recommendations to PNGEITI, and facilitated the participants' discussions on their reporting practices and possible improvements in the future to raise the reporting entities' attention to the EITI requirements of "Comprehensiveness" and "Data quality".

#### **(4) Technical Advice and Hands-on Training to NS Staff**

The experts and NS had meetings to share the status of report template submission by the reporting entities during the reporting process and reviewed the draft of the 2019 Report. After completing the Report, the experts identified the key data and information to be highlighted through awareness promotion materials. The experts supported NS staff in developing a series of brief information materials which summarize key data and messages from the 2019 Report. These materials were presented in one hour "micro-training" sessions to some of the reporting entities from August to October 2021. Given the NS Staff had to prioritise the consultation workshops about the PNGEIT Commission Bill held across the country, NS staff missed some of the sessions, but whenever they were available, they co-facilitated the discussion among the participants from the reporting entities.

#### **2.2.3.1.3 Follow-up of Preparation for Reporting Process and Validation**

##### **(1) Follow Up Session with IA to Share the Observation of Reviewing the Reporting Process**

In advance of the reporting template training for the 2020 Report, the experts provided IA with the comments and observations of reviewing the reporting process obtained during the micro-training sessions with the reporting entities. The experts also shared the areas of improvement in the template and suggested having a prior consultation on some specific issues with relevant reporting entities, such as a meeting among DPE and the operators to discuss how to report the production data.

##### **(2) Follow Up Session with the Reporting Entities with NS Staff**

NS and the experts visited the reporting entities in February 2022 to have in-person sessions with the managements and/or key officials in charge of PNGEITI activities of the entities. They shared the summary of the 2019 EITI Report and results of the sessions and reminded them to prepare for the validation and 2020 Report preparation process. These activities wrapped up the achieved outputs and the remaining challenges of the project.

#### **2.2.3.2 Development of Learning Materials**

##### **(1) During the Reporting Process for 2018 Report in 2019**

The experts developed learning materials and delivered them to the DPE training workshop participants

and the MSG educational session in 2019. The materials included awareness-raising materials of EITI and PNGEITI and educational materials of “comprehensiveness” and “data quality” to improve the entities’ commitment and the understanding of the key issues of the EITI reporting template.

**Table 8 Learning Materials Developed in 2019**

Topic	Contents
Basics of EITI and PNGEITI	Presentation slides: For reviewing the workshop contents with the quiz, including the basics of EITI and PNGEITI.
Introduction of EITI	A video: Explaining what EITI is, what EITI Standard is, what EITI Validation is.
Introduction of PNGEITI	A video: Introducing EITI, including the profile of PNGEITI, Highlights of PNGEITI Report and PNGEITI Validation
EITI Reporting	A Video: Explaining the importance of EITI reporting and the process to produce the Report
Comprehensiveness and Data Quality	A Video: Explaining the requirements of "comprehensiveness" and "data quality" for EITI reporting

Source: JICA Expert Team

## (2) During the Reporting Process for 2019 Report in 2020

The experts developed the training materials on “transparency”, which was still important under the COVID-19 situation and “gender”, which was newly added to the requirements of EITI Standard 2019 to timely guide the emerging issues. The materials were delivered to the participants of the MSG meeting held on 25th September 2020 and shared through the online storage to be available for the stakeholders.

**Table 9 Learning Materials Developed in 2020**

Topic	Contents
Covid-19 response (Transparency)	Videos entitled “Transparency is King”: A guide to consider the importance of transparency under the pandemic of COVID-19.
Gender requirements of EITI 2019 Standard	Presentation slides: Introducing the Gender requirements of EITI 2019 Standards.

Source: JICA Expert Team

## (3) Development of Educational Tools in 2021

The experts and NS developed the awareness promotion materials, which summarized the highlights of the 2019 Report and delivered it through social media in August 2021 in order to make sure the information is widely accessible and distributed (#7.1 Public debate). Expected to target a range of EITI stakeholders, including the general public, the materials proved very useful for MSG members in communicating the Report’s highlights. In that context, the experts with NS organized a micro-training session for key entities of MSG members from August to October 2021. In the session, the experts and NS staff briefed the 2019 Report and facilitated the discussion to review the reporting process in the reporting entities with the participants. The feedback indicates that the session participants increased their awareness of EITI / PNGEITI and their understanding of the contents and recommendations of the 2019 Report.

After the micro-training session for the 2019 Report, NS and the experts edited the presentation slides

featuring highlights of the report to develop a booklet of the summary Report and distributed it during the following micro-training session.

The experts further developed the educational materials of the topics which may require long-term commitments by the entities, such as gender issues in the extractive sector (relevant to #6.3 employment figures disaggregated by gender and #7.1 information access challenges by gender), including addressing gender based violence (GBV) and promoting women’s economic empowerment and “value chain” focusing on the roles and responsibilities of the entities. These materials were delivered at a training session conducted from November to December 2021. In addition, the experts made a presentation on the value chain by reviewing EITI requirements. The experts then made another presentation on the gender issues on “Women’s Empowerment Principles (WEP)” in an interactive manner, which facilitated the discussion with the participants on the action plan to address these issues. The participants provided positive feedback, for example, “the awareness of EITI requirements was improved on the value chain and the gender issues”, “the necessity was raised to exchange ideas and experiences on this issue among the MSG stakeholders”.

**Table 10 Learning Materials Developed in 2021**

Topic	Contents
Summary of 2019 Report	Presentation slides for briefing the 2019 EITI Report and reviewing the reporting practice in each relevant entity.
Gender (Gender Based Violence)	Presentation slides for learning about Gender Based Violence (GBV), its impact on the extractive community in PNG, and the action to combat GBV.
Gender (Women’s Empowerment Principles)	Presentation slides for learning about Women’s Empowerment Principles (WEP) and how they could be applied to the extractive sector.
Extractive Industry Value Chain	Presentation slides for learning about the EITI requirements and the advantages of EITI implementation along with the value chain of the extractive industry.

Source: JICA Expert Team

#### **(4) Compilation of the Educational Tools**

The training materials, together with the awareness promotion materials, were listed and categorized following the target groups and thematic areas identified in accordance with the communication strategy and saved on the online storage to be available for the stakeholders.

The experts handed over the materials with the list to NS, and NS has maintained and utilized the materials by customizing and distributing them.

## 2.2.4 Output 3: Awareness Promotion

**Output 3: Awareness and implementation structure for EITI is enhanced in the country.**

### 2.2.4.1 Revision of Communications Strategy

#### (1) Media and Communication Strategy

In order to revise the communications strategy, NS staff and the experts analyzed the stakeholders to define the segmentation of target groups and characteristics of each target group by considering the EITI requirement of #7.1 Public debate. By studying the practices of other EITI implementing countries, they agreed to refer to Albania as a model of communications strategy. After identifying the activities and effective means for communicating the messages to each group, they prepared the initial draft of the communications strategy in February 2020. The following additions were made in the revision.

- **Communication with the international stakeholders**

Increase PNG's international presence and maintain the relationship with other EITI countries by exchanging information, experience and best practices in regard to the implementation of EITI with them.

- **Monitoring and evaluation framework**

Establish the monitoring and feedback mechanism. For example, online "Google Form" provides an efficient feedback mechanism and people in remote areas can respond promptly to PNGEITI.

- **Branding the PNGEITI**

Improve visibility and recognition of PNGEITI with the enhancement of the branding, which will be applicable throughout the communication activity of PNGEITI to promote the awareness of PNGEITI in the country.

The draft of the revised communications strategy is expected to facilitate the implementation of PNGEITI and provide the directions of communications/outreach and training activities in compliance with EITI Standard 2019. The experts had several meetings with NS to review the initial draft further to finalize with the recognition that a more robust communications strategy would be needed for PNGEITI to step up to the next level of EITI implementation. The final draft of the communications strategy was presented at the MSG meeting on 25th September 2020 for their feedback and circulated amongst the MSG members. The feedback comments received were duly reflected in the draft. As a result, the revised strategy was principally endorsed at the MSG meeting in December 2021.

In addition, the experts and NS drafted an implementation plan for the revised communication strategy. The plan describes the activities to achieve the strategy's objectives with the medium of communication or types of events.

## **(2) Communications TWG**

In addition, for PNGEITI to implement the communications activities in line with the strategy by engaging the stakeholders of respective groups of MSG, NS and the experts proposed establishing the Communications TWG under MSG and drafted its TOR. The TOR was principally endorsed together with the strategy by the MSG meeting held in December 2021.

The first Communications TWG meeting was held in January 2022. NS and the experts (who were physically present in PNG after COVID-19 travel restrictions were lifted) provided guidance on the strategy for the participants and shared the TOR of the Communications TWG. The participants reviewed the TOR of TWG and discussed the membership of the TWG. They agreed to organize the second meeting with the preliminary members of TWG.

The second TWG meeting was held in February 2022. The participants who volunteered and were nominated by respective entities and constituencies gathered and discussed the action plan of the communications activities in detail to prepare the events calendar for 2022. They identified the materials to be developed or customized for awareness promotion and education and created the action plan for material development. During the meeting, NS and the experts shared the existing communication tools and demonstrated the use of some tools to the participants so that the participants could utilize the materials and replicate the awareness promotion session to others.

### **2.2.4.2 Awareness Promotion Activity**

NS staff and the experts discussed identifying the awareness promotion activities to support the project considering target group, location, budget, logistics, security, possible collaboration with other stakeholders, and other factors.

#### **(1) Awareness Promotion Through the Workshops for DPE and MSG**

The experts and NS conducted awareness promotion activities through the workshops. The educational seminar for DPE was conducted in June 2019 to introduce EITI/PNGEITI and increase awareness of the roles and responsibilities of the department as described above (2.2.2.2.1).

The workshop for MSG members was conducted in August 2019 in collaboration with IA. The experts provided general guidance on the EITI requirements of “Comprehensiveness” and “Data quality” followed by the practical training of the group work (2.2.3.1.1).

#### **(2) Scoping Study for Outreach at Kerema in Gulf Province**

NS and the experts planned an outreach activity at Kerema in Gulf Province to jointly conduct as a part of the development forum of DPE. However, it was not easy to adjust the timing and contents of both events. Therefore, NS and the experts revised the plan to conduct the outreach activity only for PNGEITI purposes. As a preliminary event for the outreach activity, the scoping study was planned and conducted in February 2020 to identify the target group and involve government officials. The experts and NS staff visited key

officials of the Gulf Provincial Government at their office to dialogue PNGEITI implementation and the outreach activity and invited the Provincial government to the outreach activity, identifying the target group and topics to be presented. However, the plan was deferred due to the restrictions on travelling and gatherings after the outbreak of COVID-19.

### **(3) Awareness Promotion Through Online Workshops and Sessions**

Since March 2020, the experts have utilized some online platforms supplementing outreach activities on-site. For example, the experts in collaboration with IA organized an online training in September 2020. They provided lectures to increase awareness on the transparency issues to address barriers and bottlenecks for information disclosure under the difficult situation of COVID-19 and the gender requirements, which were newly introduced with the EITI Standard 2019. The experts also provided an educational session on the transparency issues and the gender requirements during the MSG meeting held online on 25th September 2020. These helped raise the awareness of the reporting obligations by reporting entities and responsibilities as part of MSG governance.

The experts organized an online workshop with NS and CSO representatives engaging in gender issues in November 2020. The workshop discussed the new EITI gender requirements and challenges in promoting gender equality in the extractive industry and potential opportunities for collaboration for awareness promotion activities.

After launching the 2019 report, the experts with NS organized micro-training sessions to brief the highlights of the 2019 Report and review the reporting practice from August to October 2021. The outline of key issues of the 2019 Report posted on social media in August was used as educational materials in the session. The session heightened more awareness on EITI and familiarized the contents of the EITI report to the reporting entity.

Another batch of micro-training session was conducted from November to December 2021. The session dealt with “gender” by addressing the issues in the extractive industries and featuring Women Empowerment Principles (WEPs) and “value chain” by emphasizing the EITI requirements and the advantages of EITI implementation. In the session, the experts provided a lecture and guided the participants on utilizing the materials for their internal education.

#### **2.2.4.3 Development of Awareness Promotion Materials**

The experts assisted NS to develop communication materials through the training and awareness promotion activities during the project.

##### **(1) Awareness Promotion Materials for the General Public**

The experts prepared the presentation slides and the brochure introducing EITI and PNGEITI for the induction training for DPE officers conducted in June 2019. Furthermore, the experts worked with NS to prepare the materials for the Mining and Petroleum Conference & Exhibition held from 3rd to 5th

December 2019, and helped NS distribute the brochures and leaflets and present the slideshow for the promotion of EITI and PNGEITI from the exhibition booth.

The experts assisted NS to develop a short video promoting the EITI principles and activities targeting the general public. In addition, the experts helped NS prepare a storyboard in which the basic principles of EITI are explained, including the importance of promoting a transparent and accountable industry through systemic disclosure of revenue data. The video was uploaded to PNGEITI website as well as YouTube.

## **(2) Social Media Contents for Communicating EITI**

Since January 2021, the experts have assisted NS to utilize social media as part of its communications activities. In line with the communications strategy, the experts helped open PNGEITI's Twitter and Instagram accounts in addition to the existing accounts of Facebook and LinkedIn and provided social media training to NS staff.

### ● **International Women's Day / National Women's Day**

The experts proposed a series of communications activities to promote gender-responsive extractive industry for International Women's Day on 8th March and National Women's Day on 24th March 2021. NS with the experts created a website article and launched a photo campaign engaging industry players and civil society. The campaign leveraged social media, including newly created Twitter and Instagram accounts.

### ● **Summary of 2019 Report**

After launching the 2019 Report in July 2021, NS and the experts developed awareness promotion materials that summarize the highlights of the 2019 Report in line with the EITI requirement (#7.1 Produce brief summary reports). In the following month, they set August 2021 as "the month for learning the PNG's extractive sector from the EITI Report" and started a series of postings of the materials via social media throughout the month. The materials were also used to brief the report summary to the reporting entities for the training session. The posted materials were compiled as a booklet to be distributed together with the printed 2019 Report to help the reader better understand the contents and issues of transparency and accountability.

### ● **International Day for the Elimination of Violence Against Women**

In order to create further awareness on gender issues in the extractive industries, NS and the experts drafted the statement for the Day to deliver a strong message from the extractive industries to the public, committing to zero tolerance on GBV. The statement was signed by the Head of NS on behalf of the MSG and posted on the website and social media. It was PNGEITI's first time to issue this statement to show the commitment against GBV.

As a result of utilizing social media, the number of likes and comments on Facebook, Twitter, Instagram and LinkedIn was increased with access by both Papua New Guineans and non-Papua New Guineans.

**Table 11 Number of Accesses**

	<b>2019 (Jan - Dec)</b>	<b>2020 (Jan - Dec)</b>	<b>2021 (Jan - Dec)</b>
Website	Viewers: 9,004	Viewers: 7,410	Viewers: 3,213*
Facebook	-	1,854 followers	Appx. 1,900 followers
LinkedIn	-	70 followers	1,151 followers
Twitter	-	-	Followers: 21 Tweet impressions: 3,494
Instagram	-	-	Followers: 6
*: From Jan - May 2021. No data from Jun – Dec 2021 was available at the time of reporting due to the technical issue.			

Source: Compiled by JICA Expert Team based on data provided by NS

The members of the Communications TWG analyzed that LinkedIn and Facebook have more followers than other social media sites and show the most active interaction with viewers, whereas there is not much interaction seen on Twitter and Instagram. Even though Twitter and Instagram do not have as many followers as LinkedIn and Facebook since accounts were created in 2021, the Tweet impression on post has been increased to 3,494 as of August 2021, indicating that the post to Twitter will be seen by more than 3,000 individuals. Therefore, the members recognized that there will be a potential for Twitter and Instagram to get more viewers in the long run despite the limited number of followers and access so far and that regular posting will be required to activate the accounts.

### **(3) Thematic Training Materials**

Following the revised communications strategy, the experts and NS developed communication materials that mainly targeted the general public at the community level through the CSOs. They focused on introducing the thematic issues of EITI, such as gender, on making the people aware of those. In addition, they developed the materials targeting interested people to support PNGEITI by providing practical knowledge on the thematic areas such as the value chain and gender equality and social inclusion (GESI) for sustainable growth.

- **Gender Training Materials**

The experts and NS staff collaborated with the Family and Sexual Violence Action Committee (FSVAC) of Consultative Implementation and Monitoring Council (CIMC). CIMC is a member of MSG. We developed a learning material on combatting Gender-Based Violence (GBV) for the community organizations that are impacted by extractive projects. This learning material applies interactive features of PowerPoint and can be used by a group of people or individually as a self-learning tool.

In order to make the material widely available through the networks of FSVAC and UN Women, the experts and NS staff considered to transfer the PowerPoint material to a more accessible format to local communities which may not have access to computers or the internet and whose literacy level is low. After the experts resumed the work in PNG, in January and February 2022, NS and the experts



organized meetings with CSOs, including CIMC, intensively to obtain the inputs and share the ideas and experiences. We revised the material by incorporating the feedback obtained from the meeting and finalized the materials for distribution.

The experts further developed the awareness promotion material on gender issues to promote WEPs in the extractive industry for the reporting entities and stakeholders by introducing the WEPs. The material was used at the micro-training sessions in November and December 2021.

- **Extractive Industry Value Chain**

The experts also developed awareness promotion material on the value chain to promote awareness of the transparency and accountability of resource related revenue. The material was used at the micro-training session conducted in November and December 2021.

#### **(4) Non-digital materials for Outreach**

NS and the experts prepared the materials for on-site activities by customizing the presentation slides developed for the online sessions.

- **Training material of the extractive industry value chain (Flip chart style)**

The material of the value chain was prepared by simplifying the contents for the audiences to understand easily and by adding the instruction and narrative on each slide for the facilitators to use the material. The material was edited and compiled as a flip chart style material to be used at any place.

- **Training material of GBV (Flip chart style)**

The material of GBV was also prepared by customizing the contents by incorporating the feedback from the relevant CSO officers who had practical experiences of the outreach at a community level. The material was compiled as a flip chart style by adding the instruction for the facilitators.

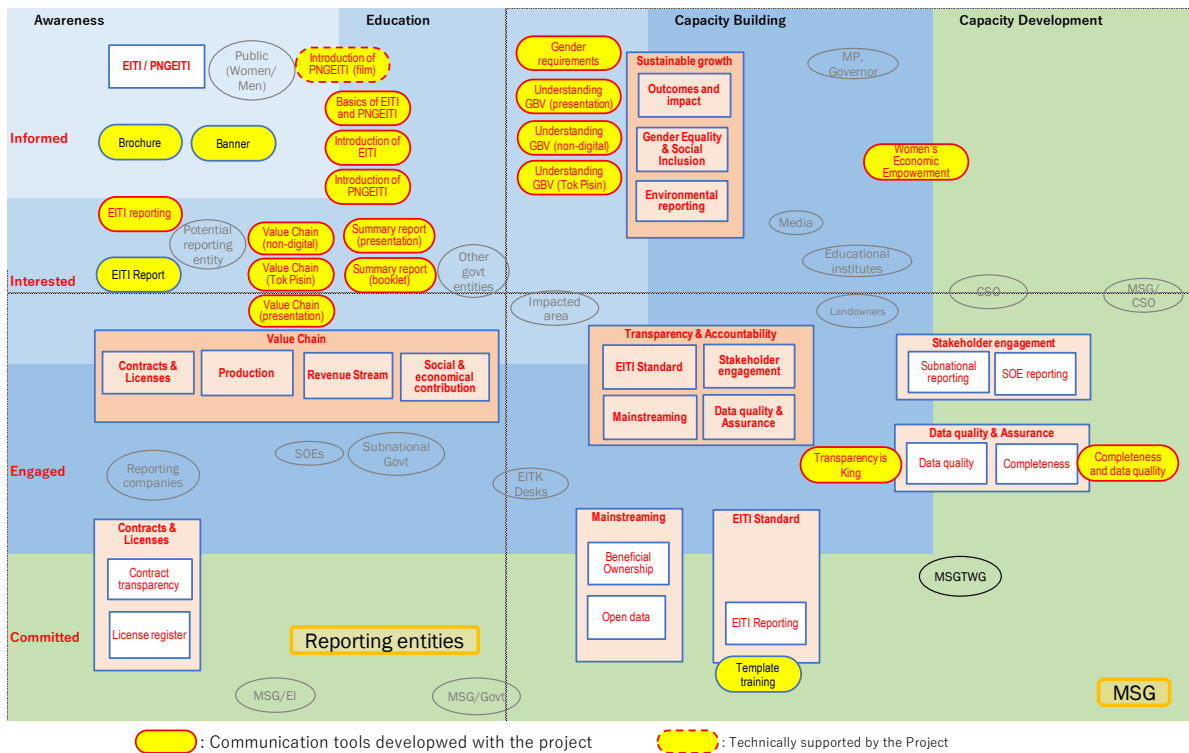
- **Summary of EITI 2019 Report (a booklet)**

A booklet of the highlights of the 2019 Report was prepared from the presentation slides and the posted contents on social media.

#### **(5) Compilation of the Training Materials**

The developed communication tools and the existing materials are listed and saved online and available for NS and MSG. The tools are categorized by the target audiences and thematic areas in accordance with the communications strategy, as shown in Figure 3 below.

The experts had meetings with NS to discuss how NS can maintain the tools and the listing by updating the contents and developing further materials. They also discussed analysing the appropriate format of tools according to the target groups and the events, including digital and analog formats.



**Figure 3 Mapping of Communicating Tools**

Source: JICA Expert Team

## 2.2.5 Common Activities Throughout the Project

### 2.2.5.1 JCC Meetings

JCC meetings held during the project are listed in the table below.

**Table 12 JCC meetings held**

No.	Title of Meeting	Date
1	1st JCC Meeting	2018/10/26
2	2nd JCC Meeting	2019/3/5
3	3rd JCC Meeting	2019/9/30
4	4th JCC Meeting	2020/10/6
5	5th JCC Meeting	2021/11/5
6	6th JCC Meeting	2022/2/15

Source: JICA Expert Team

The summary of the discussion points in each meeting is described as follows. For the details, the meeting minutes are attached as Annex 4.

#### (1) 1st JCC Meeting: 26th October 2018

The first JCC meeting was held on 26th October 2018 at DOT. First, the Project Manager, Head of NS, explained the formulation, summary and importance of the project. Then the JICA experts presented the draft work plan, which was prepared by visiting the project stakeholders to incorporate their comments. The expert also presented the cost-sharing principles of the project.

After the discussion on the draft, the work plan was authorized with the participants for implementation.

**(2) 2nd JCC Meeting: 5th March 2019**

The second JCC meeting was held on 5th March 2019 at DOT, with JCC members, the counterpart staff from the Secretariat and Department of Petroleum (currently renamed DPE), and JICA officials from Headquarters.

The experts summarized the baseline survey and proposed the revision of PDM and PO based on the analysis of the survey. Finally, the participants discussed the proposed plan and confirmed that the proposed plan would be implemented by revising PDM and PO to reflect the changes.

After discussing the survey result and the proposed revision, both PNG and JICA sides agreed to revise PDM and PO accordingly.

After the 2nd JCC meeting, DOT and JICA agreed to amend PDM and PO by modifying the activities based on the baseline survey result. Both sides signed on the minutes of the meetings for the amendment of PDM and PO on 24th July 2019.

**(3) 3rd JCC Meeting: 24th September 2019**

The third JCC meeting was held on 24th September 2019 at the DOT. The JICA expert shared the progress of the activities based on the draft of the Monitoring Sheet (ver. 2) with the participants. The Head of the EITI Unit of DPE explained the progress of Output 1 in detail, while the Deputy Head of EITI National Secretariat explained the progress of Outputs 2 and 3 in detail. Then the activity plan was explained by the expert and discussed by the participants.

**(4) 4th JCC Meeting: 6th October 2020**

The fourth JCC meeting was held on 6th October 2020 at the DOT, connecting other locations online. The JICA experts joined the meeting online to present the achievements and planned activities to the participants and brief the participants on the draft of the revised communications strategy.

Following the presentation, the experts proposed the revision of PDM and PO to extend the project period by considering the difficult situation caused by the outbreak of COVID-19. The participants discussed the proposed extension and revision and agreed that the proposed revision should be made effective accordingly.

After the 4th JCC meeting, both DOT and JICA sides agreed on the amendment of PDM and PO to extend the project period by signing on the minutes of the meetings on 11th December 2020.

**(5) 5th JCC Meeting: 5th November 2021**

The fifth JCC meeting was held on 5th November 2021 at DOT, connecting other locations online. The experts joined the meeting online to present the progress and remaining activities to the participants. Then the experts presented tentative results of the self-evaluation of the project conducted jointly with NS and proposed actions by the end of the project or after the project.

The participants discussed the results of the review and confirmed the evaluation results. Then the experts suggested further extension of the project period to the extent possible so that the project’s sustainability would be improved. JICA officials added that the extension would be necessary to seek the possibility of sending the experts and that the project period could be extended by February 2022 within the provision of the project framework. Finally, the participants confirmed the necessity of on-site supports or hands-on training by the experts and agreed to the proposed extension.

After the 5th JCC meeting, both DOT and JICA sides agreed on the amendment of PDM and PO to extend the project period by signing the minutes of the meetings on 19th November 2021.

**(6) 6th JCC meeting: 15th February 2022**

The sixth JCC meeting was held on 15th February 2022 at DOT, connecting other locations online. The members of the DPE EITI Unit and the experts made a presentation on the achievement of Output 1. NS staff and the experts made a presentation on the achievement of Output 2 and 3, Project Purpose and Overall Goal.

During the presentation, the Head of EITI Unit of DPE explained that DPE significantly improved the coordination within DPE and with the stakeholders for EITI reporting compared to the situation in 2018. The NS staff in charge of stakeholder engagement and outreach coordinator explained that the participation from the government reporting entities and SOEs was improved with the project. The Head of NS also explained that the response rate of the EITI reporting template was also improved. NS mentioned that the project’s approach to DPE can be applied to other reporting entities to institutionalize the EITI reporting at the entity level and that the approach to the reporting entities was very effective for involving the reporting entities and can be replicated to further enhance the coordination function of NS.

The experts presented a self-evaluation of the project conducted jointly with NS. Following are the summary of the self-evaluation results presented during the meeting.

**Table 13 Results of Self-evaluation of the Project as of February 2022**

Criteria	Assessment
Relevance	High
Coherence	High
Effectiveness	Relatively high
Efficiency	Relatively low
Impact	Expected to be achieved
Sustainability	Fair

Source: JICA Expert Team

The experts presented the necessary actions to be taken to achieve Overall Goal and the recommendations as explained in 4.2 Plan of Operation and Implementation Structure of the PNG Side to Achieve Overall Goal and 4.3 Recommendations for the PNG side.

Following the presentation, the project director raised the importance of the coordination by NS, which is the key player for the whole exercise and scheme of EITI implementation, and insisted that the capacity

and resources of NS shall be enhanced. The Head of NS mentioned that NS has some areas needed to be assisted continuously, so the next phase of the project is critical for PNGEITI. The project director advised NS to plan the next phase of the project to go forward and submit the application in due course.

**2.3 Achievements of the Project**

In terms of the indicators of the project, the project outputs were produced as appropriate. Furthermore, the indicator of the project purpose was also achieved based on the self-assessment of compliance with EITI requirements. Therefore, it can be said that the project purpose was achieved.

**Table 14 Status of the Achievements of the Project Purpose and Outputs**

Project Purpose	Status
Resource related revenue management and reporting in accordance with EITI Standard is promoted.	Achieved
Output	Status
Data management at DPE is improved to comply with EITI Requirements.	Achieved
EITI reporting mechanism among extractive companies and government agencies is enhanced.	Achieved
Awareness and implementation structure for EITI is enhanced in the country.	Achieved

Source: JICA Expert Team

**2.3.1 Project Outputs and Indicators**

**2.3.1.1 Indicators for Output 1**

Following is the summary of the achievement status of the indicators for Output 1.

**Table 15 Indicators of Output 1**

	Objectively Verifiable Indicators	Means of Verification	Baseline	Result
1-1	Appointed focal person or unit members for implementation of EITI at DPE.	Appointment documentation	n/a	EITI Unit was established in DPE.
1-2	The procedures of data collection, storage and reporting in compliant with EITI Requirements at DPE are documented.	Standard of procedures	No specific procedures for EITI reporting were documented.	The operating procedure for EITI reporting and the tasks of the EITI Unit was clarified.
1-3	At least 10 people of DPE management and staff are provided trainings on EITI Standards.	Training records	n/a	More than 10 people were provided with the training on EITI.
1-4	Updated contents relevant to EITI Standard on DPE website are increased.	DPE Website	The website was not activated.	DPE website was activated and updated.

Source: JICA Expert Team

**Indicator 1-1:**

As described in 2.2.2.1 above, DPE established the EITI unit. The Secretary notified the establishment to the staff of DPE with the members’ names.

**Indicator 1-2:**

As described in 2.2.2.4 above, the operating procedures for the EITI reporting of (1) revenue figures, (2) production data and (3) license information the coordination and control of the EITI Unit in DPE were clarified.

**Indicator 1-3:**

The number of staff provided the training was above the target.

As described in 2.2.2.3 above, the introductory training was conducted in June 2019 for about 20 officers from DPE. The training was provided afterwards for EITI unit members through the training workshop on the reporting template for the reporting entities, the online session on the EITI requirements for MSG members, and the micro-training sessions during the project.

**Indicator 1-4:**

DPE's official website was launched around June 2020 to disclose the legislation and the license map.

**2.3.1.2 Indicators for Output 2**

Following is the summary of the achievement status of the indicators for Output 2.

**Table 16 Indicators of Output 2**

	Indicator	Definition	Baseline	Result
2-1	At least 4 of topics (such as the best practices of EITI reporting in other countries) discussed in the sessions.	Materials of the educational session, Training records	n/a	An educational session was conducted to discuss more than 4 topics.
2-2	Feedback of training, consultation or follow-up on the EITI reporting template conducted through the Secretariat at least 3 reporting entities.	Activity records	n/a	More than 3 entities were supported for EITI reporting by the project team.
2-3	Status of submission of templates to the Independent Administrator is improved.	EITI Report (Results of reporting compliance)	-	The submission status of the reporting template from the entities was improved.
2-4	Educational tools to be utilized by the reporting entities are developed.	Education tools	n/a	The educational tools to be utilized by NS and the reporting entities were developed.

Source: JICA Expert Team

**Indicator 2-1:**

The number of topics discussed in the sessions during the project was 7, and was above the target of 4. Educational session includes online sessions. The topics dealt with in the sessions include the following:

**Table 17 Indicator of 2-1 (Number of topics)**

No.	Topic	Session
1	Comprehensiveness	Workshop in August 2019
2	Data Quality	Workshop in August 2019
3	Covid-19 response (Transparency)	MSG meeting / distributed online in July - September 2020
4	Gender requirements and GBV	MSG meeting / distributed online in July - September 2020
5	Summary of 2019 Report	Micro-training session in August - September 2021

6	Extractive Industry Value Chain	Micro-training session in November - December 2021
7	Gender requirements and WEP	Micro-training session in November - December 2021

Source: JICA Expert Team

### Indicator 2-2:

The number of reporting entities supported with the project was 4, and was above the target of 3. The experts supported the following reporting entities during the project:

**Table 18 Indicator of 2-2 (Number of reporting entities trained)**

No.	Entity	Timing
1	DPE	Template submission for 2018 EITI Report in 2019
2	Kumul Petroleum Holdings	Template submission for 2018 EITI Report in 2019
3	Mineral Resources Development Company	Template submission for 2018 EITI Report in 2019
4	DPE	Template submission for 2019 EITI Report in 2020/2021

Source: JICA Expert Team

### Indicator 2-3:

The EITI reporting template submission status has generally improved since the 2017 Report, as shown below.

**Table 19 Indicator of 2-3 (Reporting template submission status)**

	Criteria*	2017	2018	2019
1	% of entities submitted the template with financial information	68 %	100 %	100 %
2	% of entities submitted the template with authorized signature	73 %	89 %	100 %
3	% of entities submitted the template with non-financial information	85 %	95 %	93 %

\*: The percentages of the reporting entities submitted are based on the EITI Reports of the respective years. In addition, the entities which reported partial financial or non-financial information were counted as having submitted.

Source: JICA Expert Team

### Indicator 2-4:

Educational tools and awareness promotion tools were developed during the project. The tools were saved on the online storage to be maintained by NS.

The listing of the tools and the communication materials to be utilized by NS and the reporting entities are shown in Table 21, a List of communication materials.

#### 2.3.1.3 Indicators for Output 3

Following is the summary of the achievement status of the indicators for Output 3.

**Table 20 Indicators of Output 3**

	Indicator	Definition	Baseline	Result
3-1	The communication strategy of PNG EITI is updated.	Revised Communication Strategy	n/a	The revised communication strategy was developed.
3-2	At least 4 materials of awareness promotion is developed.	Developed materials	n/a	More than 4 items were developed.

3-3	At least 4 of times of awareness raising activities are taken place.	Activity Records	n/a	More than 4 times of activities were conducted, including online sessions.
3-4	Participants for the promotion activities are improved the awareness on EITI.	Result of the questionnaire of the promotion activities	n/a	The awareness was improved.

Source: JICA Expert Team

### Indicator 3-1:

The experts worked with NS to prepare the draft of the revised communications strategy as explained in 2.2.4.1 above. The project also prepared the drafts of the implementation plan of the strategy and TOR of the Communications TWG. The MSG meeting in December 2021 principally endorsed the revised strategy and the TOR.

### Indicator 3-2:

The number of materials of awareness promotion developed with the project was 16 and was above the target of 4. The materials and the educational tools for Output 2 are saved on the online storage maintained by NS. In addition, the listing of the materials and tools and their overall mapping for communicating EITI were also prepared. Following is the listing of existing communication materials, including the tools developed with the project.

**Table 21 List of Communication Materials**

	EITI / PNGEITI General information	Type	EITI / PNGEITI General information	Type	EITI / PNGEITI General information	Type
Awareness raising	EITI-PNGEITI intro Poster_supplement	Brochure	Introduction of PNGEITI	Film ☆	Introduction of Extractive Industry Value Chain	Flip Chart Style ★
	PNGEITI_Brochure FY2016	Brochure			Introduction of Extractive Industry Value Chain (Tok Psin)	Flip Chart Style ★
	PNGEITI_Brochure 2014	Brochure				
	Impact Newsletter_2019_Q1-Q2	Brochure				
Education	EITI / PNGEITI General information	Type	EITI / PNGEITI General information	Type	EITI / PNGEITI General information	Type
	PNGEITI Annual Progress Report	Report	Basics of EITI_PNGEITI	Presentation ★		
	PNGEITI Factsheet	Brochure	Introduction of EITI	Video ★		
	PNGEITI Report	Report	Introduction of PNGEITI	Video ★		
	PNGEITI Summary Data	Data	EITI Reporting	Video ★		
	Summary of 2019 Report	Presentation ★	Summary of 2019 Report	Booklet ★		
Capacity Building	Transparency & Accountability		Value Chain		Sustainable growth	
	Transparency is King	Video ★	Extractive Industry Value Chain and its requirements	Presentation ★	Understanding GBV in the extractive industries	Presentation ★
					Understanding GBV in the extractive industries	Flip Chart Style ★
Capacity Development	Data quality and Assurance		Contracts & Licenses		Gender	
	Comprehensiveness_data_quality	Video ★			Learning about Women's Empowerment Principles	★
	EITI Standard		Mainstreaming		Environmental Reporting	
	Gender requirements of 2019 EITI Standard	Presentation ★				
	Stakeholder engagement					

★:Developed with the Project

☆: Technically supported by the Project

Source: JICA Expert Team



**Indicator 3-3:**

A total of eight activities and events for awareness promotion were conducted during the project, meaning we have exceeded the target of 4 by 200%. The activities and events include the training activities for Output 2 and the online sessions.

**Table 22 Indicators of 3-3 (List of awareness promotion activities)**

No.	Timing	Activity	Outline	# of Participants / Trainees
1	Jun 2019	Workshop for DPE	Introductory training for DPE officers	23
2	Aug 2019	Workshop for MSG	Jointly conducted with reporting template training for MSG and reporting entities with IA	33
3	Feb 2020	Scoping study	Meeting for awareness promotion session for Gulf Provincial Government officials	9
4	Sep 2020	Online workshop for MSG	Jointly conducted with reporting template training for MSG and reporting entities with IA by online	-
5	Sep 2020	Online session in MSG	Conducted an educational session on Gender and Transparency within the MSG meeting	-
6	Nov 2020	Online workshop with CSOs	Online workshop conducted for awareness promotion on Gender requirements with CSOs	-
7	Aug-Sep 2021	Micro Training Session (online)	Briefing of 2019 Report summary and review for key reporting entities of GoPNG and SOEs	38 (9 entities)
8	Nov-Dec 2021	Micro Training Session (online)	Training on Gender requirements and Value Chain for key reporting entities of GoPNG and SOEs	30 (6 entities)

Source: JICA Expert Team

In addition to the above, as a follow-up online session, a face-to-face training session on the gender issues and the developed materials was conducted for the GESI officers in DPE. The experts took the officers through the developed materials and trained them to become facilitators in DPE by exercising the use of the materials.

**Indicator 3-4:**

Participants for the promotion activities improved the awareness on EITI. Following are the results of the feedback collected during awareness promotion activities conducted with the project, including the training for Output 2.

**Table 23 Indicators of 3-4 (Results of the feedback of awareness promotion)**

No.	Timing	Activity	Summary of the feedback collected
1	Jun 2019	Workshop for DPE	All of the participants responded that the materials were helpful and that the seminar experience would be useful in their work.
2	Aug 2019	Workshop for MSG	All of the participants responded that they became more familiar with the topics and that the seminar experience would be useful in their work.
3	Aug-Sep 2021	Micro Training Session	All of the participants responded that they increased the awareness of EITI and PNGEITI.
4	Nov-Dec 2021	Micro Training Session	Most of the participants responded that they increased their awareness of the EITI Standard requirements and obtained a better understanding of the importance of GESI and WEPIs in the extractive industry.

Source: JICA Expert Team

### 2.3.2 Project Purpose and indicators

Following is the summary of the achievement status of the indicators for Project Purpose.

**Table 24 Indicators of Project Purpose**

Project Purpose		Status
Resource related revenue management and reporting in accordance with EITI Standard is promoted.		Achieved
	Indicator	Result
Indicator	Result of the assessment card is improved from 2018 to 2020. (Self-assessment to be conducted before 6 months of the termination will be improved from the validation results to be conducted in 2018.) (EITI Requirements #2.2 License allocations, #2.3 License register, #3.2 Production data, #4.1 Completeness, and #4.9 Data quality are improved.)	Achieved
Means of Verification	Validation result by EITI International Secretariat, Self-assessment result	-

Source: JICA Expert Team

#### Indicator:

PNGEITI underwent the first Validation in 2018 for its 2016 EITI Report. On 30th October 2018, the EITI Board decided that PNG has made “meaningful progress” overall in implementing the 2016 EITI Standard. PNGEITI was required to carry out corrective actions in 18 months by 30th April 2020 before the second Validation would commence. The requirements necessary for PNGEITI to address included; License allocations (#2.2), License register (#2.3), State participation (#2.6), Production data (#3.2), Export data (#3.3), Comprehensiveness (#4.1), SOE transactions (#4.5), Direct subnational payments (#4.6), Data quality (#4.9), Distribution of revenues (#5.1), Subnational transfers (#5.2), Mandatory social expenditures (#6.1), SOE quasi-fiscal expenditures (#6.2), and Outcomes and impact of implementation (#7.4).

The second Validation was initially scheduled to commence on 30th April 2020. However, it was extended to 30th October 2020 with the approval from the EITI Board due to the disruptions caused by the COVID-19 pandemic. In addition, a further extension was approved by the Board. The second Validation will commence on 1st April 2022 for EITI 2019 Report in accordance with 2019 EITI Standard.

Among the above mentioned requirements, the project focused on some areas of recommendations. Following is the summary of the project contribution to the implementation of the specific EITI requirements.

**Table 25 Project Contribution to Implementation of EITI Requirements**

EITI requirements (Primary focused areas)	On-site session / workshop	Hands-on training / support	Online session / meeting	Educational materials
License allocations (#2.2)	○	○	○	Prepared for each session or meeting.
License register (#2.3)	○	○	○	
Production data (#3.2)	○	○	○	

<ul style="list-style-type: none"> <li>The project provided guidance on the above EITI requirements through the EITI Unit in DPE during the workshops and meetings, so that the roles of DPE in implementing EITI were clarified among the relevant officers.</li> <li>The project supported the Unit to coordinate and compile the information scattered within DPE, and to fill in the EITI reporting template to submit, so that the submission status and the response to IA / NS were improved.</li> <li>The project also assisted the relevant officers in DPE to equip with PCs and NAS with trainings on the skills for the data management related to EITI reporting, and to clarify the operating procedure .</li> </ul>				
EITI requirements (Primary focused areas)	On-site session / workshop	Hands-on training / support	Online session / meeting	Educational materials
Comprehensiveness (#4.1)	○	○	○	Prepared for each session or meeting.
Data quality (#4.9)	○	○	○	
<ul style="list-style-type: none"> <li>The project provided the guidance and explanation on the above EITI requirements through the workshops / seminars, so that the NS staff and the officers in reporting entities enhanced the understanding on the requirements.</li> <li>The project provided the hands-on training for the reporting entities to fill in the template to ensure that the required information was reported with authorization, so that the submission status and the responses of these entities were improved.</li> <li>The project facilitated the consultation and discussion among the target reporting entity, IA, NS or relevant stakeholders, so that the discrepancies of reported figures were decreased and the presentation on the Report was improved.</li> </ul>				
EITI requirements (additionally covered areas)	On-site session / workshop	Hands-on training / support	Online session / meeting	Educational materials
Gender balance (#1.5)	–	–	○	Developed focusing on the issues of GBV and WEP in the extractive sector.
Information disaggregated by gender (#6.3)	–	–	○	
Gender consideration (#7.1)	–	–	○	
Gender consideration (#7.4)	–	○	○	
<ul style="list-style-type: none"> <li>During the awareness promotion activities, the project provided guidance on the changes in EITI Standard related to the gender requirements through the online workshops and the advice to NS on the information disclosure following the new requirements on the Report, so that the NS staff enhanced their understanding on the requirements and that the Report incorporated the information to comply with the requirements.</li> <li>The project disseminated the information relating to gender to the public through social media as a part of awareness promotion, so that the PNGEITI could demonstrate the efforts to improve GESI in the extractive industries.</li> </ul>				

Source: JICA Expert Team

According to the preliminary assessment jointly reviewed with NS and the experts, before the self-assessment to be conducted by the Validation TWG meeting, which was deferred to March 2022 in advance of the second Validation, the implementation status was improved from 2018 (for 2016 Report) to 2021 (for 2018 or 2019 Report). Following are the summary of the improvements with the project observed for the EITI requirements.

**Table 26 Assessment of Implementation Status of EITI Requirement**

EITI Requirement	2018 Validation result	Recommendation of Validation	Improvements with the project
#2.2 License allocations	Inadequate	Specific licenses awarded in 2016 were not provided in the report for oil and gas. The report only describes the general process for awarding and transferring licenses and does not include the technical and financial criteria used.	DPE launched its official website and disclosed the general licensing process on DPE's website. Most of the required information has been disclosed on the website except a few items such as license dates.
#2.3 License register	Meaningful	There are significant shortcomings in the public availability and comprehensiveness of the information on oil and gas licenses. For example, information on application dates, award or expiry, coordinates, and commodities covered by oil and gas licenses were not provided.	DPE disclosed the tenement map of oil & gas on DPE's website. The project confirmed that the database had been developed to maintain the license register and provided support on infrastructure and capacity development of application software. In the future, DPE needs to upgrade its data management for regular and systematic disclosure.
#3.2 Production data	Inadequate	The 2016 EITI Report does not provide the production values for minerals and oil and gas. The significant discrepancies in the reconciliation of production figures and the incomplete reporting by the government are also a concern, given that data are based on companies' self-reporting.	Production data of volume and value is reported in the 2018 report. The project confirmed that DPE had established the mechanism to record and report the production data with a consistent unit of measurement and provided support on infrastructure and capacity development of application software. In the future, DPE needs to upgrade its data management for regular and systematic disclosure.
#4.1 Comprehensiveness	Inadequate	The report does not assess the materiality of non-reporting companies' payments to the government. The high value of unreconciled discrepancies is a concern, particularly given stakeholders' lack of confidence in the explanations provided for discrepancies. There is also no evidence of full unilateral disclosure of government revenues.	The submission status of the template from the entities was improved to ensure the coverage of the Report, and description and explanation of comprehensiveness were improved in the 2018 Report. The project assisted DPE in identifying the material revenue data from spreadsheet files and submitting it. In the future, the revenue database of DPE should be developed to provide more accurate and comprehensive data.
#4.9 Data quality	Inadequate	The report does not provide a clear statement on the comprehensiveness and reliability of financial data, coverage of reconciliation, nor the materiality of payments from reporting entities that did not provide required quality assurances.	Description of the reconciliation coverage and the materiality was improved in the 2018 Report. In addition, variances in reported figures were decreased in the 2018 Report from the previous Report due to reconciliation.

Source: JICA Expert Team

Although the improvement was observed, it is necessary for each reporting entity to actively participate in the implementation by involving the management level in order to improve the submission status and the quality of information.

## 2.4 History of PDM Modification

The original PDM of the project was prescribed in the Record of Discussion signed on 11th November 2017. PDM was revised three times during the project period, as shown below.

**Table 27 PDM revision**

PDM Version	Date of signing M/M or R/D	Remarks	Ref.
0	2017/11/30	-	Annex 3-1
1	2019/7/24	Modification based on the Baseline Survey	Annex 3-2
2	2020/12/11	Extension of the Project Period	Annex 3-3
3	2021/11/19	Extension of the Project Period	Annex 3-4

Source: JICA Expert Team

### 2.4.1 First Revision Based on the Baseline Survey

At the 2nd JCC meeting on 5th March 2019, it was agreed between JICA and DOT sides that PDM should be revised based on the suggestions from the baseline survey result by modifying the activities and setting the targets of the indicators. Following is the summary of major changes in PDM.

- Added the activities of Output 1 for establishing a focal point to activate the communication channels of DPE, improving internal data management and information disclosure process with the procurement of information equipment if necessary.
- Added the activities of Output 2 for developing the capacity of MSG members, reporting entities, and NS by implementing the educational sessions, hands-on training, and consultations.
- Added the activities of Output 3 for reviewing/revising the communication strategy and developing the promotion materials and contents.
- Modified the indicators of the project and set the targets for respective indicators.

After that, the Minutes of the Meeting (M/M) was signed on 26th July 2019 to revise PDM.

The details of the changes made in PDM are shown in Annex 3-5-1.

### 2.4.2 Second Revision to Extend the Project Period

At the 4th JCC meeting on 6th October 2020, the discussion was made on the extension plan of the project. The participants agreed to extend the project period to continue the activity. The M/M was signed on 11th December 2020 to revise PDM and PO to extend the project's duration for one year and change the project period to December 2021 instead of December 2020. This revision was made to respond to the delays in

on-site support, hand-on training, or procurement of equipment for DPE due to the international and domestic travel restrictions caused by COVID-19. The equipment to improve IT infrastructure at DPE from the Japanese side was itemized and specified in the PDM.

The details of the changes made in PDM are shown in Annex 3-5-2.

### **2.4.3 Third Revision to Extend the Project Period**

At the 5th JCC meeting on 5th November 2021, the participants discussed an extension to pursue the feasibility for the experts to travel to PNG and agreed to extend the project period for two months until February 2022. Due to the travel restrictions caused by the continuing spread of COVID-19, the experts had not travelled to PNG since March 2020. Besides the remote activities and communication, there was a need for the expert to implement the activities in PNG, for example, hands-on training for DPE data management; on-site visits of the reporting entities with NS for improving the stakeholder engagement and supporting the preparation for the Validation; on-site support for EITI communication activities with NS involving CSOs; and dialogue with NS to handover the ownership of the project outputs and deliverables.

The M/M was signed on 19th November 2021 to revise PDM and PO to extend the project's duration for two months and change the project period to February 2022 instead of December 2021.

The details of the changes made in PDM are shown in Annex 3-5-3.

### 3 Results of Joint Review

#### 3.1 Results of Review Based on DAC Evaluation Criteria

Following is the summary of the results of the review of the project based on the Development Assistance Committee (DAC) Evaluation Criteria at the end of the project.

**Table 28 Result of the Joint Evaluation**

DAC Evaluation Criteria	As of February 2022
Relevance	<i>High</i>
Coherence	<i>High</i>
Effectiveness	<i>Relatively high</i>
Efficiency	<i>Relatively low</i>
Impact	<i>Expected to be achieved</i>
Sustainability	<i>Fair</i>

Source: JICA Expert Team

##### 3.1.1 Relevance

The project was relevant to the development policy and needs of PNG, as it has consistently promoted transparency, sound financial management and accountability in the extractive sector, which plays a critical role in the revenue growth of GoPNG and the economic growth of PNG from the time of planning.

Therefore, the relevance of the project is *high*.

##### 3.1.1.1 Relevance to the National and Sector Development Policy

###### (1) Papua New Guinea Vision 2050

The Vision 2050 declares, “We will be a Smart, Wise, Fair, Healthy and Happy Society by 2050” as Vision, which clearly states that “Being wise means that our people, our institutions and our systems will practise and uphold transparency, accountability and good governance.” The Project Purpose “Resource related revenue management and reporting in accordance with EITI Standard is promoted” harmonized well with this statement because the EITI Standard sets the global standard for transparency and accountability in the extractive industries.

The vision also stipulates, “Human Capital Development, Gender, Youth and People Empowerment,” “Wealth Creation,” and “Environmental Sustainability and Climate Change” among Seven Strategic Focus Areas, each of which states respectively “Greater participation of women must be encouraged at all levels of society,” “Our terrestrial and marine resources must be processed onshore so that we extract 100 per cent of our resources’ economic value,” and “Papua New Guinea’s natural resources and environment must be conserved and used for the benefit of all.” Being more compliant with the EITI Standard in accordance with the Project Purpose was expected to lead to more credible achievements of these strategies.

###### (2) MTDP2 (2016-2017)

The goals of the MTDP2 were set as “managing a socio-economically beneficial and environmentally

sensitive world-class mineral extraction industry” for the minerals sector and “maximize socio-economic and environmental benefits from the petroleum and gas industry” for the petroleum and gas sector. The EITI Standard highlights “social and economic spending” as Requirement 6 to promote the desirable social and economic impacts and outcomes of the extractive sector. Therefore, the Project Purpose was fully relevant to MTDP2.

Also, MTDP2 placed EITI as one of the international best practices. Sovereign Wealth Fund of PNG, which was established to manage the LNG and mineral sector revenue, was designed in harmony with EITI. It means that more familiarity with the EITI Standard could improve fund management by leveraging the outcomes from the project.

**(3) MTDP3 (2018-2022)**

MTDP3, published in September 2018, has the overall goal “Secure Our Future through Inclusive Sustainable Economic Growth” and eight Key Result Areas (KRAs), each of which has strategies GoPNG will undertake. The strategies in MTDP3 relevant to the project are detailed in the table below.

**Table 29 Strategies in MTDP3 Relevant to the Project**

KRA		Strategy
#1	Increased Revenue and Wealth Creation	➤ Improve efficiency and strengthen compliance in revenue collection across all state agencies and levels of government.
#3	Sustainable Social Development	➤ Economic growth to be translated into inclusive social development for all.
#6	Improved Governance	➤ Strengthen and enforce monitoring and evaluation, accountability, and transparency initiatives.
#7	Responsible Sustainable Development	➤ Improve monitoring and reporting of environmental issues and behavioral trends.

Source: Prepared by JICA Expert Team based on MTDP3

**3.1.1.2 Relevance to the Development Needs**

**(1) National Executive Council (NEC) Directions**

NEC Decision 90/2013 states that the “Council approved that PNG will sign up to EITI implementation process” in order to promote revenue transparency and accountability in the country’s mining and petroleum sectors. PNGEITI issued their first EITI report for the financial year of 2013 in 2016, where recommendations were pointed out in different areas to improve transparency and accountability. In response to the first report recommendations, the NEC directs the relevant Ministers and government agencies through Decision 91/2017 to implement the recommendations. Afterwards, PNGEITI underwent the first Validation in 2018, which evaluated PNGEITI as “Meaningful Progress” and identified recommendations and corrective actions. Since these NEC Decisions, there have been needs for PNGEITI to address the recommendations from the Validation result and the EITI reports, including the ones issued annually after 2016, in order to achieve the status of “Satisfactory Progress” by meeting the EITI requirements.



### **3.1.1.3 Appropriateness of the Project Plan and Approach**

#### **(1) Capacity Development of Reporting Entities**

The project's approach was focused on the capacity development of the NS staff and the practitioners of EITI reporting entities in the government. The capacity development of the NS staff enhanced their responsibility to coordinate MSG and support the reporting entities in the implementation of EITI in the country. The capacity development for the practitioners of EITI reporting contributed to appropriate data management and reporting practice. The improvement in practice was expected to advance transparency and accountability through better quality of the EITI report.

### **3.1.2 Coherence**

The project was consistent with Japan's assistance policy for PNG. The project was implemented by coordinating with projects funded by other donors, aiming at meeting the EITI standard for the good governance of the revenue from the extractive sector.

Therefore, the coherence of the project is *high*.

#### **3.1.2.1 Consistency with Japan's Assistance Policy for PNG**

One of the priority areas of Japan's Official Development Assistance (ODA) policy for PNG is "strengthening of the foundation of economic growth" to support the improvement of the investment environment and trade promotion in PNG. In this regard, the project contributed to the extractive sector by enhancing the governance and transparency in the government institutions, with paying attention to fair redistribution of national wealth to all PNG nationals by utilizing the growth of the government revenue from the natural resources. Supporting the implementation of EITI was expected to help PNG promote fair markets and attract investment by improving governance and reducing corruption in the extractive sector.

Therefore, the project is consistent with Japan's assistance policy.

#### **3.1.2.2 Consistency with the International Initiative**

EITI is a global initiative that ensures greater transparency and accountability for payment and revenue through the government in resource-rich countries. In each of the implementing countries, EITI is implemented by a coalition of government, companies, and civil society to improve the management of the oil, gas, and mineral sectors. EITI informs public debate about how the country could better manage its resources. More than 50 countries, including PNG, are implementing EITI, and more countries are publishing EITI-related data such as beneficial ownership and sub-national payments. Implementation of EITI contributes to increased coverage of the resource-related revenue by the EITI reports worldwide and makes transparency and accountability the global norm for the extractive sector.

The Project Purpose was highly consistent with the international initiative in this context.

### **3.1.2.3 Synergies Between the Development Partners' Technical Assistances**

PNGEITI increased partnership with development partners in implementing EITI. Under the coordination of the activities of technical assistance by NS, the project harmonized with other development partners' activities in line with the work plan of PNGEITI. The World Bank was one of the main development partners, which provided technical assistance covering EITI-related areas/stakeholders such as electronic reporting platform, CSO capacity development; education mainstreaming; and subnational level outreach program. While no overlapping activities were observed, the project exchanged information on progress statuses with other development partners mainly through dialogues with NS and presentations in the MSG meetings to efficiently achieve satisfactory performances.

### **3.1.3 Effectiveness**

As described in 2.3 "Achievements of the Project", the project purpose has been almost achieved by the project completion. However, there is room for improvement in terms of further utilisation of materials developed and feedback collection.

Therefore, the effectiveness of the project is assessed as *relatively high*.

#### **3.1.3.1 Achievement of the Project Purpose**

The project developed the capacity of DPE staff and the NS staff by implementing the activities for supporting the reporting process and the awareness promotion. The members of DPE EITI Unit obtained the skills to analyze and improve their practices through the clarification of standard operating procedures so that they can respond to any changes in the legislation or processes. The NS staff enhanced the stakeholder engagement with the hands-on support to the reporting entities so that they can replicate the support to deal with any changes in requirements or new reporting entities. The working relationship with the stakeholder was enhanced by establishing the Communications TWG for implementation so that the know-how on the communication activities can be accumulated among the NS staff and the members of TWG. Awareness of EITI has been raised through the project activities by NS and DPE among the public with increasing accesses to the EITI related information and the reporting entities with improving the EITI reporting practices.

Therefore, it could be said that the project outputs contributed to improved EITI implementation underpinned by enhancing the engagement of MSG and reporting entities and by improving the reporting status through the EITI template.

In order to achieve the Project Purpose and the Outputs more effectively, NS and MSG should utilize the materials developed in the project for engaging stakeholders continuously. NS and MSG need to review and maintain the Communications Strategy and developed materials by obtaining feedback from audiences

and users to update the contents and adopt the emerging requirements and needs.

Because of COVID-19, the project was forced to shift the modality of the activities from on-site contacts to online. Such remote communication is likely to be useful even after the Coronavirus situation settles down. There may be a need to consider incorporating such a modality for implementing the awareness promotion and training activities of PNGEITI.

### **3.1.3.2 Important Assumptions**

Following are the important assumptions that may affect the project performance stated in PDM.

- No significant or frequent change in personnel due to the organizational restructuring or change in regulation.
- Government agencies are not severely understaffed.
- The legal framework does not constrain the reporting practices for EITI reports.

The important assumptions were met since most counterpart personnel continued to work with the experts. However, there were some changes in personnel, including executives and officers in charge of EITI reporting in NS, DPE and other reporting entities where the on-site support was conducted in the project. The changes partially affected the project by requiring additional follow-up contacts in order to regain the continued commitment and participation of the officers of such entities.

### **3.1.4 Efficiency**

Generally, the project's inputs have been duly allocated and used to produce the outputs. The COVID-19 pandemic, however, delayed the project activities for months so that both cost and period came to exceed the project plan.

Therefore, the efficiency of the project is *relatively low*.

#### **3.1.4.1 Project Period**

The project period exceeded the plan: 36 months had been planned whereas 50 months actual (39 per cent over the plan) in order to respond to the adverse effect caused by the pandemic of COVID-19 in both PNG and Japan. Particularly, the overseas travel restrictions made it difficult for the project to conduct the on-site supports or hands-on training and therefore caused the delay in procurement of equipment for DPE.

#### **3.1.4.2 Project Cost**

The Japanese side project cost exceeded the plan according to the extension of the project period in response to the disruption caused by COVID-19, which was unpredictable at the time of planning. However, the local cost incurred was within the estimated budget according to the decrease in the volume of activities on-site at PNG.

### **3.1.4.3 Timing and Frequency of Activities**

The procurement and installment of three laptop PCs and on NAS was postponed due to the interruption of the experts' work in PNG caused by the travel restrictions and the lockdown in Port Moresby. The delay in procurement caused further delay in providing the training on the application/software using the equipment. Moreover, in order to avoid the risk of spreading COVID-19, the project was compelled to have meetings or workshops limiting the participants. Accordingly, the number of meetings or workshops was unexpectedly increased, which brought about significant inefficiency in the project.

### **3.1.5 Impact**

The impact of the project could not be assessed at this moment. However, as explained in "4.1 Prospects to Achieve Overall Goal", the prospect of achieving the Overall Goal could be assessed as high. Moreover, based on the following observation of positive effects, the project's impact is *expected to be achieved*.

#### **3.1.5.1 Prospect of Achieving the Overall goal**

The prospect of achieving the Overall Goal could be assessed as high. The second Validation has not been conducted within the project period, and it is difficult to specify the requirements to demonstrate the achievement of the overall goal. However, the project materials will improve the implementation of EITI by continuously being utilized for rolling out the improved practices by addressing the recommendations and adopting the new requirements.

The important assumption will be met to achieve the Overall Goal since the commitment of GoPNG to comply with EITI was supported by the NEC Decision (Decision 80/2019) for the establishment of the PNGEIT Commission.

#### **3.1.5.2 Other Positive Impacts**

According to the self-assessment by NS with the project, there are positive impacts on implementing EITI.

##### **(1) Promoted Collaboration with Stakeholders Such as CSOs**

The EITI Standard was revised during the project period, and the new requirements were set. The project assisted NS and MSG to adopt the requirements by guiding reporting entities. The project developed the materials for the guidance with NS. Particularly for the gender requirements, the project held an online workshop, conducted a photo campaign through social media, and developed educational materials to provide guidance. Through these activities, the stakeholders from GoPNG, industries and CSOs increased their participation. In addition, TOR of Communication TWG was developed in line with the revision of communications strategy to enhance collaboration with stakeholders for awareness promotion.

##### **(2) Gender Equality and Social Inclusion**

The new EITI Standard includes non-financial reporting requirements such as environmental and gender

issues. The project guided MSG on the new requirements of gender. It also conducted a workshop with NS to share the current situation in the industry and discuss the way forward with MSG and other stakeholders, including CSOs for women's empowerment. Furthermore, the project developed and distributed educational materials to create awareness of the requirements of gender following the suggestions obtained during the workshop and the meetings with the GESI desk officers in GoPNG. The project contributed to promoting the GESI policy of GoPNG in the public services and meeting the new requirement of the EITI standard.

### **3.1.6 Sustainability**

The project contributed to implementing EITI in light of the positive effects in enhancing the framework and status of EITI implementation. However, some challenges are observed in terms of organizational and financial aspects.

Therefore, the sustainability of the project effects is *fair*.

#### **3.1.6.1 Policy and Institutional Aspects**

NEC supports the implementation of EITI. According to the NEC Decision 91/2017, the relevant Ministers were directed to implement the recommendations of the EITI report. In addition, the NEC Decision 80/2019 noted the commencement of the process into developing legislation to establish a statutory commission as an independent administrative body. Following that decision, the PNGEITI Commission Bill, which stipulates the EITI Commission's establishment and provides the commission's legal authority to collect the EITI related information, is under the legislative process, and consultation workshops have been carried out all over the country. The commission's establishment is expected to enhance the implementation of EITI in the country.

#### **3.1.6.2 Organizational Aspects**

##### **(1) Office of NS**

NS under the DOT takes the initiative to coordinate the activities among stakeholders following MSG's direction. However, the number of NS staff may not be sufficient to fully meet the increasing demands and expectations from MSG and the stakeholders. Therefore, NS should retain the staff to operationalize the function sufficiently.

NS is expected to enhance its establishment by becoming an independent body from DOT as the commission mentioned above (3.1.6.1) under the Commission Bill. However, it is uncertain when such an organizational change can take place at this moment.

##### **(2) Reporting Entities Including DPE**

It can be said that, through the training and workshops conducted during the project, the management

involvement was improved in the government reporting entities and that the officers in charge of EITI reporting acquired an understanding of the reporting template in general.

With respect to DPE, the EITI Unit was established and had coordinated the activities within DPE and with MSG and the stakeholders for EITI reporting. The Unit members were officially appointed and notified by the Secretary. The Unit is recognized as a focal point by the management of DPE and MSG. On the other hand, it has been challenging for DPE to improve and secure the working environment to continue the project activities and retain the staff.

In this connection, the DPE office was relocated in October 2021, and all DPE departments except Energy Division were accommodated in the new building. The set-up of the LAN and the Internet connection is in progress at the time of reporting. However, the internal and external communication of DPE has been improved after the relocation.

### **3.1.6.3 Technical Aspects**

#### **(1) Office of NS**

NS staff have know-how and skills for planning and conducting the training or workshops and collecting feedback. NS staff can maintain and disseminate the materials developed with the project and utilize the online tools to provide training or conduct workshops.

#### **(2) DPE**

The reporting and information disclosure practices for EITI with the developed operating procedure at DPE is expected to become part of its regular operation. The officers in charge of data management acquired the knowledge and skills to maintain the relevant data required for EITI reporting. DPE has an IT officer who is competent to maintain the procured equipment and support the officers using the equipment.

#### **(3) Reporting entities**

The project approach can be applied to other entities and subnational governments in line with the revised communication strategy. Raising awareness among the officers and establishing focal points in the target entities, which went successful for DPE in the project, can be replicated to other entities.

### **3.1.6.4 Financial Aspects**

#### **(1) Office of NS**

DOT allocates the budget for NS and implementation of EITI in the country every year and is expected to provide finance for NS and activities for implementing EITI. MSG member companies also provide some financial supports to EITI activities. According to the Work Plan and the Annual Progress Report of PNGEITI for the year of 2020, GoPNG (DOT) provided the fund almost as budgeted. NS prepares the activity plan with the budget in the Work Plan by considering the potential opportunity of support from international donors and the development partners as s funding sources without estimating the amount

since it is difficult to estimate the amounts as some activities have been in the process of consultation. Therefore, there is a need for PNGEITI to seek the fund to implement the planned activities fully.

## **(2) DPE**

Cost is not considered a foreseeable risk for DPE to practice the EITI reporting and maintain the equipment, except for the cost incurred by the office relocation or the organizational change associated with the legislative reform. However, in order for the EITI Unit members to maintain the commitment to the implementation of EITI related activities, DPE needs to support the Unit with funds and logistics to fully function the Unit. So far, the members of the Unit have managed to carry out the activities with no budget allocation. Therefore, DPE needs to institutionalize the Unit and its activities by internally arranging or allocating the resources.

## **3.2 Key Factors Affecting Implementation and Outcomes**

### **(1) Challenges Caused by the Outbreak of COVID-19**

The project has been affected by the outbreak of COVID-19 since March 2020. Due to the restriction on overseas travel and assemblies and events in the country from March 2020, the project activities were substantially suspended for several months. Particularly, the activities such as hands-on training and on-site supports to NS and DPE EITI Unit and the procurement of equipment for DPE were unavoidably delayed.

Despite the restrictions on overseas travel, the experts continued their work remotely and implemented the project activities. Additionally, a local consultant was hired to provide on-site support in July 2021.

### **(2) DPE Office Environment**

The experts were required to take the strengthened safety measures when visiting the Konedobu office of DPE after the temporary close due to landowners' rampage in November 2018. DPE had a plan to relocate their offices, but the office has not been relocated for a long time. Therefore, the experts sometimes could not contact the staff due to the temporary arrangement of DPE offices. The unstable office condition harmed timely contacts between the experts and DPE staff and the daily operation of DPE, which partly affected the project performance.

### **(3) Changes in Personnel and Commitment of the Reporting Entities**

There were changes in all management positions of DPE during the project period. The experts approached new management via the EITI Unit to have dialogues to understand PNGEITI and further cooperation with the project. Nevertheless, such occasions were lacking during the project for all new management to ensure good awareness and support of PNGEITI and the project.

There were changes in the personnel of the reporting entities as well, where the experts conducted on-the-job training (OJT). The experts assisted the officers in charge of EITI reporting through the OJT for the

2019 report and improved the submission status of reporting template. However, in cases of reporting entities not fully familiarized with PNGEITI activities, when a key officer in charge of the reporting was transferred outside, the successor was prone to fail to submit the reporting template on time, mainly due to unnecessary time for management authorization to submit. Whenever the transfer took place, the experts were required to spend extra time to make an additional explanation to the successor.

On the other hand, some entities were supportive of the project showing their commitment to the activities. In terms of the capacity development of DPE, some stakeholders were favourably involved in discussing information disclosure issues. MRA participated in the meetings to demonstrate their cadastre portal sites and suggest measures for information disclosure of license register information. DOF and BPNG joined the meetings to discuss the Trust Accounts issues and agreed to share the information of the Trust Accounts with DPE. The cooperation from these entities facilitated the discussion within DPE and promoted the project activities and implementation of EITI by DPE.

#### **(4) The EITI Standard 2019**

The EITI Standard 2019 was launched in June 2019 to emphasize systematic disclosure and add new requirements on contract transparency, environment, and gender. PNGEITI needed to consider adopting the EITI Standard 2019 for the 2019 Report and onwards. The experts provided a brief educational session on gender which is one of the new requirements through online training of the reporting template to the participants. The project retained flexibility in developing and delivering the training materials so that the educational session was affirmatively recognized as effective and timely for MSG members by NS.

EITI International Secretariat provides the information on the changes and inform the updates through the website and so on. The project assisted in increasing awareness among the relevant officers on that information by providing guidance with the educational materials prepared based on the understanding of local contexts such as PFM issues, the government reporting systems or governance structures, the capacity of provincial and local level governments, and characteristics of remote place and environment.

#### **(5) Expected Changes in Legislations**

Following endorsement by the Minister for Treasury in February 2019 and approval at NEC in April 2019, establishing a Statutory Commission as an independent administrative body is in progress to manage and sustain EITI implementation in PNG. NS conducted a series of consultation workshops in 2021. Although NS staff were occupied for the consultation workshops during that period, the progress of the public consultation in the legislative process improved the awareness and understanding of PNGEITI in public over the country.

### **3.3 Evaluation on the Results of the Project Risk Management**

#### **(1) Extension of the Project Period**



In response to the difficult situation with COVID-19, the extension of the project period was proposed for capacity development and production of outputs. The one-year extension was generally agreed upon in the fourth JCC meeting held in October 2020 and was concluded by the PNG and JICA sides in December 2020.

Moreover, the dispatch of the experts was deferred during the extended period. At the 5th JCC meeting held in November 2021, a further extension was proposed and agreed to seek the opportunity for the experts to travel to PNG to implement the on-site support or hands-on training activities. The M/M was signed by both PNG and JICA sides to extend the project period for two months until February 2022.

## **(2) Changing the Modality of Activities**

Under the restrictions on international travel and social gatherings in the country, the project was required to change the modality from physical delivery to online to implement the project activities as necessary. The online tools were utilized for communication, official meetings, training and awareness promotion activities. Although there was occasional unfamiliarity in technical aspects or unstable internet connections, hybrid sessions of physical and online modes were well accepted by MSG and NS.

## **(3) Utilizing Social Media**

By changing the modality to online, the project leveraged social media to disseminate timely information, particularly for awareness promotion and branding. The information posted on social media was also utilized as the educational materials for the online/hybrid sessions. Social media are also used for feedback collection.

## **3.4 Lessons Learnt**

### **3.4.1 Keys to Support EITI-related Works**

#### **(1) Understanding and Communicating the Social and Economic Impacts**

EITI is a global standard for the good governance of oil, gas and mineral resources. It promotes transparency and accountability of resource related revenue from the extractive sector, thereby raising the public interest in the governance and the management of the resource related revenue. On the other hand, implementing EITI requires improvement or reform in various areas such as legal framework, PFM, social and environmental responsibilities, and its impact is not limited to the extractive sector. The increased public interest will extend to a wide range of social and economic issues of the country. Therefore, implementation of EITI has significance for the stakeholders to build the public trust by demonstrating the progress and promoting the awareness of it.

The introduction and progress of the project were shared at the time of MSG meetings and usually focused on the detailed activity or task level. The same was applied to the visits to the reporting entities, although the awareness promotion activities communicated the overall picture, such as impacts and meaningfulness

of EITI implementation. It should be noted that sharing the progress by emphasizing the impact of the project or the significance to the social and economic development more strongly at the MSG level so that the awareness would be more increased among the managements and the coordination might be easier among the activities and the stakeholders.

## **(2) Identifying and Coordinating the Scope**

In implementing EITI, it is necessary to address the cross-cutting issues in various areas, levels of the governments and societies, and types of the stakeholders. When assisting the implementation of EITI, the scope of an activity might be changed or expanded according to the increasing demand or arising need to be identified during the activities. Therefore, it is important to identify and manage the scope by analyzing the process to bring the impacts based on the understanding on the overall picture in order to avoid too much scope expansion. It is also important to coordinate the activities to ensure the alignment of the views of the stakeholders involved who might be tasked multiple roles at the activity level.

In the project, the awareness promotion was planned by collaborating with the stakeholders such as DPE to conduct the outreach jointly with the development forum of DPE. However, that made it difficult to coordinate the activity and accommodate respective objectives on the same occasion, although the target group was almost overlapped. Therefore, the project decided to plan the outreach separately with starting from the scoping study to develop the stakeholders' understandings on the basics of EITI / PNGEITI. The project discussed with DPE and the stakeholders about the resource related revenues through the trust account. It covered a wide range of PFM issues, including the recording and reporting of revenue, usage of IFMS, auditing, and budgeting in general. However, the project focused on the reporting of EITI information and stuck on the reporting template to keep consistency in measures for improving the completeness of the Reports.

In this connection, it can be said that NS coordinates well the activities carried out by various consultants and deals with the stakeholders' expectations by responding realistically with keeping the long-term views.

### **3.4.2 Implementation of the Activities**

#### **(1) Flexibility of the Modality**

The experts applied a variety of modalities for the onsite training and workshop to attract the trainees, such as video clips, interactive methodology, simulation games, and group work. The onsite training was evaluated as effective by the participants. However, after the COVID-19 outbreak, most project activities were switched online, and the experts flexibly introduced modalities suitable for online training. As a result, the online sessions and digital training materials were affirmatively recognized as effective without severe additional workloads, except for some technical problems with Internet connections and usage of video teleconference software.

Despite the shift to online, the project also developed paper-based educational materials by incorporating the feedback from the practitioners of outreach activities, mainly from CSOs. The materials will be used

by facilitators whom the project or NS trained. The instruction for the facilitators was added to the materials. The flexibility of the modality is important for the preparation and delivery of training and workshop in case of unexpected events or various target groups.

## **(2) Timeliness and Up-to-date Contents**

The 2019 EITI Standard was launched during the project. Some new requirements were added, and the introduction of gender issues is one of the most significant changes in the 2019 EITI Standard. In response, the project provided a lecture featuring the gender issue to raise awareness of MSG members. According to the feedback, gender-focused outcomes were augmented, such as building a relationship with CIMC to develop the educational material and sharing awareness-raising posts on social media. The project developed the posts for sharing the highlights of the EITI Report, including the contents corresponding to the new requirements. These posts increased social media engagements.

In addition, the project developed a set of educational videos in July 2020 in response to the COVID-19 outbreak. It was titled “Transparency is King” to affirm the importance of transparency even in the global hardship, based on arguments published online by EITI International Secretariat. The video clips were released in September 2020 before the rapid increase of COVID-19 positive cases in PNG to increase the motivation to implement the reporting process.

In developing the materials, it is important to maintain the timeliness and incorporation of up-to-date information to attract the target group and motivate the practitioners.

## **(3) Advantages of On-site Opportunities**

After the experts resumed their work in PNG in 2022, the on-site activities were carried out efficiently and intensively in a short period. The activities included individual training and consultation for DPE officers, micro training sessions to the reporting entities, distribution of the training materials, and the Communications TWG meetings to discuss the awareness promotion.

A lot of online activities were broadly applied after the COVID-19 outbreak. It is true that online support is convenient and cost-saving. However, some on-site opportunities cannot be substituted by online activities entirely and securing on-site opportunities when necessary was proved to constitute an essence to maximize the effects of implemented activities.

## 4 For the Achievement of Overall Goals after the Project Completion

### 4.1 Prospects to Achieve Overall Goal

The prospect of achieving the Overall Goal could be assessed as high.

**Table 30 Indicators of Overall Goal**

Overall Goal		Status
Resource related revenue management in PNG is further improved.		In progress
	Indicator	Result
Indicator	Result of the assessment card is further improved. (At least 3 of requirements upgraded the status after the project.)	In progress
Means of Verification	Validation result by EITI International Secretariat, Self-assessment result	-

Source: JICA Expert Team

#### Indicator:

The second Validation has not been conducted within the project period, and it is difficult to specify the requirements to demonstrate the achievement of the Overall Goal. It must be noted that there are some challenges for PNGEITI to adopt new requirements of the EITI Standard 2019 and address the remaining recommendations of Validations to meet the requirements.

The requirements that PNGEITI needs to take measures to improve the status may include, for example, Contracts (#2.4), Beneficial Ownership (BO) (#2.5), SOEs (#2.6, #4.5, #6.2), Subnational payments / transfers (#4.6, #5.2), Data Quality (#4.9), Gender (#1.4, #6.3, #7.1, #7.4), or Environmental reporting (#6.1, #6.4, #7.4).

There are some recommendations still outstanding since PNGEITI's first 2013 Report, which includes the subnational reporting, SOEs reporting and quality assurance as high priority areas. The subnational reporting is the challenge for PNGEITI. The communities, landowners or subnational governments in the impacted areas benefit from the extractive industries, directly or indirectly from the companies, in various ways, based on the memoranda of understanding on a case-by-case basis. It is difficult for PNGEITI to collect the information, and thus the Reports lacks transparency in this area. The SOEs reporting is another area of challenge. SOEs play a key role in managing and distributing the resource related revenue and the funds they manage are significant to the country. Although the project assisted some SOEs and improved their engagements to the EITI reporting, there are still some areas for improvement in reporting of #6.1 Social and environmental expenditures, #6.2 Quasi-fiscal expenditures as well as Subnational payments/transfers (#4.6 and #5.2). Therefore, the transparency and accountability by SOEs are critical to the comprehensiveness of the Reports. Further, the reporting entities, particularly the government entities, could not provide the audited financial statements to IA for the reporting period. The audit reports of the government entities, including provincial and local level governments, are not yet available to the public, which results in the impairment of the data quality of the Reports.

NS conducted the scoping studies on the subnational payments (and published the report in April 2019),

BO (and published the report in December 2020), SOEs (and published the report in May 2021) and the contract transparency. It is high time PNGEITI implement the recommendations from these studies to meet the requirements. In particular, the subnational reporting is one of the focused areas that NS is considering replicating the approach same as the project by establishing the focal point at the entity and by supporting the reporting practices, in line with the Media & Communications Strategy developed with the project. In other areas such as BO and SOEs, NS is considering engaging the key stakeholders more actively, including DPE and MRA as regulators of the industries and SOEs as practitioners of the disclosures, by enhancing the support for the entities and the working relationship with them. Different styles of awareness promotion materials developed with the project can be modeled by NS for further development of the communication tools to approach different types of audiences.

In this regard, the project materials and outputs will improve the implementation of EITI by continuously being utilized for rolling out the improved practices and addressing the recommendations adopting the new requirements. In addition, implementing the communications strategy developed in the project will also contribute to implementing EITI by addressing the cross-cutting issues. Therefore, the potential areas where the project outputs can contribute covers various are extensive.

## **4.2 Plan of Operation and Implementation Structure of the PNG Side to Achieve Overall Goal**

The followings are the proposed actions for each Output after the project.

### **(1) Output 1: Improving the Data Management and Disclosure by DPE**

- DPE can contribute to the subnational reporting by enhancing the management of the distribution side of revenue and the stakeholder engagement with subnational governments and landowners.
- DPE can also contribute to the awareness promotion by actively engaging in the SOE's reporting and the beneficial ownership reporting as a regulator of the industry.
- In order for DPE to contribute to the implementation of EITI more actively, DPE needs to fully institutionalize the EITI reporting practice and the function of the EITI Unit immediately. DPE needs to provide the Unit with support to sustain the project outputs and outcomes and allocate more human and financial resources to mobilize the Unit.

### **(2) Output 2: Enhancing the Supporting Mechanism for Reporting Practices**

- NS can enhance the coordinating function for the EITI reporting process through the focal point at each entity. For example, NS may assist the entities in identifying the focal point, such as the EITI desk/unit in the entity and establish the reporting procedures. NS may also enhance the on-site or hands-on supports, in cooperation with IA as necessary, to the reporting entities during the reporting process.

- In order to adopt the emerging requirements and address the specific issues of recommendations from various reports and scoping studies, it is also important for NS to work with the relevant entities. Particularly to address the issues such as subnational reporting or mainstreaming, NS is expected to exert leadership, if necessary, to approach non-MSG members, such as central authorities supervising subnational governments or their activities, or other international donors sponsoring projects for data processing automation.

### **(3) Output 3: Implementing the Revised Communication Strategy in Practice**

- NS needs to work with MSG / Communications TWG, CSOs, and other relevant entities at both national and subnational levels in implementing the strategy. The communication activities can be conducted by working with these stakeholders by activating the Communications TWG.
- The scoping studies recommended that the awareness raising is necessary for the respective areas, such as beneficial ownership and subnational reporting. In order to promote the communication activities by addressing such cross-cutting issues, collaboration and coordination with relevant stakeholders will be necessary to enhance the stakeholders' engagement.
- MSG / Communications TWG shall monitor the status of the implementation of the strategy. The feedback collection through the workshops or social media can be reviewed to maintain the communication tools and revise the strategy as necessary.

### **(4) Common Areas: Utilizing the Advantages of the Project**

PNGEITI needs to take advantage of the project for further improvement in the implementation status of EITI, such as follows.

- **Establishing Focal Point at the Entity**

As demonstrated at DPE, the project established a focal point at the target entity to facilitate its internal and external communication and coordination. The approach is applicable to address some issues of recommendations or requirements with the specific entities. It is also consistent with the communication strategy where the establishment of EITI desks is planned at various levels or locations of the subnational governments and entities.

- **Hands-on Supports to the Reporting Entities**

NS needs to enhance the hand-on support function through the focal points to strengthen stakeholder engagement with the reporting entities. The project provided hands-on supports during reporting process so that the officers in the entities strengthened their practical capacity at an individual level. Particularly to implement the activities related to the beneficial ownership or the SOE reporting, the officers in charge of EITI implementation at the entity may play an important role in gathering and reporting required information in a timely manner. Therefore, the hands-on support to develop the practitioner's capacity will effectively improve the reporting status.

- **Collaboration with Relevant Stakeholders for Communicating EITI**

The project developed the awareness promotion materials by obtaining inputs from CSOs and worked with CSOs to customize the materials to be utilized at subnational and community levels since they have the advantage of carrying out the promotion activity at those levels. The project assisted NS to set up the Communications TWG under MSG to implement the communications strategy so that NS can ensure the commitment of the relevant stakeholders of MSG.

The activities of communicating EITI can address cross-cutting issues such as subnational reporting, beneficial ownership, and SOE reporting. It will be effective for NS to implement the communications strategy with Communication TWG including CSOs and relevant stakeholders, in order to address various issues by enhancing their engagement.

- **Activate the Communications TWG to function**

NS needs to take the initiative to active the Communications TWG to function well. In the TWG meetings, the participants reviewed the performance of the communication activities and prepared the activity plan and the events calendar of communicating PNGEITI for 2022. Once the awareness promotion activities are carried out with the members, the know-how on the implementation of the activities as well as the planning and reviewing of activities will be accumulated among the NS staff and the members of TWG, along with the monitoring and evaluation framework of the strategy.

In order to function this framework, NS needs to ensure the opportunities for the members to participate in the implementation of the activities by sharing the schedule and informing the events more frequently in advance based on the prepared plan and calendar. NS can gather the members at the time of any events, or rather can involve the members to the stage of planning of events or developing of materials with clearly communicating the objectives, targets, timeframe, available resources, and so on.

### **4.3 Recommendations for the PNG side**

#### **(1) Coordination of Activities to Address Cross-cutting Issues**

PNGEITI needs to address various recommendations from the Validation, EITI Reports, and scoping studies and adopt the new EITI requirements. The implementation of the communications strategy also covers various areas to achieve its objectives. Although the issues to be addressed vary depending on the areas of requirements or recommendations, some measures will be taken similarly or the stakeholders to take the measures will sometimes overlap. Therefore, it is important to coordinate the activities for efficient implementation by integrating and streamlining them.

Particularly for the subnational reporting and mainstreaming EITI, PNGEITI needs to involve more stakeholders. The new entities to be involved will need the awareness raising activities followed by the educational session and the capacity development. The approach applied to these entities for introducing

the EITI can be replicated with common materials. Other areas such as SOE reporting and the beneficial ownership reporting may need enhanced stakeholder engagements. The involved entities will be expected to lead the reporting practices as a pivotal point. It will be necessary for NS to coordinate the activities by considering the efficiency when working with the entities given the multiple roles. It will also be necessary for NS to develop the capacity of these entities by standardizing the practices or methodology to implement the activities with maintaining the quality.

## **(2) Capacity Development for the Key Areas**

NS may need to develop the capacity of NS staff to enhance the stakeholder engagement and the supporting function of MSG and reporting entities. According to the EITI Standard 2019, MSG and NS need to fulfil the roles and responsibilities increased with respect to the preparation for Validation. PNGEITI needs to adopt the EITI Standard 2019, which requires expanding the coverage of reporting entities to the subnational levels and reviewing the outcomes and impact of EITI implementation by paying more attention to the social impacts at the community levels. Therefore, it will be important to develop the capacity of NS staff to enable them to facilitate the implementation of EITI as the demand and expectations to NS are increasing.

In addition, NS may need to develop the capacity of the reporting entities to train the practitioners of EITI reporting and to develop the capacity of the key stakeholders to train the coordinators and establish a focal point as EITI desk to promote and support the implementation of EITI. Particularly for improving and maintaining the quality of data and information provided by the reporting entities, the capacity development of the officers in charge of reporting in respective entities as a practitioner will be necessary. The new reporting entities will need to understand the reporting template at the initial stage of implementation of EITI. For enhancing awareness of EITI within the respective entities by involving the management and senior officers continuously, it is necessary to train a focal person who can facilitate and coordinate the implementation in the entity.

## **(3) Monitoring and Evaluation of the Communications Strategy and Implementation of EITI**

It will be important for PNGEITI to conduct the monitoring and evaluation of the progress of the implementation of the communications strategy.

NS with the Communications TWG may need to maintain the training materials and awareness promotion tools to share those materials to keep MSG and reporting entities updated for continuously engaging the stakeholders. NS may need to collect feedback from audiences or users and measure the achievement of the communications activities. In this connection, PNGEITI may need to consider accumulating the experience and know-how on awareness promotion and capacity development for EITI implementation.

The monitoring and evaluation of the strategy will provide a solid basis for the monitoring and evaluation framework of EITI implementation, which is necessary for MSG to measure the outcomes and impacts of EITI at least annually.



#### **(4) Institutionalization of EITI implementation at DPE as a model for other entities**

DPE is expected to be a model of coordinating EITI reporting practice at the entity level by the EITI Unit for other reporting entities to be replicated. DPE is also expected to play a more important role in implementing EITI in addition to the role of a reporting entity. DPE needs to institutionalize the EITI Unit's operation immediately. As discussed at the 6th JCC meeting, DPE is suggested to prepare the annual budget of the EITI related activities by the Unit. The Head of DPE EITI Unit is suggested to initiate the preparation of the annual budget by submitting the activity plan with the budget estimation of the Unit to the Secretary of DPE.

### **4.4 Monitoring Plan from the end of the Project to Ex-post Evaluation**

#### **(1) Status of Implementation of Recommendations from Validation and EITI Reports**

JICA can communicate with NS to monitor the implementation status of recommendations from Validation and the EITI Reports and see how NS facilitates and supports MSG. NS can support MSG to conduct the self-assessment to prepare for the second Validation. JICA can also communicate with NS to see the self-assessment results.

#### **(2) Status of Implementation of the Communication Strategy**

JICA can communicate with NS to monitor the implementation status of the communications strategy and see whether the activities are implemented by MSG and the communication TWG in collaboration with the stakeholders such as CSOs and how the materials developed with the project are utilized and maintained.

#### **(3) Status of Legislation Changes**

JICA can communicate with NS to continually gather the information on legislation changes in the extractive industries and institutional changes of NS and DPE. NS can share the latest information on the status of the legislative changes of the PNGEITI Commission Bill with JICA. DPE can share the latest information which may impact EITI implementation, such as organizational change, office relocation and legislative change.

**Independent State of Papua New Guinea**  
**Department of Treasury**

**Project for Improving  
Resource Related Revenue Management  
in Papua New Guinea**

**Project Completion Report**

**ANNEX**

**March 2022**

**Japan International Cooperation Agency**

**Ernst & Young ShinNihon LLC.**

**Annex 1:  
Results of the Project**

**Ref.**

1. List of Counterparts of PNG side ..... 1-1
2. List of Japanese Experts ..... 1-2

# 1. Results of the Project

## 1-1. List of Counterparts of PNG side

	Name	Position	Notes
Project Director	Manu Momo	Deputy Secretary - Economic Policy,	- Dec 2020
	Andrew Oaeke	Department of Treasury	Jan 2021 - Dec 2021
	John Uware	Acting Deputy Secretary – Strategy and Corporate Services Wing	Jan 2022 -
Project Manager	Lucas Alkan	Head of PNG EITI National Secretariat	-
Counterpart at NS	Christopher Tabel	Deputy Head	2020 -
	Christopher Tabel	Communication Officer	- 2020
	Vaieke Vani	Technical Officer	- 2019
	Francis Diakon	Procurement Officer	-
	Swartz Buf	Data Analyst	2019 - 2020
	Sarita Peai	Policy Technical Officer	2019 -
	Oliver Maingu	Stakeholder Engagement	2019 -
	Sonia Kenu-Becks	Media contents Writer	2019 -
	Delka Kemba	Financial Officer	- 2020
	Liyasi Numaralai	Administration	- 2019
	Naimi Puipui	Finance and Admin Officer	2020 -
	Gideon Timothy	Journalist	-
Counterpart at DPE (Member of DPE EITI Unit)	Channan Kumalau	Head of DPE EITI Unit, Director of Special Program	2019 -
	William Bussil	Legal counsel	2019 - 2020
	Jimmy Haumu	Director, Petroleum Division	2020 -
	Joy Mataenge	Acting Assistant Director, Registrar Branch	2019 -
	Michael Awi	Assistant Director, Economics Branch	2019 - 2020
	Vicky Coleman	Revenue Officer, Finance and Accounts Branch	2019 -
	Jennifer Kapi	Deputy Registrar, Register Branch	2019 -
	Samuel Tobung	Trainee Engineer, Engineering Branch	2019 -
	Israel Yapai	Coordinator, Coordination Branch	2019 - 2020
	Lekiu Nindim	Policy Officer, Policy Branch	2019 - 2020
	Moses Hombanje	IT Manager	2019 -
	Catherine Munagun	Geospatial Specialist, Energy Branch	2019 - 2020
	Martin Mote	Special Project Program	2019 - 2021
	Eileen Kamura	GESI Desk, Corporate Services Division	2021 -
	Alexander Nimi	Coordination Branch	2022 -

**1-2. List of Japanese Experts**

No.	Name	Assignment	Dispatched to PNG	Works in Japan	Total
			(Man-Month)		
1	Shio Otomo	Chief Advisor / Public Financial Management	5.07	11.76	16.83
2	Yoshio Chikamatsu	Deputy Chief Advisor / Information Technology	6.20	5.75	11.95
3	Kenta Saito	Accounting & Auditing	0.83	0.00	0.83
4	Kenji Otsuka	Accounting & Auditing	6.10	6.30	12.40
5	Harumi Toyama	Awareness Promotion	0.47	6.70	7.17
6	Toyohiko Yogo	Awareness Promotion / Coordination	6.93	3.50	10.43
7	Tomone Mori	Awareness Promotion / Coordination	0.73	3.85	4.32
		Total	26.33	37.86	64.19

**Annex 2:**

**Products Produced by the Project**

**Ref.**

1. Baseline Survey Report.....	2-1
2. TOR of DPE EITI Unit.....	2-2
3. Training Materials for the National Secretariat staff	2-3
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## **Annex 2: Products Produced by the Project**

### **1. Baseline Survey Report**

2-1-1 Baseline Survey Report

2-1-2 Baseline Survey Report Appendix

2-1-3 Baseline Survey Report  
(Summary, in Japanese)

## **Annex 2: Products Produced by the Project**

1. Baseline Survey Report

**2-1-1 Baseline Survey Report**





Japan International Cooperation Agency  
Project for Improving Resource Related Revenue Management  
in Papua New Guinea

## Baseline Survey Report

April 2019

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## List of Abbreviations

AGO	Auditor General's Office
APR	Annual Progress Report
ASI	Adam Smith International
AusAID	Australian Agency for International Development
BLS	Baseline Survey
BO	Beneficial Ownership
BPNG	Bank of Papua New Guinea
CEPA	Conservation and Environment Protection Authority
CIMC	Consultative Implementation and Monitoring Council
CO	Compliance Officer
CRF	Consolidated Revenue Fund
CRS	Computer Receiving System
CSO	Civil Society Organisation
CSWG	Civil Society Working Group
DNPM	Department of National Planning and Monitoring
DOF	Department of Finance
DOLPP	Department of Lands and Physical Planning
DOP	Department of Petroleum
DOT	Department of Treasury
DPE	Department of Petroleum and Energy
DPM	Department Personnel Management
EI	Extractive Industry
EIC	Expenditure Implementation Committee
EITI	Extractive Industries Transparency Initiative
ESG	Environmental Social Governance
EY	Ernst and Young
GDP	Gross Domestic Product
GloCo	The PNG LNG Global Company LLC
GoPNG	Government of Papua New Guinea
GTE	Gas to Electricity
IA	Independent Administrator
IACD	Internal Audit and Compliance Division
IFMS	Integrated Financial Management System
IFRS	International Financial Reporting Standards
IIC	Independent Issues Committee
IMF	International Monetary Fund
INA	Institute of National Affairs
INTOSAI	International Organization of Supreme Audit Institutions
IPA	Investment Promotion Authority
IRC	Internal Revenue Commission
ISA	International Standards on Auditing
IT	Information Technology
ITC	Infrastructure Tax Credit
ITI	International Training Institutes
IWG	Industry Working Group
JCCP	Japan Cooperation Center Petroleum
JICA	Japan International Cooperation Agency
JOGMEC	Japan Oil, Gas and Metals National Corporation
JV	Joint Venture

KMH	Kumul Mining Holdings Limited
KPH	Kumul Petroleum Holdings Limited
LO	Landowner
MA	Mining Act
MCC	Metallurgical Corporation of China Limited
MD	Managing Director
MFP	Multi-Functions Printer
MOA	Memorandum of Agreement
MOU	Memorandum of Understandings
MRA	Mineral Resources Authority
MRAA	Mineral Resources Authority Act
MRDC	Mineral Resources Development Company Limited
MSG	Multi Stakeholders Group
NEC	National Executive Council
NGAD	National Government Audit Division
NTRD	Non-Tax Revenue Division
OGA	Oil and Gas Act
OGP	Open Government Partnership
OGR	Oil and Gas Regulation
OTDF	Ok Tedi Development Foundation
OTML	Ok Tedi Mining Limited
PAB	Petroleum Advisory Board
PDL	Petroleum Development License
PDM	Project Design Matrix
PFM	Public Financial Management
PFMA	Public Finances (Management) Act
PGAS	Papua New Guinea Government Accounting System
PGF	PNG Governance Facility
PGK	Papua New Guinea Kina
PH-EITI	Philippine EITI
PLAD	Provisional and Local Audit Division
PMMRA	Public Money Management Regularisation Act
PNG	The Independent State of Papua New Guinea
PNGMSG	PNGEITI Multi Stakeholder Group
PNGRGC	Papua New Guinea Resource Governance Coalition
PO	Plan of Operations
PPFL	Petroleum Processing Facility License
PPL	Petroleum Prospecting License
PPLL	Petroleum Pipeline License
PRL	Petroleum Development License
PwC	PricewaterhouseCoopers
RIM	Roadmap Implementation Manager
RO	Revenue Officer
SBAD	Statutory Bodies Audit Division
SEC	Securities and Exchange Commission
SIGTAS	Standard Integrated Government Tax Administration System
SOE	State Owned Enterprise
SWG	State Working Group
TI	Transparency International
TOR	Terms of Reference
UPNG	University of Papua New Guinea
WB	The World Bank



## Executive Summary

Extractive Industries Transparency Initiative (“EITI”) is the global standard to promote open and accountable management of extractive resources. The Government of PNG (“GoPNG”) decided to join EITI in 2013, and PNGEITI multi-stakeholder group (“PNGMSG”) and PNGEITI National Secretariat were established. PNG was admitted as an EITI candidate country in 2014. The first Validation of PNGEITI against the EITI Standard was conducted in 2018 and the EITI Board decided the current status of PNGEITI is Meaningful Progress. PNGMSG needs to plan and implement the corrective measures towards the upcoming second Validation due in April 2020.

The Project for improving resource related revenue management started in 2018 with the support of Japan International Cooperation Agency (“JICA”), based upon the request from GoPNG by addressing the recommendations from the first PNGEITI Report which include improving license registry at Department of Petroleum (“DOP”) and improving government’s agencies data collection and reporting for EITI with high priority. The scope of the project was decided to mainly focus on the PFM issues related to EITI reporting as well as the data management issues of DOP with the consideration that DOP was behind Mineral Resources Authority (“MRA”) in license data recording, storing, maintaining and reporting. The baseline survey aims to analyse the current situation and key issues in relation to resources related revenue management and PNGEITI and elaborate the proposed activities of the Project.

The key findings of the situation analysis are summarised as follows:

### ■ Department of Petroleum (“DOP”)

DOP needs to improve the data management on license, revenues and production in oil and gas sector as well as communications with the concerned organisations and the public in compliant with the EITI Standard. The data management and communications of DOP are hindered by several factors, including information and communication infrastructures at DOP offices, awareness and knowledge of DOP management and staff on the EITI Standard and PNGEITI, and standard operations procedures on the data management and information disclosure. DOP also needs to identify a person and / or a section in charge to improve its commitment to PNGEITI and facilitate communications with the concerned organisations in the reporting process.

### ■ PNGMSG

PNGMSG must discuss the corrective measures by addressing the recommendations of the first Validation and PNGEITI Report 2017 in compliant with the EITI Standard, particularly for the requirements decided as inadequate or meaningful progress in the first Validation. PNGMSG members need deeper understandings on the key issues of PNGEITI and the essence of the EITI Standard as outlined in the guidelines and / or international practices.

### ■ Reporting Entities

The comprehensiveness of PNGEITI Report is dependent on the reporting entities including GoPNG constituencies, state-owned enterprises, and extractives companies. Since PNGEITI is a national

commitment, the reporting entities should ensure comprehensive, accurate, authorised and timely responses to the reporting templates with more support of PNGEITI National Secretariat in the reporting process. The measures on data quality and assurance should be also considered to minimise the variances in reconciliation, as some audit statements for GoPNG constituencies and state-owned enterprises in the target period may not be obtainable during the reporting process.

■ PNGEITI National Secretariat:

PNGEITI National Secretariat is mandated to support PNGMSG to implement and disseminate PNGEITI. More active involvement of PNGEITI National Secretariat is anticipated in the reporting process, by providing awareness and instructions to the reporting entities, monitoring of the reporting entities in cooperation with Independent Administrator, and ensuring the comprehensiveness and data quality of PNGEITI Reports. PNGEITI National Secretariat also needs to review the communication strategy to incorporate the lessons learnt and feedbacks from awareness promotion activities, changing socio-economic circumstances surrounding PNGEITI and extractives sector, and emerging requirements such as beneficiary ownership disclosure and subnational payments and transfers, for efficient and effective implementation of for awareness promotion activities to diverse target groups.

Based on the above key observations, it is proposed to implement the following activities in the Project.

■ Capacity Development of Department of Petroleum on PNGEITI

- Assist to assign a focal person / unit in charge of PNGEITI and provide support to activate the communications with the concerned organisations;
- Assist to improve internal data management on licenses, revenues and production to ensure data quality necessary for reporting and disclosure;
- Conduct training and awareness activities and provide essential skills on the EITI Standard and PNGEITI at individual and institutional levels;
- Assist to develop contents to facilitate information disclosure on DOP official website in compliant with the EITI Standard.

■ Capacity Development of PNGMSG, Reporting Entities and PNGEITI National Secretariat

- Assist in providing capacity development activities to PNGMSG members to facilitate discussions on the corrective measures addressing the key issues and challenges of PNGEITI;
- Assist in providing training and consultation to the reporting entities and monitoring responses to the reporting templates to improve the comprehensiveness and data quality of PNGEITI Reports;
- Conduct capacity development activities for PNGEITI National Secretariat to improve its supporting functions to PNGMSG and the reporting entities as abovementioned.

■ Awareness Promotion of PNGEITI

- Assist PNGEITI National Secretariat to review and revise the communication strategy;

- Assist PNGEITI National Secretariat to develop contents and organise activities for more efficient and effective awareness promotion on PNGEITI in consideration of the priority to be determined in the communication strategy.

## Chapter 1 Introduction

### 1.1 Project Background

#### 1.1.1 Establishment of PNGEITI

The extractives sector plays a significant role of the economy in the Independent State of Papua New Guinea (“PNG”). PNG produces gold, copper, nickel, silver, cobalt, oil and gas<sup>1</sup>. The contribution from extractive industries (“EI”) is about 29% of Gross Domestic Products (“GDP”), 63% of GDP growth, 86% of exports, and 7% of government revenue in PNG<sup>2</sup>.

In 2013, the Government of PNG (“GoPNG”) decided to join Extractive Industries Transparency Initiative (“EITI”) to promote revenue transparency and accountability in the extractives sector and National Executive Council (“NEC”) decided to approve PNGEITI<sup>3</sup>. PNGEITI multi-stakeholder group (“PNGMSG”) was formulated by representatives from GoPNG, EI and civil societies in accordance with EITI Standard, and PNGEITI National Secretariat was established under Department of Treasury (“DOT”). In 2014, PNG was admitted as an EITI candidate country by the EITI Board<sup>4</sup>.

#### 1.1.2 JICA Project

In 2016, Japan International Cooperation Agency (“JICA”) conducted a field survey in PNG as a part of its research project on “Economic and Financial Analysis of Natural Resources Country”<sup>5</sup>. During the field survey, GoPNG and JICA mutually agreed that PNGEITI would effectively improve transparency of resource related revenue management and prevent corruption for good governance in view of Public Financial Management (“PFM”). In response to the recommendation from the research project, GoPNG requested JICA for the technical cooperation project in order to comply with EITI Standard by addressing the issues identified in the first PNGEITI Report which include data and information gaps, capacity constraints in key State institutions, and weakness in government systems and process. In 2017, the detailed design survey was conducted by JICA to formulate the project and the scope of the project was decided to mainly focus on the PFM issues related to EITI reporting as well as the data management issues of DOP with the consideration that Department of Petroleum (“DOP”) was behind Mineral Resources Authority (“MRA”) in license data recording, storing, maintaining and reporting. As a result of the survey, both parties agreed to launch “Project for Improving Resource Related Revenue Management in Papua New Guinea” (“the Project”).

The primary goal of the Project is to promote resource related revenue management and reporting in accordance with the EITI Standard. The Project consists of expected outputs as listed in Table 1.

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<sup>1</sup> EITI International Secretariat, “Papua New Guinea”, <https://eiti.org/papua-new-guinea>, accessed on 22 February 2019.

<sup>2</sup> PNGEITI National Secretariat, “PNGEITI Report 2017”, p.25., <http://www.pngeiti.org.pg/wp-content/uploads/2019/01/PNGEITI-Report-2017-1.pdf>, accessed on 22 February 2019.

<sup>3</sup> PNGEITI National Secretariat, “NEC Decision No. 90/2013”, <http://www.pngeiti.org.pg/wp-content/uploads/2018/04/NEC-Decision-No.-90-2013.pdf>, accessed on 22 February 2019.

<sup>4</sup> EITI International Secretariat, “Papua New Guinea”.

<sup>5</sup> JICA Report PDF, [http://open\\_jicareport.jica.go.jp/390/390\\_000\\_12262077.html](http://open_jicareport.jica.go.jp/390/390_000_12262077.html) (Japanese text only), accessed on 22 February 2019.

**Table 1 Expected Outputs of the Project**

Expected Output	Descriptions
Output 1	Management of relevant data and information in the Department of Petroleum is improved
Output 2	Reporting mechanism among extractive companies and government agencies (mainly PNGEITI National Secretariat) is enhanced
Output 3	Awareness and implementation structure for EITI is enhanced in the country

The Project was initiated in January 2018 with a study tour of key personnel of PNGEITI National Secretariat to the Philippines as a model case of EITI implementation. A group of consultants was contracted and deployed by JICA (“JICA consultants”) in October 2018.

## 1.2 Baseline Survey

### 1.2.1 Objective of Baseline Survey

The baseline survey (“BLS”) is conducted by JICA consultants, and this report is an output of BLS. The primary purpose of BLS is a situation analysis on institutional framework, business process and capacity of the concerned organisations of resources related revenue management (mainly focused on GoPNG, particularly DOP) and PNGEITI. BLS is used as a means of scoping study to identify the key issues and proposed activities of the Project.

### 1.2.2 Methodology and Scope of Baseline Survey

The primary method used in the BLS was the interview with key personnel of the concerned organisations including, PNGEITI National Secretariat, Department of Petroleum (“DOP”), Department of Treasury (“DOT”), Department of Finance (“DOF”), Internal Revenue Commission (“IRC”), Department of National Planning and Monitoring (“DNPM”), Auditor General’s Office (“AGO”), a state owned enterprise (“SOE”), some extractive industries (“EI”), some civil society organisations (“CSO”); an independent administrator (“IA”) appointed by PNGMSG; local representatives of World Bank (“WB”); and some consultants engaged for PNGEITI.

Document analysis was also conducted to supplement the interviews. The key documents included the EITI Standard and guideline, PNGEITI Reports, PNGEITI annual work plan, PNGEITI Annual Progress Report (“APR”), PNGEITI Validation report, and various laws and regulations governing extractives sector and PFM.

### 1.2.3 Compositions of BLS Report

BLS report consists of three chapters. Chapter 1 describes the background of the Project and BLS report. Chapter 2 summarises the current situations surrounding PNGEITI based on the interviews and document survey. Chapter 3 provides the analysis by JICA Consultants on the key issues and proposed activities of the Project.

## Chapter 2 Situation Analysis

### 2.1 PNGEITI

#### 2.1.1 EITI

##### ■ What is EITI?<sup>6</sup>

EITI is the global standard to promote open and accountable management of extractive resources. The EITI Standard requires information disclosure along EI value chain from the point of extraction, to how revenues make their way through the government, and how they benefit the public. EITI seeks to strengthen public and corporate governance, promote understanding of natural resource management, and provide the data to inform reforms for greater transparency and accountability in the extractives sector. There are 51 countries implementing EITI as of October 2018<sup>7</sup>.

##### ■ The EITI Standard

The EITI Standard outlines the requirements applicable to EITI implementing countries as well as the articles of association governing EITI. The EITI Standard 2016 was established in 2016 to update the previous version.

The EITI Standard is composed of two parts. The part one “Implementation of the EITI Standard” consists of five sections, namely, EITI principles, EITI requirements, overview of Validation, EITI protocol on participation of civil society, and open data policy. The part two “Governance and management” consists of four sections, namely, article of association, EITI openness policy, EITI constituency guidelines, and EITI association code of conduct<sup>8</sup>.

##### ■ EITI Validation<sup>9</sup>

The EITI Standard provides minimum requirements which must be adhered to by all EITI implementing countries. In order to become an EITI compliant country, EITI implementing countries must demonstrate through Validation that they met all requirements stipulated in the EITI Standard.

A country must complete sign-up steps to become an EITI implementing country as laid out in the EITI Standard<sup>10</sup>. An EITI implementing country begins as an EITI candidate, and the first EITI Report must be published within eighteen months from the date that the country was admitted. EITI implementing countries are required to commence Validation within two and a half years. At this point, the EITI Board, main governing body of EITI, will assess whether the EITI implementing country has satisfactorily met all the requirements stipulated in the EITI Standard. The outcome of Validation can have different consequences for the status of the EITI implementing country as illustrated in Figure 1.

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<sup>6</sup> This subsection is based on EITI International Secretariat official website, “Who we are”, <https://eiti.org/who-we-are>, accessed on 22 February 2019.

<sup>7</sup> EITI International Secretariat, “EITI Factsheet”, [https://eiti.org/sites/default/files/documents/eiti\\_factsheet\\_en\\_oct2018.pdf](https://eiti.org/sites/default/files/documents/eiti_factsheet_en_oct2018.pdf), accessed on 22 February 2019.

<sup>8</sup> EITI International Secretariat, “EITI Standard”, <https://eiti.org/document/standard>, accessed on 22 February 2019.

<sup>9</sup> This subsection is based on EITI International Secretariat official website, “Validation”, <https://eiti.org/validation>, and “How to become an implementing country”, <https://eiti.org/join-EITI>, accessed on 22 February 2019.

<sup>10</sup> EITI Standard #1.

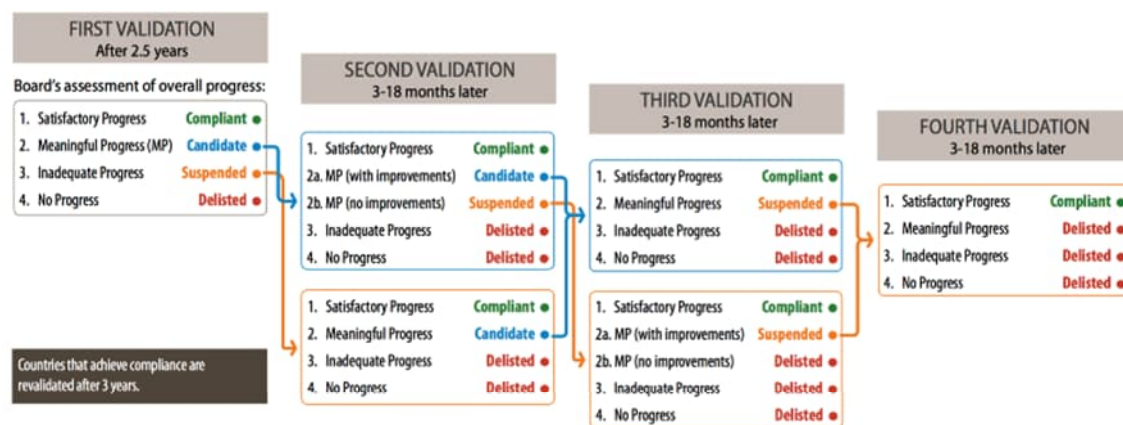


Figure 1 EITI Validation Consequences<sup>11</sup>

## 2.1.2 Profile of PNGEITI

### ■ Milestones

The milestones of PNGEITI are summarised in Table 2<sup>12</sup>.

Table 2 Milestones of PNGEITI

Year	Milestones
2012	<ul style="list-style-type: none"> <li>• PNGMSG was informally established.</li> </ul>
2013	<ul style="list-style-type: none"> <li>• GoPNG announced its commitment to join EITI.</li> <li>• NEC Decision 90/2013” endorsed the implementation of the EITI Standard.</li> <li>• PNGMSG was formalised.</li> <li>• PNG candidature application was submitted to EITI International Secretariat.</li> </ul>
2014	<ul style="list-style-type: none"> <li>• PNG became an EITI candidate country.</li> </ul>
2015	<ul style="list-style-type: none"> <li>• The office of PNGEITI National Secretariat was established.</li> </ul>
2016	<ul style="list-style-type: none"> <li>• PNGEITI Report 2013 was published.</li> </ul>
2017	<ul style="list-style-type: none"> <li>• PNGEITI Report 2014 was published.</li> <li>• PNGEITI Report 2015 was published.</li> <li>• PNGEITI Report 2016 was published.</li> <li>• “NEC Policy Decision 91/2017” called for implementation of 2013 PNGEITI report recommendation by the responsible entities in GoPNG.</li> </ul>
2018	<ul style="list-style-type: none"> <li>• PNGEITI International Compliance assessment and Validation by EITI International.</li> <li>• PNGEITI Report 2017 was published.</li> </ul>

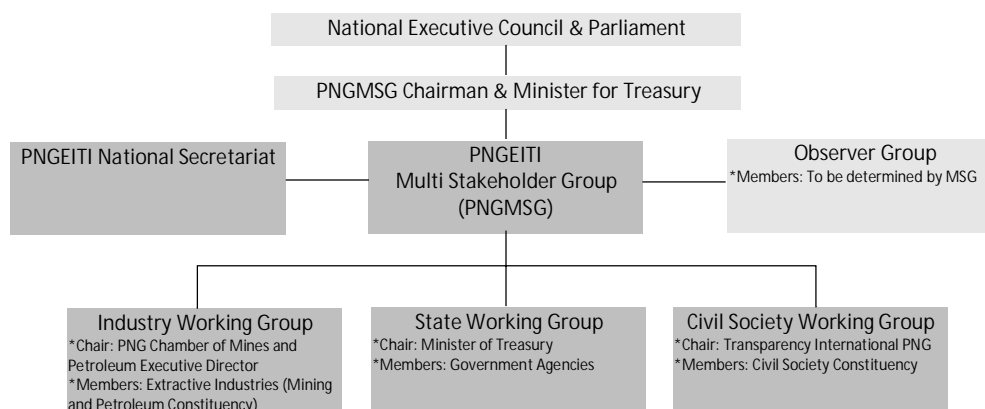
### ■ Implementation Structure

The implementation structure of PNGEITI is illustrated in Figure 2<sup>13</sup>.

<sup>11</sup> EITI International Secretariat, “Validation”, <https://eiti.org/validation#validation-consequences>, accessed on 22 February 2019.

<sup>12</sup> PNGEITI Annual Progress Report 2017, p.7.

<sup>13</sup> PNGEITI Report 2017, p.9.



**Figure 2 Implementation Structure of PNGEITI**

■ PNGEITI Multi Stakeholder Group

The establishment of multi stakeholder group (“MSG”) is one of the key requirements of the EITI Standard<sup>14</sup>. PNGMSG, chaired by the Minister of Treasury, was formally established in November 2013 with the signing of the Minutes of Understandings<sup>15</sup> (“MOU”).

PNGMSG consists of eleven representatives from GoPNG including four voting members, representatives from SOE including three voting members, eight representatives from CSO including seven voting members, and seven representatives from EI. There are three working groups under PNGMSG, namely, Industry Working Group (“IWG”), State Working Group (“SWG”), and Civil Society Working Group (“CSWG”). Each working group consists of members of EI, GoPNG, and CSO.

■ PNGEITI National Secretariat

PNGEITI National Secretariat was established in 2015 under DOT with its main functions to provide technical and administrative support to PNGMSG. PNGEITI National Secretariat consists of the following members listed in Table 3<sup>16</sup> as of February 2019.

**Table 3 PNGEITI National Secretariat Team**

Position	Name
Head of Secretariat	Mr. Lucas Alkan
Communications Specialist	Mr. Christopher Tabel
Technical Officer	Mr. Vaieke Vani
Procurement Officer	Mr. Francis Diakon
Finance Officer	Mrs. Delka Kembra Rinny
Administration Officer	Miss Liyasi Taligatus Numaralai
Driver	Mr. Steven Tai

As of February 2019, recruitment of additional staff is in progress to enhance capacity of PNGEITI

<sup>14</sup> EITI Standard #1.4.

<sup>15</sup> PNGEITI National Secretariat, “PNGMSG MOU”, <http://www.pngeiti.org.pg/wp-content/uploads/2018/04/PNGEITI-Multi-Stakeholder-Group-MoU-Signed-01.11.13.pdf>, accessed on 22 February 2019.

<sup>16</sup> PNGEITI National Secretariat, “PNGEITI Team”, <https://www.pngeiti.org.pg/pngeiti-staff/>, accessed on 22 February 2019.



National Secretariat. The advertised positions are Deputy Head of Secretariat<sup>17</sup>, Media Content Writer and Producer<sup>18</sup>, Research and Analysis Officer<sup>19</sup>, and Stakeholder Engagement and Outreach Coordinator<sup>20</sup>.

There is also a plan of organisational reform of PNGEITI National Secretariat with more supervisory functions. Adam Smith International (“ASI”) was engaged as an external consultant by PNGEITI National Secretariat to draft the proposals on PNGEITI policy formulation and legislation. The proposals are currently under consideration by GoPNG<sup>21</sup>.

PNGEITI National Secretariat needs to provide induction training to the new staff after recruitment on the EITI Standard, reporting practices of PNGEITI, and resources revenue flows and value chain of extractives sector in PNG. PNGEITI National Secretariat also wishes to increase the core competencies of staff, for example, project management skills to carry out events and engagements, presentation skills to facilitate PNGEITI communications and awareness promotion, and analytic skills to effectively interpret various data presented in PNGEITI Reports<sup>22</sup>.

### 2.1.3 Activities of PNGEITI National Secretariat

#### ■ PNGEITI Annual Work Plan

EITI work plan forms the foundation for all EITI activities in EITI implementing countries and ensures that the activities are targeted to deliver the results desired by stakeholders<sup>23</sup>. EITI work plan should be updated annually<sup>24</sup>. PNGEITI annual work plan is drafted by PNGEITI National Secretariat and disclosed on PNGEITI official website<sup>25</sup>.

#### ■ PNGMSG Meetings

PNGEITI National Secretariat provides support for PNGMSG meetings in line with the EITI Standard<sup>26</sup>. PNGMSG should hold a meeting not less than four times in a year<sup>27</sup>. The minutes of PNGMSG meetings are recorded by PNGEITI National Secretariat and disclosed on PNGEITI official website<sup>28</sup>.

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<sup>17</sup> PNGEITI National Secretariat, “Deputy Head of Secretariat Duty Statement”, <http://www.pngeiti.org.pg/wp-content/uploads/2019/01/PNGEITI-Deputy-Head-of-Secretariat.pdf>, accessed on 22 February 2019.

<sup>18</sup> PNGEITI National Secretariat, “Media Contents Writer and Producer Duty Statement”, <http://www.pngeiti.org.pg/wp-content/uploads/2019/01/PNGEITI-Media-Contents-Writer-and-Producer.pdf>, accessed on 22 February 2019.

<sup>19</sup> PNGEITI National Secretariat, “Research Analysis Officer Duty Statement”, <http://www.pngeiti.org.pg/wp-content/uploads/2019/01/PNGEITI-Research-Analysis-Officer.pdf>, accessed on 22 February 2019.

<sup>20</sup> PNGEITI National Secretariat, “Stakeholder Engagement Outreach Coordinator Duty Statement”, <http://www.pngeiti.org.pg/wp-content/uploads/2019/01/PNGEITI-Stakeholder-Engagement-Outreach-Coordinator.pdf>, accessed on 22 February 2019.

<sup>21</sup> Based on interview with PNGEITI National Secretariat and ASI.

<sup>22</sup> Based on interview with PNGEITI National Secretariat.

<sup>23</sup> EITI Standard #1.5.

<sup>24</sup> EITI International Secretariat, “Guidance note 2 on developing an EITI work plan, including template”, <https://eiti.org/GN2>, accessed on 22 February 2019.

<sup>25</sup> PNGEITI National Secretariat, “PNGEITI Annual Work Plan”, <https://www.pngeiti.org.pg/pngeiti-annual-workplans/>, accessed on 22 February 2019.

<sup>26</sup> EITI Standard #1.4.

<sup>27</sup> PNGEITI National Secretariat, “PNGMSG MOU”, <http://www.pngeiti.org.pg/wp-content/uploads/2018/04/2017-Final-PNGEITI-MSG-MoU.pdf>, accessed on 22 February 2019.

<sup>28</sup> PNGEITI National Secretariat, “MSG Documents”, <https://www.pngeiti.org.pg/msg-documents/>, accessed on 22 February 2019.

## ■ PNGEITI Annual Progress Report

EITI APR on the previous year's activities must be published by 1 July of the following year<sup>29</sup>. PNGEITI APR is prepared by PNGEITI National Secretariat in line with the EITI Standard<sup>30</sup> and disclosed on PNGEITI official website<sup>31</sup>.

## ■ Engagement of Independent Administrator

PNGEITI National Secretariat engages an external resource as an IA for preparation of PNGEITI Report and reconciliation of resource revenues. EITI International Secretariat provides standard terms of reference ("TOR") for IA services<sup>32</sup>.

In case of forthcoming PNGEITI Report 2018<sup>33</sup>, it is planned that procurement process of IA will be initiated in March 2019. After the scoping study, IA will prepare the reporting templates and distribute to the reporting entities in August 2019. The reporting entities will include GoPNG, SOE and EI. IA will also provide the reporting entities with guidance on the reporting templates. After collecting the response from the reporting entities, IA will prepare an initial draft of PNGEITI Report 2018. The final draft of PNGEITI Report 2018 will be prepared after incorporating feedbacks from PNGMSG.

## ■ Publishing PNGEITI Report

EITI implementing countries are required to publish the first EITI Report within eighteen months of being admitted as an EITI candidate and expected to produce EITI Reports on annual basis thereafter<sup>34</sup>. PNGMSG decided to publish PNGEITI Report annually<sup>35</sup>.

The draft PNGEITI Report is prepared by IA for scrutiny by PNGMSG and the final draft is authorised at a PNGMSG meeting. The final PNGEITI Report is submitted to EITI International Secretariat by PNGEITI National Secretariat and published on PNGEITI official website<sup>36</sup> at the same time. A PNGEITI Report launching event is often organised for publicity.

## ■ Communications

PNGEITI National Secretariat administers PNGEITI official website, and prepares newsletters, pamphlets, factsheet, and other articles for dissemination of PNGEITI. It also plans and implements awareness promotion activities, such as hosting roadshows and workshops, participation in external exhibitions, forums and conferences, and communication with mass media.

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<sup>29</sup> EITI Standard #8.4.

<sup>30</sup> EITI Standard #7.4.

<sup>31</sup> PNGEITI National Secretariat, "PNGEITI Annual Progress Report", <https://www.pngeiti.org.pg/1923-2/>, accessed on 22 February 2019.

<sup>32</sup> EITI International Secretariat, "Standard Terms of Reference for Independent Administrator services", <https://eiti.org/document/standard-terms-of-reference-for-independent-administrator-services>, accessed on 22 February 2019.

<sup>33</sup> This paragraph is based on PNGEITI National Secretariat, "PNGEITI Draft Annual Work Plan 2019".

<sup>34</sup> EITI Standard #4.8.

<sup>35</sup> PNGMSG MoU, p.12.

<sup>36</sup> PNGEITI National Secretariat, "PNGEITI Report", <https://www.pngeiti.org.pg/reports/>, accessed on 22 February 2019.

#### 2.1.4 Budget of PNGEITI National Secretariat

The Financial Officer is responsible for preparing monthly financial reporting, staff payroll. The annual budget of PNG National Secretariat is provided by DOT and external sponsors. Table 4 illustrates the annual budget provided by GoPNG. GoPNG budget is used for various activities of PNGMSG and PNGEITI National Secretariat, publication of mandatory reports and promotion materials, and implementation of awareness promotion and capacity activities such as workshops, roadshows, and training. The budget from development partners are mainly used for roadshows, workshops and other promotion activities.

**Table 4 Implementation Cost of PNGEITI Provided by GoPNG**

FY	Items	Amount (PGK)
2013-2015 March	Media advertisements	77,297.00
	Venue hire	35,744.50
	Refreshment for meetings	6,493.50
	TI* PNG Service payment- Shirt on launching of MSG	12,481.00
	Accommodation for government workshop	9,940.00
	Incidentals for government workshop	2,120.00
	CSO awareness campaigns	777,700.00
	<b>Total</b>	<b>921,776.00</b>
2015 April- December	Meeting, conferences, workshops	15,159.00
	Advertisement, media releases	37,441.06
	Office equipment and stationaries	16,539.00
	Salary for head of Secretariat	15,000.00
	Purchase vehicle for head of secretariat	103,500.00
	<b>Total</b>	<b>187,639.06</b>
2016	Administration	146,022.94
	Travels	280,448.34
	Wages and salary	215,756.91
	ICT expenses	17,090.00
	Consultancies	1,042,816.93
	Conference and meetings	49,670.00
	Employee superannuation contributions	19,938.22
	Employee salary and wages taxes	85,352.09
	<b>Total</b>	<b>1,857,095.43</b>
2017	Wages and salary	332,671.71
	Sundry expenses	4,530.04
	Administrative costs	104,126.81
	ICT equipment	19,179.00
	Conference hire	73,699.48
	Printing and stationery	131,114.78
	Advertisement	124,958.34
	Fuel hired vehicle	12,057.90
	Consultancy services	1,559,825.13
	Office furniture	5,709.40
	Travel expense	138,075.85
	Group Tax (Payroll taxes)	137,743.28
	Employee superannuation	43,599.12
Bank charges	938.00	
	<b>Total</b>	<b>2,688,228.84</b>

\*TI: Transparency International

DOT also provides financial support to CSO for the awareness promotion expense. In FY2015, DOT disbursed 777,700 PNG Kina (“PGK”) for the PNGEITI promotion activities of CSO.

### 2.1.5 External Resources

PNGEITI National Secretariat engages several external resources to facilitate planning and implementation of PNGEITI activities, including, IA for PNGEITI Report and reconciliation, proposals on national policy and legislation, implementation of beneficial ownership (“BO”) disclosure plans, scoping study of subnational payment and transfers, and outreach programs.

#### ■ Independent Administrator for PNGEITI Report and Reconciliation

The EITI Standard requires that payments and revenues be reconciled by IA<sup>37</sup>. Ernst & Young (“EY”) PNG was engaged as IA for the preparation and reconciliation for PNGEITI Report 2017.

#### ■ Proposals on National Policy and Legislation

ASI was engaged to prepare the working draft and strategic roadmap of PNGEITI policy formulation and legislation<sup>38</sup> by the end of 2018. The draft policy and legislation recommended establishment of independent administrative body with legal basis and a reporting law to enhance information disclosure of resource revenues.

#### ■ Implementation of Beneficial Ownership Disclosure Plans

All EITI countries must ensure that companies that apply for or hold a participating interest in an oil, gas or mining license or contract in their country disclose their BO by 2020<sup>39</sup>. PNGEITI BO roadmap<sup>40</sup> was developed to ensure that necessary preparatory steps and reforms are undertaken. KPMG has been engaged as a Roadmap Implementation Manager (“RIM”) to facilitate planning, coordination and implementation of the activities of BO roadmap since 2017.

The activities of RIM include development of national priorities, proposals of institutional framework for BO disclosure, determination of the definition and level of details of BO for disclosure, and establishment of data procedures. BO roadshows and workshops have been conducted to create awareness among the public in collaboration with key representatives from the stakeholders including Investment Promotion Authority<sup>41</sup> (“IPA”), Bank of Papua New Guinea<sup>42</sup> (“BPNG”), Mineral Resources Authority (“MRA”), and DOP.

#### ■ Scoping Study of Subnational Payment and Transfers<sup>43</sup>

PNGEITI has engaged a consultant to undertake the scoping study of subnational payment and transfers with support from Australian Government through PNG Governance Facility (“PGF”). The scoping study aims to develop PNGEITI reporting framework on subnational payments and transfers. Some case

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<sup>37</sup> EITI Standard #4.9.

<sup>38</sup> Based on interview with PNGEITI National Secretariat and ASI.

<sup>39</sup> EITI International Secretariat, “Beneficial Ownership”, <https://eiti.org/beneficial-ownership>, accessed on 22 February 2019.

<sup>40</sup> PNGEITI National Secretariat, “Papua New Guinea Roadmap for Beneficial Ownership Disclosure”, <http://www.pngeiti.org.pg/wp-content/uploads/2018/04/PNGEITI-Beneficial-Ownership-RoadMap-1.pdf>, accessed on 22 February 2019.

<sup>41</sup> IPA official website, <https://www.ipa.gov.pg/>, accessed on 22 February 2019.

<sup>42</sup> BPNG official website, <https://www.bankpng.gov.pg/>, accessed on 22 February 2019.

<sup>43</sup> This subsection is based on interview with consultant engaged for scoping study.

studies have been introduced in several locations. The engaged consultant will submit a report in early 2019 to recommend deployment of a focal person at each region and enhanced communications with stakeholders at subnational level.

#### ■ Outreach Program

An outreach program is implemented in partnership with the World Bank (“WB”) and subnational capacity building workshops in Morobe, New Ireland, and Wewak in 2017<sup>44</sup>. WB financially supported PNGEITI National Secretariat through Institute of National Affairs<sup>45</sup> (“INA”) and Consultative Implementation and Monitoring Council<sup>46</sup> (“CIMC”). As of February 2019, a proposal of PNGEITI for temporary support is being considered by WB. If it is fully approved, a total of \$500,000 will be spent for subnational level public awareness workshops, improvement of public understandings on PNGEITI benefits, advisory on design of online services, and education mainstreaming.<sup>47</sup>

#### ■ JICA Technical Cooperation

The Project is provided as a technical cooperation of JICA since 2018. The Project aims to provide capacity development to PNGEITI National Secretariat and concerned organisations of PNGEITI as well as support awareness promotion. The Project will end in December 2020.

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<sup>44</sup> PNGEITI APR 2017, p.32, <http://www.pngeiti.org.pg/wp-content/uploads/2019/01/PNGEITI-2017-Annual-Progress-Report-.pdf>, accessed on 22 February 2019.

<sup>45</sup> INA official website, <http://www.inapng.com/>, accessed on 22 February 2019.

<sup>46</sup> CIMC official website, <http://www.cimcpng.net/>, accessed on 22 February 2019.

<sup>47</sup> PNGEITI Draft Work Plan 2019, p.6.

## 2.2 Legal Framework and Principle Regular Reporting

### 2.2.1 Oil and Gas Sector

The principle laws of oil and gas sector are Oil and Gas Act<sup>48</sup> (“OGA”) and Oil and Gas Regulation<sup>49</sup> (“OGR”).

#### ■ Oil and Gas Act

OGA sets forth regulatory instruments for oil and gas sector including petroleum exploration and development and state equity entitlement and project benefits. OGA specifies five types of licenses conferring on the licensee exclusive rights: Petroleum Prospecting License (“PPL”), Petroleum Retention License (“PRL”), Petroleum Development License (“PDL”), Petroleum Pipeline License (“PPLL”) and Petroleum Processing Facility License (“PPFL”) as explained in Table 5.

**Table 5 Petroleum Licenses**

License	Key Descriptions
Petroleum Prospecting License (“PPL”)	<ul style="list-style-type: none"><li>● OGA Division 2 (Section 21-31) stipulates process and conditions of PPL;</li><li>● PPL confers on the licensee the exclusive right to explore for petroleum and carry out appraisal of a petroleum discovery in the license area;</li></ul>
Petroleum Retention License (“PRL”)	<ul style="list-style-type: none"><li>● OGA Division 4 (Section 37-46) stipulates process and conditions of PRL;</li><li>● PRL confers on the licensee the exclusive rights to carry on field studies to obtain information to ensure timely economic development of the gas field and carry out drill stem tests or extended production tests for appraisal of a petroleum pool in the license area;</li></ul>
Petroleum Development License (“PDL”)	<ul style="list-style-type: none"><li>● OGA Division 7 (Section 53-67) stipulates process and conditions of PDL;</li><li>● PDL confers on the licensee the exclusive rights to sell or otherwise dispose of the petroleum so recovered in the license area;</li></ul>
Petroleum Pipeline License (“PPLL”)	<ul style="list-style-type: none"><li>● OGA Division 9 (Section 70-84) stipulates process and conditions of PPLL;</li><li>● PPLL confers on the licensee to construct and operate a pipeline along the route specified in the license;</li></ul>
Petroleum Processing Facility License (“PPFL”)	<ul style="list-style-type: none"><li>● OGA Division 10 (Section 85-95) stipulates process and conditions of PPFL;</li><li>● PPFL confers on the licensee the exclusive right to construct a petroleum processing facility and conduct operations for petroleum processing through the petroleum processing facility;</li></ul>

OGA stipulates the revenue streams from EI such as royalties<sup>50</sup>, development levy<sup>51</sup>, and license fees<sup>52</sup>. OGA prescribed the calculation methods of all license fees, which was repealed in 2016<sup>53</sup>. The calculation methods, however, is still applied due to lack of any replacing legislation.

#### ■ Oil and Gas Regulation

OGR is a supplementary regulation of OGA, stipulating a broad range of matters including regular reporting.

<sup>48</sup> Oil and Gas Act 1998, <http://ilo.org/dyn/natlex/docs/ELECTRONIC/88047/100564/F1738387971/PNG88047.pdf>, accessed on 22 February 2019.

<sup>49</sup> Oil and Gas Regulation 2002, <http://ilo.org/dyn/natlex/docs/ELECTRONIC/88048/100566/F754590620/PNG88048.pdf>, accessed on 22 February 2019.

<sup>50</sup> OGA Section 159.

<sup>51</sup> OGA Section 160.

<sup>52</sup> OGA Section 157.

<sup>53</sup> Oil and Gas (Amendment) Act 2016, [http://www.parliament.gov.pg/uploads/acts/16A\\_25.pdf](http://www.parliament.gov.pg/uploads/acts/16A_25.pdf), accessed on 22 February 2019.

## ■ Principal Reporting Requirements

Table 6 shows the principle regular reporting of oil and gas sector as stated in OGA or OGR. Currently, the production volumes are reported by each licensee to DOP daily by e-mail, while monthly reports are submitted by licensees to DOP<sup>54</sup>.

**Table 6 Reporting Requirement of Oil and Gas Sector**

No.	Reporting Items	Frequency	Reporting person
1	Nature and results of prospecting operations	Semi-annually	PPL licensee
2	Amounts expended in relation to the license	Semi-annually	
3	Activities of the licensee in respect of the license	Specified by Director	
4	Prospecting operations in the previous year and proposed operations for the following year	Annually	
5	Activities of the licensee in respect of the license	Specified by Director	PRL licensee
6	Activities of the licensee in respect of the license	Specified by Director	PDL licensee
7	Continuous volume of petroleum produced	Such intervals as Director determines	Applicable licensee
8	Continuous volume of petroleum or petroleum products transported by pipeline		
9	Continuous volume of the output of petroleum or petroleum products at a petroleum processing facility		
10	Production information including: the amounts of crude oil, condensate, gas water or other substance produced from the well; and the amounts of crude oil, gas, natural gas liquids, water, air or other substance injected or disposed of into the well	Monthly	
11	Total production from a field	Annually	
12	Well being drilled, suspended, completed, repaired, tested, stimulated, recompleted or abandoned	Daily	Site person in charge
13	Routine reservoir measurements	Annually	PDL licensee
14	Progress made in the construction and/or installation of facilities	Monthly	PPFL licensee
15	Construction of the pipeline	Semi-annually	PPLL licensee
16	Operation of the pipeline	Annually	

### 2.2.2 Mining Sector

The principle laws of mining sector are Mining Act<sup>55</sup> (“MA”) and Mineral Resources Authority Act<sup>56</sup> (“MRAA”).

#### ■ Mining Act

MA provides regulatory instruments for mining industry including administration, acquisition of state interests, mining development contracts, tenements, provisions generally applicable to tenements and compensation to landholders. MA specifies one type of license, four types of leases (including three types of mining leases) and an easement conferring on the holder rights as explained in Table 7.

<sup>54</sup> Based on interview with DOP.

<sup>55</sup> Mining Act 1992, [http://www.mra.gov.pg/Portals/2/Publications/MINING\\_ACT\\_1992.pdf](http://www.mra.gov.pg/Portals/2/Publications/MINING_ACT_1992.pdf), accessed on 22 February 2019.

<sup>56</sup> Mineral Authority Act, 2005, <http://www.mra.gov.pg/Portals/2/docs/Mineral Resources Authority Act - No. 18 of 20051.pdf>, accessed on 22 February 2019.

**Table 7 Mining Licenses**

License	Key Descriptions
Exploration License	<ul style="list-style-type: none"> <li>● MA Division 1 (Section 20-32) stipulates the process and conditions of exploration license, issued for entering into any exploration on mines;</li> <li>● The license holder is authorised: to enter and occupy the land; to extract, remove and dispose of such quantity of rock, earth, soil or minerals as may be permitted by the approved program; and to take, divert and use water</li> </ul>
Mining Lease	<ul style="list-style-type: none"> <li>● MA Division 3 (Section 38 -47) stipulates the process and conditions of mining lease, issued for small to medium scale alluvial and hard rock mining operations;</li> <li>● The license holder is authorised: to enter and occupy the land ; to construct a treatment plant on that land, treat any mineral derived from mining operations and construct any other facilities; to take and remove rock, earth, soil and minerals from the land; and to take, divert and use water</li> </ul>
Special Mining Lease	<ul style="list-style-type: none"> <li>● MA Division 2 (Section 33 -37) stipulates the conditions of special mining lease, a type of mining lease issued to eligible Exploration License holder for large scale mining operations.</li> </ul>
Alluvial Mining Lease	<ul style="list-style-type: none"> <li>● MA Division 4 (Section 48 -64) stipulates the process and conditions of alluvial mining lease, a type of mining lease issued for eligible land that is a river bed.</li> </ul>
Lease for Mining Purposes	<ul style="list-style-type: none"> <li>● MA Division 5 (Section 65 -79) stipulates the process and conditions of lease for mining purposes for the eligible purposes ancillary to mining or treatment operations such as construction of buildings for operating plant, machinery and equipment, installation of a plant, deposit of waste, housing or transport facilities.</li> </ul>
Mining Easement	<ul style="list-style-type: none"> <li>● MA Division 6 (Section 80 -95) stipulates the process and conditions of mining easement for the purpose of the eligible constructing and operating facilities ancillary to mining or treatment operations including a road, an aerial ropeway, a power transmission line , a pipeline , a conveyor system , a bridge or tunnel or a waterway.</li> </ul>

MA prescribes revenue streams from EI including royalties<sup>57</sup> and license fees or application fees.

■ Mineral Resources Authority Act

MRAA is the fundamental legislation for MRA, which is an independent statutory governmental agency for mining industry.

■ Principal Reporting Requirements

Table 8 shows the principle regular reporting of mining sector as stated in MA. In addition, the lease holder for mining purposes or a mining easement shall lodge with the Managing Director (“MD”) of MRA such reports as MD may require from time to time.

**Table 8 Reporting Requirement of Mining Sector**

No.	Reporting Items	Frequency	Reporting person
1	Summary of all works undertaken and all acceptable expenditure	Semi-annually	Exploration license holder
2	Full details of all work	Annually	
3	Details of the production of minerals	Monthly	Mining lease holder
4	Full details of all work	Annually	
5	Quantity and value of alluvial minerals	Annually	Alluvial mining lease holder

<sup>57</sup> MA Section 148.



### 2.2.3 Public Financial Management

The principal laws for PFM include Public Finances (Management) Act<sup>58</sup> (“PFMA”) and Public Money Management Regularisation Act<sup>59</sup> (“PMMRA”).

#### ■ Public Finances (Management) Act

PFMA prescribes regulatory instruments on PFM in PNG such as responsibility for financial management, consolidated revenue fund (“CRF”), trust accounts and public funds, national budget, budgetary control, budgetary control of revenue accruing to the state from the development of mineral resources, borrowing, guarantees and loans by the state, state tenders and contracts, statutory bodies, public bodies, provincial and local-level governments, the public accounts committee, and penalties and surcharge. PFMA also sets forth regular reports for PFM.

#### ■ Public Money Management Regularisation Act

PMMRA is a new legislation effected in 2018. It aims at enhancement and stability in the basis of non-tax revenues and provides principles on requirement of public money to be transferred or deposited to CRF exclusively and payment of public money from CRF to public or statutory body.

PMMRA states that “On receipt of public money into a specified bank account pursuant to Subsection (1), the Departmental Head shall cause to be transferred back to a public or statutory body an amount equal to ten percent of the public money transferred by the public or statutory body to their operating bank account<sup>60</sup>.” That clause, however, is not fully implemented because of failure in operational readiness<sup>61</sup>.

#### ■ Principal Regular Reporting

Table 9 shows the principle regular reporting for PFM which PFMA requires public or statutory body to submit to DOF.

Among the above reporting, details of trust accounts (No.6) and fees and charges in arrears (No.12) are not fully conducted. Also, performance and management plan (No.11) is not yet implemented due to lack of notice in writing issued by the Secretary of DOF. Financial statements & performance and management report (No.10), however, positively affects the performance and management report of statutory body<sup>62</sup>.

MRA, IRC and Conservation and Environment Protection Authority (“CEPA”) submitted the report to DOF well among PNGETI reporting entities, while DOP did not comply with the reporting deadline<sup>63</sup>.

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<sup>58</sup> Public Finances (Management) Act 1995, [http://www.nefc.gov.pg/documents/legislations/Public\\_Finance\\_Mgt\\_Act\\_FINAL.pdf](http://www.nefc.gov.pg/documents/legislations/Public_Finance_Mgt_Act_FINAL.pdf), accessed on 22 February 2019.

<sup>59</sup> Public Money Management Regularisation Act 2017, <http://www.parliament.gov.pg/uploads/acts/17A-17.pdf>, accessed on 22 February 2019.

<sup>60</sup> PMMRA Section 6 (4).

<sup>61</sup> Based on interview with DOF.

<sup>62</sup> Ibid.

<sup>63</sup> Ibid.

**Table 9 Reporting Requirement of Public Financial Management**

No.	Reporting Items	Frequency	Deadline
1	Summarized statement of the receipts and expenditure of the Public Funds	1Q, 2Q, 3Q	Within 30 days
2	Detailed statement of the receipts and expenditure of the Public Funds	Annually	Within 30 days
3	Financial management of Department	Quarterly	As practical as possible
4	Expenditure trend and non-tax revenue performance of public or statutory body	N/A	N/A
5	Full and complete details of each and every investment made or existing in that quarter	Quarterly	Within 30 days
6	Details of all Trust Accounts opened or operating in the prior fiscal year	Annually	Within one calendar month
7	Estimate of receipts and payments expected to be made into and withdrawn from Trust Account	Annually	Before the commencement of each fiscal year
8	Details of transactions on Trust Account	Monthly	Within seven days after the end of each month
9	Statement of Trust Account for the preceding year	Annually	Within one month of the commencement of each fiscal year
10	Financial statements and a performance and management report of the operations of public or statutory body	Annually	Prior to the end of the fourth calendar month from the close of a fiscal year
11	Performance and management plan of statutory body	N/A	N/A
12	All fees and charges in arrears of Department	Annually	Within 30 days after the close of a fiscal year

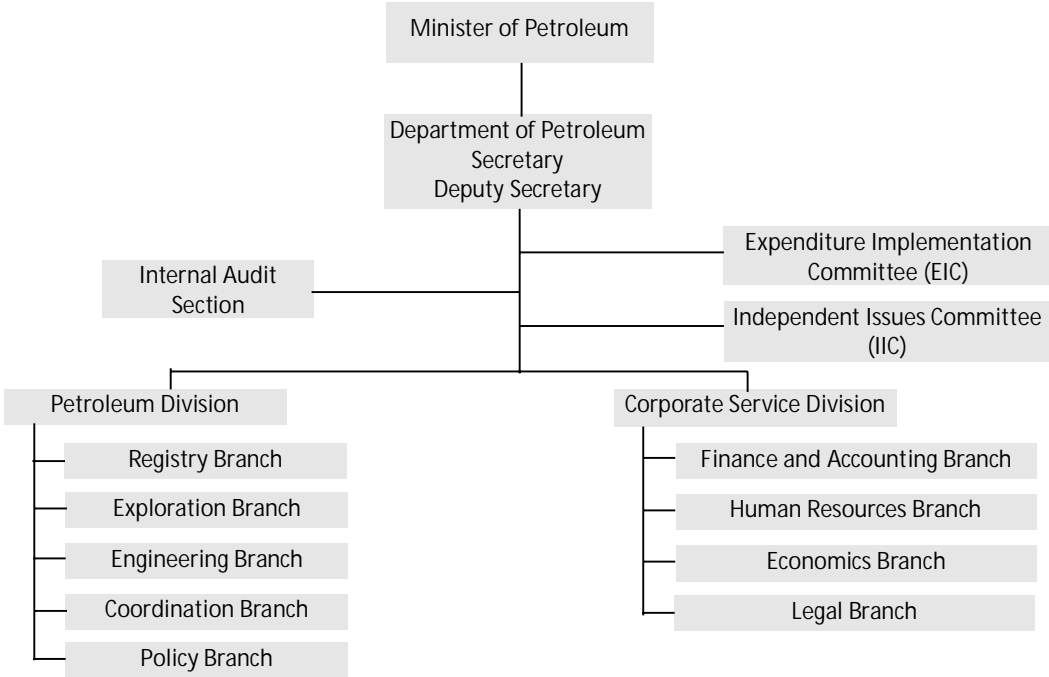
## 2.3 Department of Petroleum

### 2.3.1 Organisation Profile

■ Department of Petroleum

Oil and gas sectors are governed by OGA and OGR under the administration and management of DOP. DOP is responsible for administering and regulating all oil and gas projects in PNG and supports efforts to develop the discovered and potentially discoverable petroleum resources by promoting, monitoring and regulating all activities directly related to the exploration of petroleum in PNG.

DOP consists of two divisions, namely, Corporate Service Division and Petroleum Division. DOP was formerly known as Department of Petroleum and Energy (“DPE”) until Energy Division was separated after the appointment of Minister of Communication, Information Technology and Energy in October 2017. While human resources issues of Energy Division were still administered by Human Resource Branch of DOP as of February 2019, the budget and management of Energy Division have already separated<sup>64</sup>. BLS focuses on Corporate Service Division and Petroleum Division, which are mostly related to PNGEITI. The organisation chart of DOP is illustrated in Figure 3<sup>65</sup>.



**Figure 3 Organogram of Department of Petroleum**

■ Staffing<sup>66</sup>

As of December 2018, DOP had 215 staff consisting of 140 regular employees and 75 casual workers

<sup>64</sup> Based on interview with Human Resources Branch.  
<sup>65</sup> Based on interview with some DOP staff.  
<sup>66</sup> This subsection is based on interview with Human Resources Branch.

who have been temporarily employed on a contract basis. DOP has faced a long-term challenge on human resources and recruitment as many experienced staff left the department in the last decade. Many casual workers have been employed to supplement the deficiency of human resources, while Department of Personnel Management (“DPM”) recently provided instruction on reduction of casual workers to all GoPNG departments. It is also noted that many senior positions are acting as the formal appointment has not been processed and many acting senior positions were newly appointed since January 2019.<sup>67</sup>.

#### ■ Office Locations<sup>68</sup>

DOP is headquartered at Konedobu suburb in the capital city, and Petroleum Division was housed at the buildings of the headquarters as of December 2018. There is a satellite office in Waigani Drive where some branches of Corporate Service Division were settled in August 2018. The satellite office was established due to the shortage of office space at the headquarters. DPM is responsible for selection of such office, and DOF directly pays rent and utilities charges while each department of GoPNG must allocate the budget.

After the insurgence of some landowners (“LO”) on 21 November 2018<sup>69</sup>, Konedobu office was temporarily closed. As of February 2019, Konedobu office has not been fully functional yet, and some staff temporarily moved to the satellite office in Waigani Drive or a new office space allocated in Harbour City<sup>70</sup>. The current unstable conditions of office locations hinder the operation of DOP.

#### ■ External Sponsors<sup>71</sup>

DOP has currently received support from external sponsors only for human resource development mainly provided as overseas training programs. The key sponsors include Japan Oil, Gas and Metals National Corporation (“JOGMEC”), Japan Cooperation Centre Petroleum (“JCCP”), Australian Agency for International Development (“AusAID”), local oil and gas industries such as Oil Search, and foreign oil and gas industries such as China.

WB provided technical support until the middle of 2000s through “Petroleum Exploration Technical Assistance Project” and “Petroleum Exploration and Development Technical Assistance Project”<sup>72</sup>. The technical support included design, development and implementation of computer equipment and management information software on petroleum exploration and production. However, DOP has not received any assistance from external sponsors for the institutional development since then<sup>73</sup>.

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<sup>67</sup> Mr. Lohial Nuau (formerly Acting Deputy Secretary was appointed as new Acting Secretary on 23 January 2019. Mr. Channan Kumalau (formerly Director of Corporate Service Division) was appointed as new Acting Deputy Secretary on 28 January 2019. Ms. Brigitta Pondros (formerly Department of Finance) was appointed as new Director of Corporate Service Division). There were also new appointments of Acting Assistant Director of Economic Branch and Policy Branch on 12 February 2019. Based on interview with DOP and circulars.

<sup>68</sup> This subsection is based on interview with Human Resources Branch.

<sup>69</sup> Post Couriers articles on 22 November 2018, “LOs Storm Petroleum Office Over Delays”, <https://postcourier.com.pg/los-storm-petroleum-office-delays/>, accessed on 22 February 2019.

<sup>70</sup> Based on interview with some DOP staff.

<sup>71</sup> This subsection is based on interview with some DOP staff.

<sup>72</sup> World Bank, “Documents and Reports”, <http://documents.worldbank.org/curated/en/212011468759341659/Papua-New-Guinea-The-Petroleum-Exploration-Technical-Assistance-Project-and-the-Petroleum-Exploration-and-Development-Technical-Assistance-Project>, accessed on 22 February 2019.

<sup>73</sup> Based on interview with some DOP staff.

## ■ Mid-Term Plan<sup>74</sup>

DOP drafted its corporate plan as its mid-term strategy five years ago, but it has not been finalised. The annual report was compiled in the past though it is not compiled any longer in recent years. The transition of DOP to a regulatory agency have been tabled as a political agenda for a couple of years, but it is unpredictable when it will be discussed and approved.

## ■ Capacity Development<sup>75</sup>

Human Resources Branch is responsible for coordination of capacity development such as training programs for DOP staff. There are two types of training programs, namely, long-term training and short-term training. The target group of long-term training courses is management staff, and they learn at local educational institutions like University of Papua New Guinea<sup>76</sup> (“UPNG”) where management and accounting courses are provided. There are no adequate long-term training courses locally available for engineering subjects.

The short-term courses on engineering subjects are offered by external sponsors. The local institutions such as UPNG, Institute of Public Administration<sup>77</sup>, and International Training Institutes<sup>78</sup> (“ITI”) provide the courses on general subjects like data management, communication skills and accounting.

There are no in-house training courses available except for work-based learning. DOP provides web-based training for the operation of Integrated Financial Management System (“IFMS”). Most management and staff have not received an opportunity to acquire basic knowledge on EITI and PNGEITI.

### 2.3.2 Petroleum Division

There are five branches under Petroleum Division: Registry Branch, Exploration Branch, Engineering Branch, Coordination Branch, and Policy Branch. Each branch is headed by an Assistant Director.

## ■ Registry Branch<sup>79</sup>

Registry Branch has five permanent staff and two casual workers. The branch has two sections. One is registry and the other is license administration. The registry section is responsible for receipt of any correspondences with external organisations such as EI and other departments of GoPNG. The correspondences include mandatory reports from EI. There is a Compliance Officer (“CO”) under Registry Branch, who is tasked with monitoring the reporting status and communicating with EI in case of delay of submission.

The license administration is one of the important roles at Registry Branch. There are five kinds of petroleum licenses, and the total number of petroleum licenses is nearly 500. The information is primarily kept on a paper basis, while EI also provides information in a digital media in recent years and

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<sup>74</sup> This subsection is based on interview with Acting Director of Petroleum Division.

<sup>75</sup> This subsection is based on interview with Training Manager of Human Resources Branch.

<sup>76</sup> UPNG official website, <http://www.upng.ac.pg/>, accessed on 22 February 2019.

<sup>77</sup> Institute of Public Administration Facebook page, <https://www.facebook.com/pngipa.ac.pg/>, accessed on 22 February 2019.

<sup>78</sup> ITI official website, <http://www.iti.ac.pg/>, accessed on 22 February 2019.

<sup>79</sup> This subsection is based on interview with Registry Branch.

Registry Branch is gradually digitalising the manual data using a multi-function printer (“MFP”).

It is noted that Registry Branch is developing petroleum license database for information management on all petroleum licenses and license fees. The petroleum license database is designed and developed by CO of Registry Branch, who has knowledge on Microsoft Access 2007 that is used as the database platform. The petroleum license database is currently saved in a hard drive of a standalone computer as well as in a portable hard drive for backup purposes. The petroleum license database has some query and reporting functions to produce summary report on each license including collection records of license fees.

#### ■ Engineering Branch<sup>80</sup>

Engineering Branch has fifteen staff consisting of engineers and technical officers. The branch is tasked with inspection and auditing in accordance with OGA. It is true that annual audit should be conducted for each petroleum license, but formal audit has not been conducted since 2001 due to insufficient human and financial resources as well as increasing number of petroleum licenses in recent years. Field inspection is usually conducted by an engineer who is dispatched to the operation site. Such inspection sometimes requires a period of one month. While there are some specialties of engineers such as drilling engineers, reservoir engineers, production engineers, and downstream engineers, only one engineer is usually dispatched and tasked with the field inspection due to insufficient human and financial resources.

Engineering Branch receives data on production volume from EI daily by e-mail, but data and information received from EI are not organised in a sophisticated way. DOP staff cannot use their corporate e-mail and / or file servers due to disconnection from Internet at DOP offices. As a result, the data and information received are scattered in personal e-mail inboxes and / or standalone computers, and it is difficult to retrieve and utilise the data necessary for PNGEITI reporting.

#### ■ Exploration Branch<sup>81</sup>

Exploration Branch consists of three sections: geo-science, archives, and IT. The geo-science section has eight geo-scientists including two senior positions, and it is tasked with monitoring and appraisals of exploration activities by EI. The archives section is responsible for archiving the reports from EI. All data since 1930s are archived at DOP office as there is no provision on the archive period. Both hardcopy and softcopy are archived. Some hardcopy reports are gradually digitalised using MFP.

IT section, though it is under Exploration Branch, is responsible for IT management and administration of all branches of DOP. There are currently one IT Manager and two casual staff. The main tasks of IT section include procurement of computer and networking products, installation of computer software, maintenance and repairment of computer and networking equipment and escalation to suppliers.

#### ■ Other Branches<sup>82</sup>

Coordination Branch is responsible for responding to grievances and inquiries from LO and other

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<sup>80</sup> This subsection is based on interview with Engineering Branch.

<sup>81</sup> This subsection is based on interview with Geo-science section and Archive section of Exploration Branch.

<sup>82</sup> This subsection is based on interview with Coordination Branch and Policy Branch.

departments of GoPNG such as Department of Lands and Physical Planning (“DOLPP”), DNPM, DOT, DOF and Provincial Governments. Coordination Branch is headed by an Assistant Director and consists of 17 officers including senior coordinators, coordinators and liaison officers. There is an increasing number of grievances and inquiries from LO since PNG LNG project started. LO usually make appointments and visit the office of Coordination Branch. Some LO make grievances and inquiries by telephone and letters. There is no web-based information available for LO, as DOP has not developed its official website until recently.

Policy Branch is tasked with formulation of policy and action plans for petroleum development to elaborate the provisions in the OGA.

### 2.3.3 Corporate Service Division

There are four branches under Corporate Service Division, namely, Finance and Accounts Branch, Human Resources Branch, Economics Branch, and Legal Branch. Each branch is headed by an Assistant Director.

#### ■ Finance and Accounts Branch<sup>83</sup>

Finance and Accounts Branch consists of nine staff including five accountants. A Revenue Officer (“RO”) is based at Konedobu office while other staff work at a satellite office in Waigani Drive as of February 2019. RO is primarily responsible for administration of license fees. EI are required to pay the license fees. RO communicates with CO of Registry Branch, who maintains petroleum license database, and prepares a schedule of license fees by spreadsheet to monitor the collection status.

PFMA stipulates that all departments of GoPNG are prohibited to directly accept revenues by cash. PFMA requires all payers to make their payments to GoPNG by cheques, which are deposited into CRF. It is also prohibited that each department directly receive information on the payment from the payer, and thus DOP receives payment data from DOF. RO reconciles the actual payment from EI with the payment schedule. A default notice is prepared and sent to EI to urge payment of the overdue license fees and penalties if applicable. OGA stipulates that the default cases are escalated to Petroleum Advisory Board (“PAB”), chaired by the Director of Petroleum Division<sup>84</sup>.

Another revenue administered by RO is sundry, which consists of data processing charges and photocopies, etc. Registry Branch produces the bills based on the information from relevant sections and issues them to the payers. The payment and monitoring process are the same as those of license fee. The amount of sundry is usually not material.

Finance and Accounts Branch produces periodical reports called Quarterly Budget Performance Review and sends it Non-tax Revenue Division (“NTRD”) of DOF. The reporting templates are provided by DOF and DOF provides the revenue figures of license fees and sundries. Finance and Accounts Branch also produces periodical reports on the trust accounts where royalties and development levy are pooled.

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<sup>83</sup> This subsection is based on interview with Revenue Officer.

<sup>84</sup> OGA Section 13-16.

There are nine trust accounts administered.

#### ■ Other Branches and Entities

Human Resources Branch is responsible for all human resources matters within DOP, such recruitment, contracts of casual workers, payroll, and training. The training manager of Human Resources Branch coordinates the training plans and budget. There are also Economic Branch and Legal Branch, which are responsible for the specific issues in relation to petroleum management respectively.

Internal Audit Unit is responsible for internal audit of DOP. There is currently only one internal auditor, who was recently assigned. Internal audit unit provides only limited functions due to insufficient manpower<sup>85</sup>.

There are two committees established under DOP to facilitate the beneficial projects for LO, namely, Expenditure Implementation Committee (“EIC”) and Independent Issues Committee (“IIC”). EIC is tasked with monitoring and administration of the project implemented for benefits of individual, group and / or corporate LO in the petroleum project areas. These beneficial projects are planned and implemented in accordance with the provision of OGA<sup>86</sup> and various schemes such as Memorandum of Agreement (“MOA”), infrastructure development grant, and high impact infrastructure project. The proposals of such beneficial projects are usually submitted by LO. The typical beneficial projects are construction and repairment of schools and aid-posts. The functions of EIC were delegated to the Provincial Government through NEC Decision NEC49/2012, but EIC continues to provide support due to insufficient capacity of provincial governments for project management<sup>87</sup>.

#### 2.3.4 Information Management

All DOP branches undertake the duties in accordance with OGA and OGR. There is no standard operation manual prepared to elaborate the business process and tasks. DOP staff usually learn the operations through work-based learning.

The key data and information that should be provided by DOP for PNGETI Report include license, non-tax revenues (license fees, royalties and development levy), and production volume. DOP refers to the necessary data and information from its quarterly reports. The data flows related to EITI reporting are illustrated as below.

#### ■ License Registration<sup>88</sup>

Figure 4 illustrates data flow on license registration. The license documents are provided by EI as hardcopy and softcopy. The information should be provided in case of changing the type of petroleum license as well as transfer of license holders, etc. The license documents are verified at Registry Branch and confirmed with relevant branch if necessary. The verified license documents are archived at Registry Branch and the basic information is captured and inputted into petroleum license database which was

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<sup>85</sup> Based on interview with Internal Auditor.

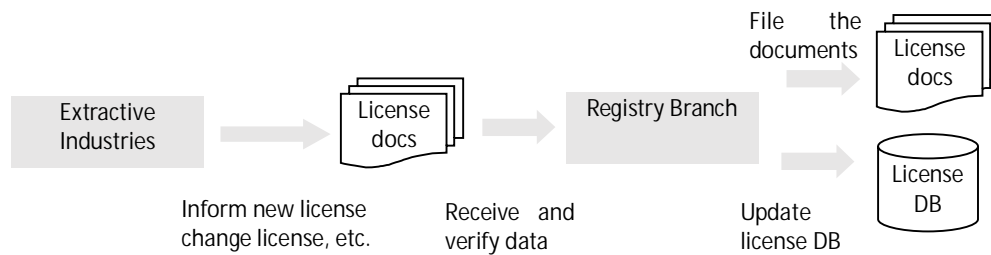
<sup>86</sup> OGA Section 178.

<sup>87</sup> Based on interview with EIC Program Manager.

<sup>88</sup> This subsection is based on interview with Registry Branch.



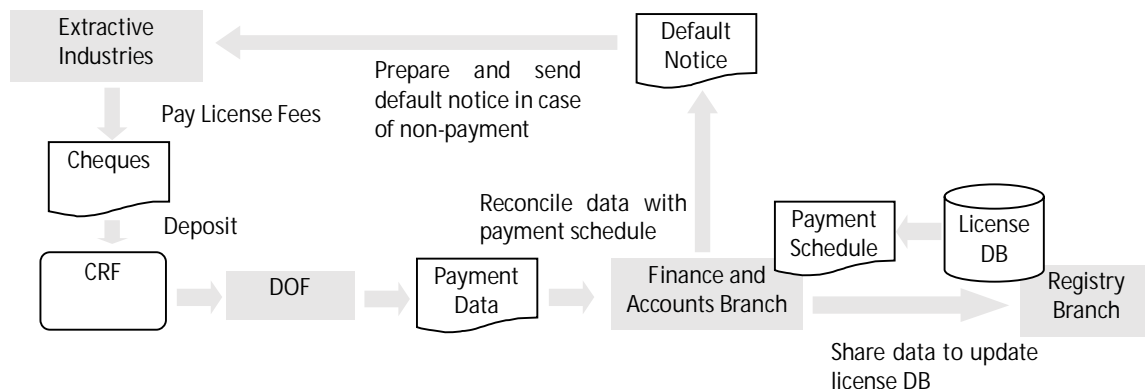
recently developed.



**Figure 4 Conceptual Data Flow Diagram on License Registration**

■ Collection of License Fees<sup>89</sup>

Figure 5 illustrates data flow on collection of license fees. Finance and Accounts Branch compiles payment schedule in cooperation with CO of Registry Branch where the license information is available. EI are required to pay license fees by cheques, and the funds are transferred to CRF. Finance and Accounts Branch obtains payment data and reconciles with the payment schedule. The payment data is shared with Registry Branch for data capture into petroleum license database. In case of non-payment, Finance and Accounts Branch produces a default notice and sends to EI.



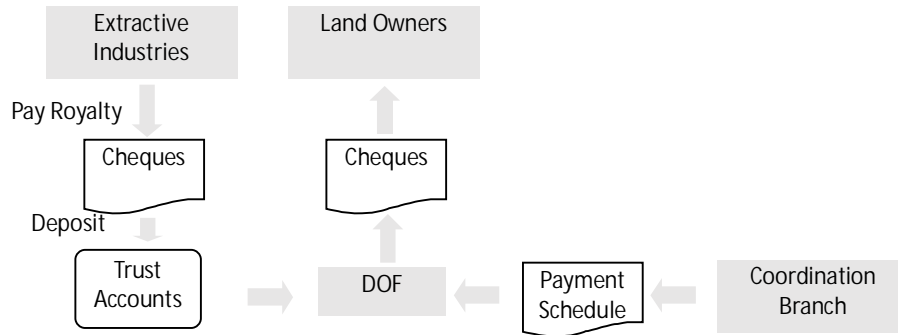
**Figure 5 Conceptual Data Flow Diagram on Collection of License Fees**

■ Trust Accounts<sup>90</sup>

Figure 6 illustrates data flow on trust accounts for royalties and development levy. Coordination Branch prepares payment schedule and shares with DOF, which makes payment to LO.

<sup>89</sup> This subsection is based on interview with Revenue Officer.

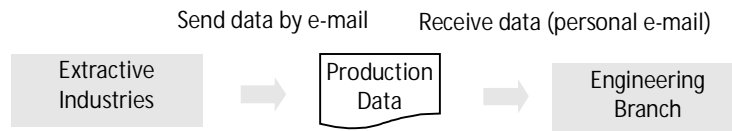
<sup>90</sup> Ibid.



**Figure 6 Conceptual Data Flow Diagram on Trust Accounts**

■ Production Data<sup>91</sup>

Figure 7 illustrates data flow on production volume. EI provides Engineering Branch with daily production volume of each project by e-mail. The data quality of production volume is dependent on the information from EI as no audit has been conducted since 2001.



**Figure 7 Conceptual Data Flow Diagram on Production Data**

■ Information and Communications Infrastructure<sup>92</sup>

One of the critical problems of DOP is difficulty of communications with the external organisations due to unreliable networking infrastructure at DOP offices. Internet access from DOP offices has been problematic at least for four years<sup>93</sup> and the service provider<sup>94</sup> has disconnected Internet access since 2018 due to non-payment of connection charges. DOP staff are unable to use corporate e-mail and forced to use their own personal e-mail or mobile phones for the communication with external organisations. Mobile routers are also used to have Internet access necessary for operations of web-based applications like IFMS.

DOP has IT assets consisting of over 120 PCs and MPF for each branch. The software used by DOP is mainly office suite but licenses of antivirus software and specific software such as modelling software have been expired. DOP has a file server, which is currently inactive due to absence of antivirus. Exploration Branch used to operate management information systems customising seismic data software and Oracle database. The system was developed and implemented by consultants engaged by WB more than a decade ago. However, the system is currently inactive and there is no maintenance contract with local suppliers.

<sup>91</sup> This subsection is based on interview with Engineering Branch.

<sup>92</sup> This subsection is based on interview with IT Manager.

<sup>93</sup> Interview with some DOP staff.

<sup>94</sup> Oceanic Broadband Speedcast.

■ Official Website<sup>95</sup>

DOP did not have official website until IT Manager started development with the domain of petroleum.gov.pg in November 2018<sup>96</sup>. An affordable webhosting service<sup>97</sup> and an open source WordPress contents management system are used for development of DOP official website. IT Manager provided an instruction to each branch about relevant contents and upload process on DOP official website, but there is no substantial content available as of February 2019.

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<sup>95</sup> This subsection is based on interview with IT Manager.

<sup>96</sup> DOP official website, <http://petroleum.gov.pg/>, accessed on 22 February 2019

<sup>97</sup> Hostgator

## 2.4 Revenue Streams

### 2.4.1 Overviews

The EITI Standard requires EITI implementing countries to perform comprehensive reconciliation of company payments and government revenues from EI<sup>98</sup>. The EITI Standard stipulates nine requirements in relation to revenue collection, namely, comprehensive disclosure of taxes and revenues (#4.1), sale of the state's share of production or other revenues collected in kind (#4.2), infrastructure provisions and barter arrangements (#4.3), transportation revenues (#4.4), transactions related to state-owned enterprises (#4.5), subnational payments (#4.6), level of disaggregation (#4.7), data timeliness (#4.8), and data quality and assurance (#4.9). Among these requirements, #4.2, #4.3, and #4.4 are not applicable in PNG<sup>99</sup>.

The key revenue streams that GoPNG entities are directly related are classified into tax revenues (salary and wage withholding tax, corporate income tax), non-tax revenues (royalties, development levy, production levy), dividends, and infrastructure tax credit ("ITC"). The following sections summarise the management of these revenue streams and PNGEITI reporting.

### 2.4.2 Tax Revenues

#### ■ Type of Tax Revenues

The largest tax revenues from EI is withholding taxes from PNG citizens working for EI, followed by foreign contractor withholding tax which is a withholding tax of non-citizens working for EI, and a corporate income tax called mining and petroleum tax.

IRC is responsible for collection of all tax revenues from EI. IRC has implemented a revenue accounting system called Standard Integrated Government Tax Administration System<sup>100</sup> ("SIGTAS"). As of December 2018, 84 extractive companies are registered with SIGTAS, and 32 companies had taxable activities in FY2017<sup>101</sup>.

#### ■ Collection of Tax Revenues<sup>102</sup>

Corporate income taxes are paid in three parts once the payable amount is calculated and notified. All tax revenues are forwarded to CRF. Companies submit tax return forms with a bank remittance to IRC. IRC updates tax payable / receivable data of each EI registered in SIGTAS. IRC inputs collected tax revenues to IFMS manually from a collection report generated by SIGTAS.

#### ■ PNGEITI Reporting and Reconciliation

IRC retrieved data from SIGTAS and responded to PNGEITI reporting templates. No reconciliation was performed as the amount of tax revenues was unilaterally provided by IRC. IRC reported the amount of

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<sup>98</sup> EITI Standard #4.

<sup>99</sup> PNGEITI Report 2017, p.11.

<sup>100</sup> Sogema Technologies, "Standard Integrated Government Tax Administration System", <http://sogematech.com/en/sigtas>, accessed on 22 February 2019

<sup>101</sup> Based on interview with IRC.

<sup>102</sup> This subsection is based on interview with IRC.

tax revenues on a cash basis, and that of tax payable was not reported. This may cause discrepancies between reported and receipt during reconciliation by IA. For example, if an EI pays FY2017's tax payable in FY2018, the paid tax amount may be included in the tax revenues of FY2018.<sup>103</sup>

### 2.4.3 Non-Tax Revenues

#### ■ Type of Non-Tax Revenues

Non-tax revenues from EI include development levy, royalties and license fees for oil and gas sector, and royalties and production levy for mining sector. BLS report discusses non-tax revenues for oil and gas sector, administered by DOP.

The amount of royalties and development levy are calculated based on the production volume (2% of wellhead value<sup>104</sup>). Royalties contributed to about 5% of all known revenues from EI in FY2017, whereas development levy contributed to only 1% and not considered as material from monetary volume perspective<sup>105</sup>.

The license fees consisted of less than 1% of all known revenues from EI in FY2017<sup>106</sup>. Any licensees and applicants regarding oil and gas sector are required to pay license fees pursuant to OGA, which sets forth timing and frequency of payment as well as calculation formula.

#### ■ Collection and Distribution of Non-Tax Revenues

The operators of joint venture ("JV") are required to pay royalties monthly and development levy annually according to the contract. The royalties and development levy paid by the operators are pooled in the trust accounts at BPNG. The operators submit the calculation formula and proof of production volume of royalties and development levy to DOF and DOP.

DOP recognises the revenues of royalties and development from bank remittances. It may hinder the timeliness, accuracy and completeness of recognition of revenues. DOP cannot verify the production volume and the amount of royalties and development levy reported by the operators, due to insufficient resources and capacity of DOP for inspections.

The payment of license fees is made by cheque and deposited to CRF. PMMRA stipulates that all the public money including non-tax revenues are required to be transferred to CRF<sup>107</sup> and that 10% of collected amount is distributed to the collecting organisations such as DOP. However, royalties and development levy are still deposited in the trust accounts as of December 2018<sup>108</sup>.

DOF decided distribution ratio of royalties, namely, 40% for LO, 30% for future generation projects, and 30% for community development projects. DOF issues cheques to LO while Mineral Resource

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<sup>103</sup> By IFMS, the accounting is accrual base and the tax payable paid in the following FY is provided unique chart of account, so there should not be any comingling of tax revenues.

<sup>104</sup> OGA Section 160.

<sup>105</sup> PNGEITI Report 2017, p.21.

<sup>106</sup> PNGEITI Report 2017, p 20.

<sup>107</sup> PMMRA Section 6.

<sup>108</sup> Based on interview with DOP Finance and Accounts Branch.

Development Company Limited<sup>109</sup> (“MRDC”) is a trustee of the trust accounts and responsible for funds management of future generation projects and community development projects. The development levy is fully distributed to the subnational governments.

#### ■ PNGEITI Reporting and Reconciliation

PNGEITI Report 2017 indicated that two companies have paid royalties and development levy. One is ExxonMobil PNG for PNG LNG project, and the other is Oil Search for Oil projects and Hides Gas to Electricity (“GTE”). Due to the complexity of non-tax revenues process as there are several different bank accounts and many recording organisations of non-tax revenues, IA needed to identify responsible organisations and investigate the business process and non-tax revenues data<sup>110</sup>.

ExxonMobil PNG submits a transmittal letter to DOP after payments of royalties and development levy. The transmittal letter is issued by DOF. At DOP, Finance and Accounts Branch records the revenues in a receipt book and issued a manual receipt. The royalties and development levy paid by ExxonMobil PNG were not reconciled as DOP did not have data.

On the other hand, Oil Search pays royalties and development levy by cheques. DOP inputs the data into Papua New Guinea Government Accounting System (“PGAS”) and issues a receipt generated by Computer Receiving System (“CRS”).<sup>111</sup> The royalties and development levy paid by Oil Search were reconciled and the variances were 0% for royalties<sup>112</sup> and 7% for development levy<sup>113</sup>.

#### 2.4.4 Dividends

##### ■ State Owned Enterprises and Trustees

GoPNG has the right to acquire up to 22.5% of participating interest in oil and gas projects, and up to 30% for mining projects<sup>114</sup>. The organisations funded by GoPNG to acquire the participating interest are called SOE. SOE receive equity distribution and share of sales from the invested EI every year according to the participating interest percentages. PNGEITI Report 2017 indicated Kumul Petroleum Holdings Limited<sup>115</sup> (“KPH”), Kumul Mineral Holdings Limited<sup>116</sup> (“KMH”) and Ok Tedi Mining Limited<sup>117</sup> (“OTML”) as SOE whereas MRDC and Ok Tedi Development Foundation<sup>118</sup> (“OTDF”) as trustees.

SOE distribute a part of the received equity distribution and share of sales to GoPNG as dividends. Dividend Policy for State Owned Enterprises and Statutory Authorities was formulated by DOT in 2015. It regulates that the dividends’ payout ratio should be higher than that of prior year’s and should not be below 70% of the income after taxes<sup>119</sup>. The dividends are paid to the sovereign wealth fund account of

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<sup>109</sup> MRDC official website (under construction), <http://www.mrdc.com.pg>, accessed on 22 February 2019.

<sup>110</sup> Based on interview with IA.

<sup>111</sup> Based on interview with DOP Finance and Accounts Branch.

<sup>112</sup> PNGEITI Report 2017, p.133.

<sup>113</sup> Ibid., p.132.

<sup>114</sup> PNGEITI Report 2017. p.38.

<sup>115</sup> KPH official website, <http://kumulpetroleum.com/>, accessed on 22 February 2019.

<sup>116</sup> KMH official website, <http://www.kumulminerals.com.pg/>, accessed on 22 February 2019.

<sup>117</sup> OTML official website, <https://www.oktedi.com/>, accessed on 22 February 2019.

<sup>118</sup> OTDF official website, <https://www.otdfpng.org/>, accessed on 22 February 2019.

<sup>119</sup> DOT, “Dividend Policy for State Owned Enterprises and Statutory Authorities 2015”.

GoPNG. In FY2017, dividends consisted of 14% of all known revenues<sup>120</sup>.

SOE are considered as independent organisations from GoPNG in terms of legal framework. For example, KPH is governed by Kumul Petroleum Holdings Limited Authorisation Act<sup>121</sup>, and its financial information is prepared in accordance with International Financial Reporting Standards (“IFRS”). AGO is mandated to perform auditing of SOE as specified in the annual audit plan and the substantial tasks of auditing is outsourced due to chronic shortage of human resources and capacity at AGO. AGO reviews an audit report drafted by the outsourced auditing firms and provides its own audit opinion, but the share of sales and the dividends are unverified by AGO and dependent on the work by the outsourced firms<sup>122</sup>.

#### ■ PNGEITI Reporting and Reconciliation

Reconciliation was incomplete in PNGEITI Report 2017 because many SOE and trustees delayed or failed responding to the reporting templates, except for OTML. In addition, the quasi-fiscal expenditure of SOE was not disclosed<sup>123</sup>. Because SOE are governed by legal basis different from government departments and agencies, they are likely to be independent and not completely follow reporting requirements to GoPNG<sup>124</sup>.

#### 2.4.5 Infrastructure Tax Credit

##### ■ Infrastructure Tax Credit

Infrastructure Tax Credit (“ITC”) is unique tax credit scheme in GoPNG. EI may offset the construction expenses on the local infrastructure projects up to 0.75% of the year’s total sales.<sup>125</sup> ITC enables EI to reduce their corporate tax payable, and ITC is recognised as a revenue stream from EI. ITC consisted of 5% of all known revenues in FY2017<sup>126</sup>.

EI sends a plan of local infrastructure project to obtain approvals of ITC from DNPM. The local infrastructure project is approved for ITC if DNPM concludes such project is beneficial at the target area. At the year end, EI informs the expenses of the local infrastructure project to IRC. The expenses are offset against income tax payable of EI upon approvals by IRC, where SIGTAS data is updated.

##### ■ PNGEITI Reporting and Reconciliation

The variances of reconciliation result were observed for ITC in FY2017<sup>127</sup>. IRC reported ITC offset from tax paid while MRDC reported ITC spent on projects. There were also variances of data between IRC and MRDC.

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<sup>120</sup> PNGEITI Report 2017, p.21.

<sup>121</sup> Kumul Petroleum Holdings Limited Authorisation Act, <http://www.parliament.gov.pg/uploads/acts/15A-06.pdf>, accessed on 22 February 2019.

<sup>122</sup> Based on interview with AGO.

<sup>123</sup> PNGEITI Report 2017, p.98.

<sup>124</sup> Ibid.

<sup>125</sup> Income Tax Act 219 C (12) and (14).

<sup>126</sup> PNGEITI Report 2017, p.21.

<sup>127</sup> PNGEITI Report 2017, p.122.

## 2.5 Auditing of Reporting Entities

### 2.5.1 External Auditing of Extractive Industries

The external auditing of EI are conducted by an independent auditor as summarised in Table 10 and Table 11<sup>128</sup>.

**Table 10 External Auditing of Extractive Industries in Mining Sector**

Parent Company	Operator in PNG	Year audited	Qualifications / emphasis of matter / comments
Crater Gold Mining Ltd	Anomaly Ltd	FY2017	Audited by BDO. No qualifications noted.
Barrick Gold Corporation	Barrick (Niugini) Ltd	FY2017	Audit by PwC. No qualifications noted
Harmony Gold Mining Ltd	Hidden Valley JV	FY2017/FY2018	Audit by PwC. No qualifications noted.
Newcrest Mining Ltd	Lihir Gold Ltd	FY2017/FY2018	Audited by EY. No qualifications noted.
Metallurgical Corporation of China Ltd ("MCC")	MCC Ramu NiCo Ltd	2016 -First Quarter	No audit report included in first quarterly report.
	Niuminco Edie Creek Ltd	FY2017	Audited by BDO. No qualifications noted.
	Ok Tedi Mining Ltd	2017	Financial audit by PwC. No qualifications noted. ESG audit by Materiality Counts. No qualifications noted.
	Ramu Nickel Ltd	2017	Comments on potential increase of percentage ownership: Audited by PwC. No qualifications noted.
St Barbara Ltd	Simberi Gold Co. Ltd	FY2017	Audited by PwC. No qualifications noted.
Zijin Mining Group	Pogera Mine -Joint operator with Barrick (Niugini) Ltd from 31 August 2015	2017	Comments on Pogera Ownership Audited by EY. No qualifications found.

BDO: Binder Dijker Otte

PwC: Pricewaterhouse and Coopers

ESG: Environmental Social Governance

**Table 11 External Auditing of Extractive Industries in Oil and Gas Sector**

Parent Company	Operator in PNG	Year Audited	Qualifications / emphasis of matter / comments
ExxonMobil	ExxonMobil PNG Ltd (PNG LNG project operator)	2017	SEC filings Form 10K Financial statements audited by PwC. No audit report included in 2017 integrated report
JX Nippon Oil and Gas Exploration Corporation	JX Nippon Oil and Gas (and subsidiaries)	Year ending March 31, 2017	JXTG Report Integrated Report Audited by EY. No qualifications noted.
Oil Search		2017	Audited by Deloitte. No qualifications noted.
Santos	Santos (and subsidiaries)	2017	Audited by EY. No qualifications noted.

SEC: Securities and Exchange Commission

<sup>128</sup> PNGEITI Report 2017, pp. 134-135.



## 2.5.2 External Auditing of GoPNG and SOE

The external auditing of national or subnational government and statutory bodies are conducted by AGO<sup>129</sup>.

### ■ Auditor General's Office

AGO oversees auditing national or subnational government and statutory bodies. The Auditor-General of PNG is an officer appointed by the Head of State pursuant to Section 213 of the Constitution of PNG<sup>130</sup>. The functions, mandate and powers are provided in Section 214 of the Constitution of PNG and in Audit Act 1989<sup>131</sup>. The responsibility of the Auditor-General encompasses a range of departments of the national public service and arms, agencies and instrumentalities of the national government, provincial governments, arms, agencies and instrumentalities of provincial governments, and bodies established by statute or act of the National Executive<sup>132</sup>.

AGO has three divisions in charge of conducting audits: National Government Audit Division ("NGAD"), Statutory Bodies Audit Division ("SBAD"), and Provisional and Local Audit Division ("PLAD"). NGAD has around thirty officials and is responsible for auditing of national government where number of engagements is thirty-odd annually. SBAD also has about thirty officials and is responsible for auditing of around forty statutory bodies such as authorities including MRA, IRC and SOE as well as special audits where the number of engagements is above two hundred annually. AGO outsources audits of SOE to major auditing firms and endorses audit reports compiled by the auditing firms. PLAD is responsible for auditing of subnational governments.

The results of audits conducted by AGO are submitted to the Parliament as annual financial audit reports<sup>133</sup>. The annual financial audit reports consist of four parts all of which is downloadable from AGO official website. As of December 2018, the latest annual financial audit reports available on AGO official website are 2012 for Part I, 2014 for Part II and 2016 for Part III and IV<sup>134</sup>. The long-lasting delay in disclosure of the audit reports stems from the inability of entities concerned to prepare financial statements as well as chronic staffing shortage in AGO to catch up<sup>135</sup>.

### ■ Auditing by AGO

AGO conducts audits of financial statements and those of internal control in consideration of the magnitude and operational nature of audited institutions. Table 12 illustrates general characteristics of auditing per category of audited institutions.

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<sup>129</sup> AGO official website, <http://www.ago.gov.pg/>, accessed on 22 February.

<sup>130</sup> Constitution of the Independent State of Papua New Guinea, [http://www.ago.gov.pg/images/downloads/CONSTITUTION\\_OF\\_PNG.pdf](http://www.ago.gov.pg/images/downloads/CONSTITUTION_OF_PNG.pdf), accessed on 22 February 2019.

<sup>131</sup> Audit Act 1989, [http://www.ago.gov.pg/images/downloads/Audit\\_Act\\_1989.pdf](http://www.ago.gov.pg/images/downloads/Audit_Act_1989.pdf), accessed on 22 February 2019.

<sup>132</sup> AGO, "About the Auditor-General's Office", <http://www.ago.gov.pg/index.php/about-the-ago>, accessed on 22 February 2019.

<sup>133</sup> The auditing year of PNG begins in July and ends in June next year.

<sup>134</sup> AGO, "Annual Financial Audit Reports", <http://www.ago.gov.pg/index.php/8-annual-reports>, accessed on 22 February 2019.

<sup>135</sup> Based on interview with AGO.

**Table 12 Auditing by AGO**

Governing Legislation		Frequency	Audit Standard	Accounting Standard
National Government Authority	PFMA	Annually	INTOSAI	PFM; Financial Instruction
Sub National	PFMA; NEC	Annually	ISA	IFRS
SOE	Organic Laws on Provincial Governments and Local-Level Governments; PFMA	Annually	INTOSAI	PFM; Financial Instruction
Donor-Funded Project	Company Act	Annually	ISA	IFRS
	Loan Agreement	Annually	ISA	Contract Agreed

\*INTOSAI: International Organisation of Supreme Audit Institutions, ISA: International Standards on Auditing

Details of performance of audits vary depending on the magnitude and operational nature of the audited institutions. For instance, auditing of DOP is more focused on internal control including segregation of duties than on financial statements.

It is usual to spend a couple of weeks per an audit of financial statements and have it completed, after obtaining the financial statements from the audited institution, within approximately three months after the base date of financial statements. In fact, however, some audits fall behind mainly due to delays in submission of financial statements by the audited institution and insufficient manpower of AGO.

In general, the results of audits are unsatisfactory<sup>136</sup> as shown in the annual financial audit reports.

- Part I of 2012 report indicated “draws attention to significant financial risk, control and related management issues within operating and accounting processes and financial systems of major Government entities” so that Auditor-General “was not able to obtain sufficient and appropriate audit evidence to provide a basis for an audit opinion.”<sup>137</sup>
- Part II of 2014 report indicated “Unfortunately the results of the testing of accounts and controls in 2014 and 2013 revealed weaknesses of such magnitude and that material error could have been processed or misappropriation and fraud could have occurred.”<sup>138</sup>
- Part III of 2016 report indicated Auditor-General “continue(s) to report that I am unable to form an opinion.”<sup>139</sup>
- In Part IV of 2016 report indicated “of the 105 audit reports issued, 30 were unqualified, 32 were qualified, 43 were Disclaimer Opinions.”<sup>140</sup>

#### ■ Auditing of PNGETI Reporting Entities

The latest audit engagements for PNGETI reporting entities by AGO are listed in Table 13. The failure

<sup>136</sup> Ibid.

<sup>137</sup> AGO, “Report of the Auditor-General 2012 on the Public Accounts of Papua New Guinea”, page iii,

[http://www.ago.gov.pg/images/downloads/Part\\_1\\_NGAD\\_12\\_DAG\\_QUALITY\\_REVIEW\\_29-11-15.pdf](http://www.ago.gov.pg/images/downloads/Part_1_NGAD_12_DAG_QUALITY_REVIEW_29-11-15.pdf), accessed on 22 February 2019.

<sup>138</sup> AGO, “Report of the Auditor-General 2014-2013: Part II National Government Departments & Agencies”, p.14,

<http://www.ago.gov.pg/images/downloads/Part-2-NGAD-Merge-Report-JTen-AVui-4-11-15.pdf>, accessed on 22 February 2019.

<sup>139</sup> AGO, “Report of the Auditor-General 2016: Part III Provincial and Local-level Governments and associated entities”, p.10,

[http://www.ago.gov.pg/images/Annual\\_Reports/Part\\_3/Part-3-2016.pdf](http://www.ago.gov.pg/images/Annual_Reports/Part_3/Part-3-2016.pdf), accessed on 22 February 2019

<sup>140</sup> AGO, “Report of the Auditor-General 2016: Part IV Public bodies and their subsidiaries, government owned companies, national government shareholdings in other companies”, page. xii, [http://www.ago.gov.pg/images/downloads/Part\\_4\\_Report\\_of\\_the\\_Auditor-General\\_-\\_2016.pdf](http://www.ago.gov.pg/images/downloads/Part_4_Report_of_the_Auditor-General_-_2016.pdf), accessed on 22 February 2019

to conduct audit in proper and timely manner brings about incredibility in payments and revenues made by PNGEITI reporting entities. It adversely affects the compliance with EITI requirement for an assessment of whether the payments and revenues are subject to credible, independent audit, applying international auditing standards<sup>141</sup>.

**Table 13 Latest External Audit by AGO**

	Conducted in	For the year of	Audit type
DOP	2018	2016	Compliance Audit
DOF	2018	2016	Compliance Audit
DOT	2018	2016	Compliance Audit
DNPM	2018	2016	Compliance Audit
MRA	2018	2014	Financial Audit
IRC	2018	2016	Financial Audit
CEPA	2019	2017	Financial Audit

**2.5.3 Governance of Reporting Entities**

■ Internal Audit and Audit Committees

Internal Audit and Compliance Division (“IACD”) of DOF is responsible for directing the establishment and operation of internal audit units and audit committees in public bodies or other entities that receive public money<sup>142</sup>. The Audit Committee chaired by the Secretary of DOF is where IACD plays a leading role to monitor the activities of internal audit units in public bodies or other entities.

However, in most of public or statutory bodies one person is appointed as internal auditor so that effective internal auditing system is not implemented. In contrast, some agencies have internal audit committee with independent membership in effect to follow up findings of their internal audits.

■ Internal Audit and Audit Committees of Reporting Entities

Table 14 illustrates the current setup at the key organisations. Under the direction of DOF, establishment of internal audit function as well as audit committee in government departments or agencies is underway.

**Table 14 Internal Audit and Audit Committee**

	Internal audit	Audit committee
DOP	One internal auditor.	Not yet established.
DOF	Audit branch in IACD (eight internal auditors)	Compliance branch in IACD
DOT	One internal auditor	Not yet established.
IRC	Fifteen to eighteen internal auditors	Financial audit committee

<sup>141</sup> EITI Standard #4.9.

<sup>142</sup> PFMA Section 4.

## 2.6 Communicating EITI

### 2.6.1 Strategy and Policy

#### ■ PNGEITI Communications Strategy

PNGEITI communications strategy was drafted by PNGEITI National Secretariat and approved by PNGMSG in 2016<sup>143</sup>. It is stated in PNGEITI communication strategy that the ultimate vision of PNGEITI communication program is to institutionalise the EITI Standard to all national and subnational agency through legislation, policy, communication, information technology and mainstream education<sup>144</sup>.

PNGEITI communications strategy classifies the target groups of communications according to the priority. The highest priority is assigned to PNGMSG members from GoPNG and EI, followed by CSO, provincial and local level governments, and IA. The target groups are also identified among the stakeholders other than the reporting entities such as universities, parliamentary committees, churches and schools. PNGEITI National Secretariat recognises that there is a need to include more stakeholders in the target group, for example, signers for the MOU for oil and gas or mining project, from their experiences of several roadshows to disseminate PNGEITI in the regions.

PNGEITI communications policy was prepared and approved in 2016<sup>145</sup>, in line with PNGEITI communication strategy. PNGEITI open data policy and framework<sup>146</sup> was also prepared as a statement that outlines what PNGMSG intends to improve PNGEITI's reporting obligation as an EITI implementing country.

GoPNG participates in the Open Government Partnership<sup>147</sup> ("OGP"), and its Open Government Partnership National Action Plan (2018-2020)<sup>148</sup> endorsed by NEC also includes development of PNGEITI policy and legislation issues as the extractive resource transparency.

#### ■ Communication Sub-group

PNGEITI communications sub-group was established to steer the implementation of the communication strategy. The communication sub-group consists of communication officers from PNG Chamber of Mines and Petroleum<sup>149</sup>, IPA, MRA, ExxonMobil, and Newcrest. The members of communication sub-group usually communicate with each other by e-mail and an annual meeting is supposed to be held for information sharing on the key issues of PNGEITI. A series of media workshops were held by the communication sub-group for awareness promotion to mass media.

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<sup>143</sup> PNGEITI National Secretariat, "PNGEITI Communication Strategy", <http://www.pngeiti.org.pg/wp-content/uploads/2018/04/2016-PNGEITI-Communications-Strategy.pdf>, accessed on 22 February 2019.

<sup>144</sup> PNG Communication Strategy, p.5.

<sup>145</sup> PNGEITI National Secretariat, "PNGEITI Communication Policy", <http://www.pngeiti.org.pg/wp-content/uploads/2018/04/PNGEITI-Communications-Policy.pdf>, accessed on 22 February 2019.

<sup>146</sup> EITI International Secretariat, "Papua New Guinea Open Data Policy and Framework", [https://eiti.org/sites/default/files/documents/png\\_open\\_data\\_policy\\_and\\_framework.pdf](https://eiti.org/sites/default/files/documents/png_open_data_policy_and_framework.pdf), accessed on 22 February 2019.

<sup>147</sup> OGP, "Papua New Guinea", <https://www.opengovpartnership.org/countries/papua-new-guinea>, accessed on 22 February 2019.

<sup>148</sup> OGP, "National Action Plan", [https://www.opengovpartnership.org/sites/default/files/Papua-New-Guinea\\_Action-Plan\\_2018-2020.pdf](https://www.opengovpartnership.org/sites/default/files/Papua-New-Guinea_Action-Plan_2018-2020.pdf), accessed on 22 February 2019.

<sup>149</sup> PNG Chamber of Mines and Petroleum official website, <http://pngchamberminpet.com.pg/>, accessed on 22 February 2019.

The communication sub-group is responsible for disseminating PNGEITI to the public as well as providing recommendations to PNGMSG on matters pertaining to media and communication engagements.

■ EITI Communications Guideline

EITI International Secretariat provides “Talking Transparency”<sup>150</sup> as a communications guideline for EITI implementing countries. There are various ways of communicating the EITI, which consist of direct communications such as website, roadshows, seminars, workshops, conference, posters, newsletters, brochures, handouts, and bulletin boards as well as indirect communications such as radio, television, newspaper and magazines. PNGEITI uses several communications mediums for its communications program.

2.6.2 Awareness Promotion

■ PNGEITI Official Website

PNGEITI official website is administered by PNGEITI National Secretariat. PNGEITI official website has the contents described in Table 15, as of February 2019. The contents of PNGEITI official website are updated by PNGEITI National Secretariat by themselves using WordPress contents management system. PNGEITI National Secretariat recently launched “Revenue Dashboard” in data portal page graphically illustrating the revenues from EI as shown in PNGEITI Report 2013-2016.

**Table 15 Contents of PNGEITI Official Website**

Index	Link
Home	Top page; message of PNGMSG chairperson; quick link to latest news
About Us	Introduction of EITI; profile of PNGEITI; introduction of PNGMSG; profile of PNGEITI National Secretariat staff
Document Portal	PNGEITI Validation Report; PNGEITI Report; PNGEITI Annual Progress Report; PNGEITI Annual Work Plan; PNGMSG minutes of meeting; PNGMSG MoU
Media Portal	Latest news; PNGEITI Tok (commentary); FAQ (glossary)
Jobs & Contractors	Job vacancy
Contact Us	Send form
Data Portal	Revenue Dashboard

■ Official Website of Reporting Entities of GoPNG

Table 16 describes the official website of reporting entities of GoPNG. MRA has uploaded a graphical map of licensing information and PNGEITI Report 2017 on MRA official website, while it has also data portal for mining industry users authorised by MRA. DOP has just started development of DOP official website and no substantial contents have been updated as of February 2019.

<sup>150</sup> EITI International Secretariat, Talking Transparency, <https://eiti.org/sites/default/files/documents/EITI Communications Guide.pdf> accessed on 22 February 2019

**Table 16 Official Website of Reporting Entities of GoPNG**

Entities	URL	Contents related to PNGEITI
DOP	<a href="http://petroleum.gov.pg/">http://petroleum.gov.pg/</a>	N/A
MRA	<a href="http://www.mra.gov.pg/">http://www.mra.gov.pg/</a> <a href="http://portal.mra.gov.pg/Map/">http://portal.mra.gov.pg/Map/</a>	PNGEITI Report 2017, licensing information MRA Mining Cadastre Portal
DOT	<a href="http://www.treasury.gov.pg/">http://www.treasury.gov.pg/</a>	National Budget 2019, Explanation of budget process
DOF	<a href="https://www.finance.gov.pg/">https://www.finance.gov.pg/</a>	Explanation of payments / transfers
IRC	<a href="http://irc.gov.pg/">http://irc.gov.pg/</a>	N/A
AGO	<a href="http://www.ago.gov.pg/">http://www.ago.gov.pg/</a>	Audit reports

■ Promotion Instruments

PNGEITI National Secretariat has developed several instruments to promote PNGEITI to the public as listed in Table 17.

**Table 17 Promotion Instruments**

Instruments	Descriptions
Summary of PNGEITI Report	Developed for the use at conference, forum and exhibition;
Reconciliation Summary (Fact sheet)	Developed for distribution to the interested parties
Brochure / Pamphlet	Developed to introduce PNGEITI
Newsletter	Issued on a quarterly basis to update the latest news of PNGEITI
Promotion Goods	Developed and distributed for the promotion of PNGEITI, such as f lash drive, polo shirts, mag cup, and tote bag

■ Roadshows and Workshops

The roadshows have been conducted to raise awareness on PNGEITI among the regional stakeholders such as provincial and local level governments, LO groups and associations in the regions. The roadshows are usually organised for one day to disseminate basic knowledge on EITI and PNGEITI to the participants. BO roadshows were also held in 2017 in preparation of implementing requirements of BO by FY2020. The curriculum and contents of roadshows are developed by PNGEITI National Secretariat or outsourced to the engaged consultants for BO roadshows.

The workshops are usually held for three days to share the latest topics on PNGEITI to the participants who already have basic knowledge of PNGEITI. The workshops provide interactions among the participants and facilitate open and direct communication considered as important among the people in PNG.

There are positive feedbacks from majority of the participants of roadshows, though EITI is a relatively new concept for many participants. The roadshows were effective to enhance the understanding on the concept of EITI and participation of the regional stakeholders in PNGEITI reporting process. After the roadshows, the regional stakeholders were eager to know about constitutional and legal rights under the mining, oil and gas legislations. At the same time, most participants were concerned on the benefit of mining and oil / gas projects as well as PNGEITI, and transparency of contract negotiation process and outcomes.

Due to geographical and logistical constraints in PNG, the roadshows implementation requires relatively

high financial resources. In 2017, WB financed for implementation of roadshows through INA and CIMC. PNGEITI National Secretariat collaborated with Papua New Guinea Resource Governance Coalition<sup>151</sup> (“PNGRGC”) as a facilitator of roadshows.

#### ■ Participation in External Events

PNGEITI has participated in some external events like conferences, forums and exhibitions for the presentation and promotion of PNGEITI. Some brochures and goods were distributed in the exhibitions.

#### ■ Mass Media

PNGEITI National Secretariat conducted media capacity development workshops in 2014 to share the updates on PNGEITI implementation and findings of PNGEITI Reports with mass media in PNG. The media capacity development workshops facilitated the relationship between PNGEITI National Secretariat and the media participants which have produced more articles since then.

Some CSO members of PNGMSG were invited to discuss and promote PNGEITI implementation through radio broadcasting in 2014. PNGMSG broadcasted a series of radio shows at FM100 nationwide in 2016. Radio was also used to announce BO workshops during the current engagement.

PNGMSG members were invited to television show “Tanim Graun” of EMTV and discussed the implementation of EITI in PNG and its benefit in 2014<sup>152</sup>. It was partly sponsored by ExxonMobil PNG, a member of PNGMSG.

PNGEITI National Secretariat also issues press releases to the local mass media such as newspaper, radio, and TV stations, as and when necessary.

#### ■ Social Media

PNGEITI National Secretariat also utilises social media for publicity. PNGEITI Facebook page<sup>153</sup> was launched in 2016 and there are 737 followers<sup>154</sup>. A Twitter account<sup>155</sup> has been registered in the name of PNGEITI since February 2016, but no articles have been posted. YouTube has not been used by PNGEITI National Secretariat, while some PNGEITI news available at EMTV Online channel<sup>156</sup>.

### 2.6.3 Capacity Development of PNGMSG

#### ■ Proposals of Education Course at Tertiary Institutions

PNGEITI National Secretariat intends to institutionalise PNGEITI into PNGMSG and the education systems in a long term<sup>157</sup>. PNGEITI National Secretariat explores external partners such as higher educational institute to provide an education course on EITI in near future in a sustainable way. The

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<sup>151</sup> PNGRGC Facebook page, <https://www.facebook.com/Papua-New-Guinea-Resource-Governance-Coalition-914110402000476/>, accessed on 22 February 2019.

<sup>152</sup> Tanim Gaun, “TG TOKAUT: Episode 3 Revenue Transparency, What is the EITI? “ [https://www.youtube.com/watch?v=ftOjKX-w\\_o](https://www.youtube.com/watch?v=ftOjKX-w_o), accessed on 22 February 2019.

<sup>153</sup> PNGEITI Facebook page, <https://www.facebook.com/pngeitipng/>, accessed on 22 February 2019.

<sup>154</sup> As of 21 February 2019. EITI International Secretariat has 12184 followers, and PH-EITI (EITI Philippines) has 1607 followers)

<sup>155</sup> PNGEITI Twitter account, [https://twitter.com/pngeiti\\_png](https://twitter.com/pngeiti_png), accessed on 22 February 2019.

<sup>156</sup> EMTV Online channel on YouTube, <https://www.youtube.com/channel/UCuY44m-cD124oITaNkBtsLA>, accessed on 22 February 2019.

<sup>157</sup> PNGEITI Communications Strategy, p.12.

potential partners may include UPNG, PNG National Research Institute<sup>158</sup>, Pacific Institute of Leadership and Governance<sup>159</sup>, University of Technology<sup>160</sup> in Morobe, Divine Word University<sup>161</sup> in Madang, and Pacific Adventist University<sup>162</sup>.

#### ■ In-house Training at EITI Reporting Entities

Most staff of the reporting entities are aware on PNGEITI, while many of them have little knowledge on the detail concepts of EITI and contents of PNGEITI Reports. No in-house training on PNGEITI was conducted among the reporting entities, while information on EITI is shared among the staff of reporting entities<sup>163</sup>. For example, IRC the officer in charge of PNGEITI reporting at IRC shares the issues and other updates from the workshops or meetings and provides guidance on EITI for new staff<sup>164</sup>.

PNGEITI National Secretariat is exploring a possibility of online courses on PNGEITI, which may also be applicable to widely spread the fundamental knowledge on EITI and PNGEITI in a cost-effective way.

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<sup>158</sup> NRI official website, <https://pngnri.org/>, accessed on 22 February 2019.

<sup>159</sup> Pacific Institute of Leadership and Governance webpage, <http://pacificprecinct.org/pacific-institute/>, accessed on 22 February 2019.

<sup>160</sup> University of Technology official website, <http://www.unitech.ac.pg/>, accessed on 22 February 2019.

<sup>161</sup> Divine Word University official website, <https://www.dwu.ac.pg/>, accessed on 22 February 2019.

<sup>162</sup> Pacific Advantest University official website, <https://www.pau.ac.pg/>, accessed on 22 February 2019.

<sup>163</sup> Based on interview with some reporting entities.

<sup>164</sup> Based on interview with IRC.



## 2.7 Highlights of PNGEITI Validation

### 2.7.1 Summary

#### ■ Process of First Validation

EITI International Secretariat conducted the first Validation on PNGEITI Report 2016 in April 2018. PNGEITI Validation Report was finalised in October 2018 and the EITI Board agreed that PNG has made meaningful progress in implementing the EITI Standard.

PNGEITI is required to commence the second Validation process within 18 months from the Board decision in October 2018, namely, April 2020. Within this timeframe, PNGEITI needs to take measures to meet all the requirements and improve the level of disclosure.

#### ■ Scorecard of First Validation

The scorecard of the first PNGEITI Validation is illustrated in Figure 8.

EITI Requirements		LEVEL OF PROGRESS				
Categories	Requirements	No progress	Inadequate	Meaningful	Satisfactory	Beyond
#1. MSG oversight	#1.1 Government engagement				█	
	#1.2 Industry engagement				█	
	#1.3 Civil society engagement				█	
	#1.4 MSG governance				█	
	#1.5 Work plan				█	
#2. Licenses and contracts	#2.1 Legal framework				█	
	#2.2 License allocations		█			
	#2.3 License register			█		
	#2.4 Policy on contract disclosure				█	
	#2.5 Beneficial ownership	█				
	#2.6 State participation			█		
#3. Monitoring production	#3.1 Exploration data				█	
	#3.2 Production data		█			
	#3.3 Export data			█		
#4. Revenue collection	#4.1 Comprehensiveness		█			
	#4.2 In-kind revenues	█				
	#4.3 Barter agreements	█				
	#4.4 Transportation revenues	█				
	#4.5 SOE transactions			█		
	#4.6 Direct subnational payments		█			
	#4.7 Disaggregation				█	
	#4.8 Data timeliness				█	
	#4.9 Data quality		█			
#5. Revenue allocation	#5.1 Distribution of revenues		█			
	#5.2 Subnational transfers		█			
	#5.3 Revenue management and expenditures	█				
#6. Socio-economic contribution	#6.1 Mandatory social expenditures			█		
	#6.2 SOE quasi-fiscal expenditures		█			
	#6.3 Economic contribution				█	
#7. Outcomes and impact	#7.1 Public debate				█	
	#7.2 Data accessibility	█				
	#7.3 Follow up on recommendations				█	
	#7.4 Outcomes and impact of implementation			█		

**Figure 8 Scorecard of First Validation of PNGEITI**

### 2.7.2 Requirements Analysis for Necessary Intervention

Those requirements rated as “Inadequate Progress” or “Meaningful Progress” should be prioritised for necessary intervention. The major challenges of these requirements are as below.

■ #2.2 License Allocations

EITI implementing countries are required to disclose the information related to awarding or transferring

of licenses such as a process of awarding or transferring the license, technical and financial criteria, information about license holders, and any non-trivial deviations from the applicable legal and regulatory framework<sup>165</sup>. It is required that the information is disclosed for all license awards and transfers, and it is enough to include a reference or link in the EITI Report if the required information is already publicly available<sup>166</sup>. A guideline is published for this requirement<sup>167</sup>.

The requirement for license allocations was rated as inadequate progress in the first Validation. It is necessary to establish the register management and procedure of data disclosure at DOP, which governs oil and gas sector. Some information was still unspecified on licenses transfer or award in PNGEITI Report 2017.

### ■ #2.3 License Register

EITI implementing countries are required to maintain a publicly available register or cadastre system with the timely and comprehensive information regarding each of the licenses including license holders, license area, date of application, date of award and duration of the license, the commodity being produced in case of production licenses<sup>168</sup>. It is enough to include a reference or link in the EITI Report if the required information is already publicly available<sup>169</sup>. A guideline is published for this requirement<sup>170</sup>.

The requirement for license register was rated as meaningful progress in the first Validation. It is necessary to establish the register management and procedure of data disclosure at DOP. DOP maintained the license records in handwriting ledgers, while it started development of petroleum license database. It is anticipated that a standard operations procedure will be detailed to utilise the data from petroleum license database and maintain a publicly available license register possibly on DOP official website.

### ■ #2.6 State Participation

EITI implementing countries are required to disclose an explanation of the prevailing rules and practices regarding the financial relationship between the government and SOE as well as the level of SOE's ownership in extractives companies<sup>171</sup>. The disclosed information should include details regarding the terms attached to their equity stake, including their level of responsibility to cover expenses at various phases of the project cycle<sup>172</sup>. A guideline is published for this requirement<sup>173</sup>.

The requirement for state participation was rated as meaningful progress in the first Validation. It was recommended in PNGEITI Validation report to provide clear definition of SOE within the scope of EITI reporting to ensure the comprehensiveness as well as clear rules and practices which governs financial

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<sup>165</sup> EITI Standard #2.2.

<sup>166</sup> Ibid.

<sup>167</sup> EITI International Secretariat, "Guidance note 4 on license allocations", <https://eiti.org/GN4>, accessed on 22 February 2019.

<sup>168</sup> EITI Standard #2.3.

<sup>169</sup> Ibid.

<sup>170</sup> EITI International Secretariat, "Guidance note 3 on license registers", <https://eiti.org/GN3>, accessed on 22 February 2019.

<sup>171</sup> EITI Standard #2.6.

<sup>172</sup> Ibid.

<sup>173</sup> EITI International Secretariat, "Guidance note 18 on SOE participation in EITI reporting", <https://eiti.org/GN18>, accessed on 22 February 2019.

relations including any loans and guarantees between SOE including their subsidiaries and GoPNG. Some SOE failed to respond to the reporting template timely, and thus it is necessary to raise awareness raising of these entities through PNGMSG to improve their commitment to PNGEITI.

### ■ #3.2 Production Data

EITI implementing countries are required to disclose production data, including total production volumes and the value of production by commodity<sup>174</sup>. This could include sources of the production data and information on how the production volumes and values disclosed in the EITI Report have been calculated<sup>175</sup>. The case studies of Mongolia, Nigeria, Mali and Mozambique are introduced for this requirement<sup>176</sup>.

The requirement for production data was rated as inadequate progress in the first Validation. It is necessary to establish the data management and reporting mechanism at DOP in compliant with this requirement. DOP need to integrate the production data received from EI and utilise for disclosure and monitoring purposes.

### ■ #3.3 Export Data

EITI implementing countries are required to disclose export data, including total export volumes and the value of exports by commodity<sup>177</sup>. This could include sources of the export data and information on how the export volumes and values disclosed in the EITI Report have been calculated<sup>178</sup>. The case studies of Mauritania and Nigeria are introduced for this requirement<sup>179</sup>.

The requirement for export data was rated as meaningful progress in the first Validation. It was concluded in PNGEITI Validation report that there would be a room for improving the information disclosure of the export volumes and values. DOP receives the export data on a monthly basis and may need to review it and calculate the export values.

### ■ #4.1 Comprehensiveness

MSG is required to agree which payments and revenues are material and therefore must be disclosed, including appropriate materiality definitions and thresholds<sup>180</sup> prior to reporting process. In establishing materiality definitions and thresholds, MSG should consider the size of the revenue streams relative to total revenues<sup>181</sup>. A guideline is published for defining materiality and thresholds<sup>182</sup>.

EITI implementing countries are required to provide a comprehensive reconciliation of government

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<sup>174</sup> EITI Standard #3.2.

<sup>175</sup> Ibid.

<sup>176</sup> EITI International Secretariat, "Guidance on production 3.2 and examples from countries", <https://eiti.org/guide/exploration-production-exports>, accessed on 22 February 2019.

<sup>177</sup> EITI Standard #3.3.

<sup>178</sup> Ibid.

<sup>179</sup> EITI International Secretariat, "Guidance on production 3.3 and examples from countries", <https://eiti.org/guide/exploration-production-exports>, accessed on 22 February 2019.

<sup>180</sup> EITI Standard #4.1.

<sup>181</sup> Ibid.

<sup>182</sup> EITI International Secretariat, "Guidance note 13 on defining materiality, reporting thresholds and reporting entities", <https://eiti.org/GN13/>, accessed on 22 February 2019.

revenues and company payments, including payments to and from SOE<sup>183</sup>. An entity should only be exempted from reporting if it can be demonstrated that its payments and revenues are not material<sup>184</sup>. The government is additionally required to provide aggregate information about the amount of total revenues received from each of the benefit streams, including revenues that fall below agreed materiality thresholds<sup>185</sup>. Where this data is not available, IA should draw on any relevant data and estimates from other sources in order to provide a comprehensive account of the total government revenues<sup>186</sup>. A guideline is published for establishing the scope of EITI reporting<sup>187</sup>.

The requirement for comprehensiveness was rated as inadequate progress in the first Validation. It is necessary to review the entire process of PNGEITI reporting. The schedule of PNGEITI reporting should be reviewed and data collection by IA should start earlier so that PNGMSG may determine the materiality definitions. The confidentiality of contracts is often given as an excuse of unwillingness to respond to the reporting templates and there is a need to raise awareness among the reporting entities on PNGEITI as the national commitment decided by NEC. PNGEITI National Secretariat should be involved more in the reporting process by monitoring the response status to the reporting templates by the reporting entities. DOP may require more assistance in the reporting process as it is in a chronic resource shortage.

#### ■ #4.5 SOE Transactions

MSG must ensure that the reporting process comprehensively addresses the role of SOE, including material payments to SOE from EI, and transfers between SOE and other government agencies. This requirement is covered by a guideline for #2.6 State Participation.

The requirement for SOE transactions was rated as meaningful progress in the first Validation. PNGEITI Validation report identified a challenge in the comprehensiveness of SOE transactions with other government entities, due to low response to the reporting templates by SOE. It is necessary to raise awareness among SOE on PNGEITI as a national commitment.

#### ■ #4.6 Direct Subnational Payments

If direct payments from companies to subnational government entities are material, MSG is required to ensure that company payments to subnational government entities and the receipt of these payments are disclosed and reconciled in the EITI Report<sup>188</sup>. A guideline is published for this requirement<sup>189</sup>.

The requirement for direct subnational payments was rated as inadequate progress in the first Validation. A scoping study is currently conducted by an engaged consultant with support from PGF. The measures to be taken should be considered from the scoping study.

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<sup>183</sup> EITI Standard #4.1.

<sup>184</sup> Ibid.

<sup>185</sup> Ibid.

<sup>186</sup> Ibid.

<sup>187</sup> EITI International Secretariat, "Guidance note 9 for establishing the scope of EITI reporting, including suggested checklist", <https://eiti.org/GN9/>, accessed on 22 February 2019.

<sup>188</sup> EITI Standard #4.6.

<sup>189</sup> EITI International Secretariat, "Guidance note 10 on subnational reporting", <https://eiti.org/GN10/>, accessed on 22 February 2019.

#### ■ #4.9 Data Quality and Assurance

In the EITI Report, the reconciliation of company payments and government revenues must be undertaken by an IA applying international professional standards.<sup>190</sup> A guideline is published for this requirement<sup>191</sup>. According to the guideline, EITI seeks to build on existing audit and assurance systems in government and industry, and to promote adherence to international practice and standards. In countries with weak audit and assurance systems, EITI Reporting can play a key role in identifying these issues, encouraging reforms and monitoring progress.

The requirement for data quality and assurance was rated as inadequate progress in the first Validation. PNGEITI Report 2017 indicated the difficulty to obtain the audit financial statements from all reporting entities particularly from GoPNG and SOE and the authorised signature of the reporting entities on their response to the reporting templates. Again, it is necessary to raise awareness on PNGEITI as a national commitment. The capacity development of AGO may be also necessary in consideration that EITI seeks to build on existing audit and assurance systems. It is anticipated that the improvement of external auditing of GoPNG and SOE by AGO will contribute to more accurate financial data of audited entities and reduce variations in the reconciliation process.

#### ■ #5.1 Distribution of Revenue

EITI implementing countries are required to disclose a description of the distribution of revenues from EI<sup>192</sup>. Where revenues are not recorded in the national budget, the allocation of these revenues must be explained, with links provided to relevant financial reports as applicable<sup>193</sup>. The case studies of Burkina Faso and Peru are introduced for this requirement<sup>194</sup>.

The requirement for distribution of revenue was rated as inadequate process in the first Validation. It was recommended in PNGEITI Validation report to clarify which extractive revenues are recorded in the national budget. It is encouraged to publicly clarify the equivalence of revenue classifications in PNGEITI Reports with those used in its national budget (e.g. group tax and corporate income tax) to strengthen citizen oversight of the budgetary process. Budget Volume's appendix (Table 12 for 2019 budget) indicated some revenue streams from EI (e.g., Dividends from SOE), but the tax revenues were not classified by the industries, rather by types of tax revenue in the budget<sup>195</sup>. Also, there is a challenge to trace the revenue allocations because all tax revenues including from EI are transferred and pooled at CRF while the dividends from SOE are transferred to Sovereign Wealth Fund and not distributed to stakeholders. In addition, the provision of PMMRA stipulating all the public money including non-tax revenues are required to transfer to CRF has not been implemented as of December 2018.

#### ■ #5.2 Subnational Transfers

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<sup>190</sup> EITI Standard #4.9.

<sup>191</sup> EITI International Secretariat, "Guidance note 24 on data quality and assurance", <https://eiti.org/GN24/>, accessed on 22 February 2019.

<sup>192</sup> EITI Standard #5.1.

<sup>193</sup> Ibid.

<sup>194</sup> EITI International Secretariat, "Guidance on the distribution of extractive industry revenues (5.1)", <https://eiti.org/guide/distribution-extractive-industry-revenues>, accessed on 22 February 2019.

<sup>195</sup> 2019 National Budget Volume 1 Economic and Development Policies Appendix 2: Tables on Economic and Fiscal Data, Table 12: General Government Revenue by Economic Classification.

MSG is required to ensure that material transfers between national and subnational government entities are disclosed<sup>196</sup>. EITI implementing countries should disclose the revenue sharing formula, if any, as well as any discrepancies between the transfer amount calculated in accordance with the relevant revenue sharing formula and the actual amount that was transferred between the central government and each relevant subnational entity<sup>197</sup>. This requirement is covered by a guideline for #4.6 subnational transfer.

The requirement for subnational transfers was rated as inadequate progress in the first Validation. A scoping study is currently conducted for subnational payment and transfers and the measures to be taken should be considered from the scoping study.

#### ■ #6.1 Mandatory Social Expenditure

EITI implementing countries are required to disclose and reconcile the transactions of material social expenditures mandated by law or contracts<sup>198</sup>. Regarding material discretionary social expenditures and transfers, MSG is encouraged to develop a reporting process with a view to achieving transparency commensurate with the disclosure of other payments and revenue streams to government entities<sup>199</sup>. A guideline is published for this requirement<sup>200</sup>.

The requirement for mandatory social expenditure was rated as meaningful progress in the first Validation. It was recommended in PNGEITI Validation report to 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.

#### ■ #6.2 SOE Quasi-fiscal Expenditure

EITI implementing countries are required to include disclosures from SOE on their quasi-fiscal expenditures<sup>201</sup>. Quasi-fiscal expenditures include arrangements whereby SOE undertake public social expenditure such as payments for social services, public infrastructure, fuel subsidies and national debt servicing, etc. outside of the national budgetary process<sup>202</sup>. This requirement is covered by a guideline for #2.6 State Participation.

The requirement for quasi-fiscal expenditure was rated as inadequate progress in the first Validation. It was recommended in PNGEITI valuation report to undertake a comprehensive review of all expenditures undertaken by extractives SOE and their subsidies that could be considered quasi-fiscal.

#### ■ #7.4 Outcomes and Impact of Implementation

MSG is required to review the outcomes and impact of EITI implementation on natural resource governance<sup>203</sup> and publish annual progress reports. All stakeholders should be able to participate in the

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<sup>196</sup> EITI Standard #5.2.

<sup>197</sup> Ibid.

<sup>198</sup> EITI Standard #6.1.

<sup>199</sup> Ibid.

<sup>200</sup> EITI International Secretariat, "Guidance note 17 on social expenditures", <https://eiti.org/GN17/>, accessed on 22 February 2019.

<sup>201</sup> EITI Standard #6.2.

<sup>202</sup> Ibid.

<sup>203</sup> EITI Standard #7.4.

production of the annual progress report and reviewing the impact of EITI implementation, and CSO and EI involved in EITI should be able to provide feedback on the EITI process and have their views reflected in the annual progress report.<sup>204</sup> A guideline is published for this requirement<sup>205</sup>.

The requirement for outcomes and impact of implementation was rated as meaningful progress in the first Validation. It is mentioned in PNGEITI Validation report that PNGMSG's efforts to review outcomes and impact of PNGEITI implementation are limited as can be seen from the missing details in the annual progress reports and the lack of discussion of this subject matter in the minutes of PNGMSG meetings. PNGEITI annual progress report would be improved by providing details on the progress against meeting each EITI requirement, especially on the technical aspects, and in veering away from general description of activities and outcomes. The capacity development of PNGMSG and PNGEITI National Secretariat is a key measure to improve the practical levels of EITI reporting.

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<sup>204</sup> Ibid.

<sup>205</sup> EITI International Secretariat, "Guidance note 5 on annual progress reports (APR)", <https://eiti.org/GN5/>, accessed on 22 February 2019.



## 2.8 Highlights of PNGEITI Report 2017

### 2.8.1 Reporting Templates

#### ■ Preparation of Reporting Templates

PNGEITI Report 2017 was published on 28 December 2018. The data and information were collected from GoPNG, SOE and EI. These entities were requested to respond to the reporting templates prepared by IA. The reporting templates were prepared according to the type of reporting entities, and both financial and non-financial data were requested to provide. The reporting entities provided the financial data of resource amount revenues in FY2017 on cash basis consistent with audited data and the non-financial data of additional narrative information related to the resource revenues with signatures of the authorised representative, as instructed by IA.

#### ■ Response Status

Table 18 summarises the response status of the reporting templates. IA distributed the responding templates in the middle of August 2018, and the reporting entities were requested to respond by the end of August 2018. A training was provided by IA to increase knowledge of reporting templates among the reporting entities, but the response status was not improved from the previous year.

**Table 18 Response Status of Reporting Templates**

Reporting Entities	Reporting template were submitted		Reporting template were signed by authorised representative		Non-financial data was submitted
	2017	2016	2017	2016	2017
PNGEITI Report					
Mining companies	42%	75%	33%	38%	42%
Oil and Gas companies	80%	100%	80%	75%	60%
SOEs and trustees	40%	86%	40%	57%	30%
Government entities	61%	86%	11%	57%	50%
Total	53%	84%	35%	58%	45%

Below tables<sup>206</sup> summarise data completeness received from each type of the reporting entities. Some reporting entities did not respond the reporting template due to confidentiality provisions of the agreement of their projects. IA needed to start drafting PNGEITI Report 2017 without enough data. Other entities responded to the reporting template without authorised signatures by some reasons such as incompleteness of audit, carelessness of officials in charge of handling figures, unwillingness or avoidance of huge works requisite to comply with EITI reporting procedure and/or sheer inability to prepare the reporting templates.

<sup>206</sup> PNGEITI Report 2017, pp. 117 - 120

**Table 19 Response Status of EI in Mining Sector**

Project	PNG Entity	Parent Company	Material under Quantitative Definition	Reporting templates		
				Financial Data	Authorised Signature	Non-financial Data
Ok Tedi (Mt Fubilan)	OTML	OTML	Y	Y	Y	Partial
Lihir (Luise Caldera)	Lihir Gold Ltd.	Newcrest Mining Ltd.	Y	Y	Y	Y
Porgera	Barrick (Niugini) Ltd.	Barrick Gold Corp. /Zijin Mining Group	Y	Y	Y	Y
Hidden Valley	Harmony PNG 20 Ltd.	Harmony Gold Mining Co. Ltd.	Y	Y	Y	Y
	Morobe Consolidated Goldfields Ltd.	Harmony Gold Mining Co. Ltd.	Y	Y	Y	Y
Ramu Nickel (Kurumbukari)	MCC Ramu NiCo Ltd.	MCC-JJJ Mining	Y	Y	N	Y
	Ramu Nickel Ltd.	Highlands Pacific Ltd.	-	N	N	N
	Nautilus Minerals Niugini Ltd.	Nautilus Minerals Inc.	-	N	N	N
Simberi	Simberi Gold Co. Ltd.	St Barbara Ltd.	Y	Y	Y	Y
Edie Creek	Niuminco Edie Creek Ltd.	Niuminco Group Ltd.	-	N	N	N
Kainantu	K92 Mining Ltd.	K92 Mining Inc.	-	N	N	N
Woodlark (*1)	Woodlark Mining Ltd.	Geopacific Resources Ltd. / Kula Gold Ltd.	-	N	N	N
Solwara (*1)	Eda Kopa (Solwara) Ltd.	KMH	-	NA	NA	Y
Mt Crater (HGZ Mine)	Anomaly Ltd.	Crater Gold Mining Ltd.	-	N	N	N
Frieda River (*2)	Highlands Frieda Ltd.	Highlands Pacific Ltd.	-	N	N	N
	Frieda River Ltd.	PanAust Ltd. (*3)	-	N	N	N
Wafi-Golpu (Wafi Mt) (*2)	Newcrest PNG 2 Ltd.	Newcrest Mining Ltd.	Y	Y	Y	Y
	Wafi Mining Ltd.	Harmony Gold Mining Co. Ltd.	Y	Y	Y	Y

\*1 No production in 2017

\*2 Special Mining Lease application lodged

\*3 100% owned by Guangdong Rising Assets Management Co. Ltd

**Table 20 Response Status of EI in Oil and Gas Sector**

Project	PNG entity	Parent company	Material under Quantitative Definition	Reporting Templates		
				Financial Data	Authorised Signature	Non-financial Data
Papua LNG (Elk-Antelope)	Total E&P PNG Ltd.	Total S.A.	Y	Y	Y	N
Gobe	Ampolex (PNG Petroleum) Inc	ExxonMobil Ltd.	Y	Y	Y	Partial
	Cue PNG Oil Co. P/L	KPH	Y	N	N	N
	Southern Highlands Petroleum Co. Ltd.	KPH	Y	Y	Y	Y
	Merlin Petroleum Co.	Nippon Oil exploration (PNG) Pty. Ltd., JX Nippon Oil & Gas Corp., Marubeni Corp.	-	Y	Y	Y
	Oil Search (PNG) Ltd.	Oil Search Ltd.	Y	Y	Y	Partial
	Barracuda Ltd.	Santos Ltd.	-	Y	Y	Y
Hides Gas to Electricity	Oil Search (Tumbudu) Ltd.	Oil Search Ltd.	Y	Y	Y	Partial
Kutubu	Ampolex (PNG Petroleum) Inc.	ExxonMobil Ltd.	Y	Y	Y	Partial
	Merlin Pacific Oil Co. NL	ExxonMobil Ltd.	Y	Y	Y	Partial
	Merlin Petroleum Co.	Nippon Oil exploration (PNG) Pty. Ltd., JX Nippon Oil & Gas Corp., Marubeni Corp.	-			
	Oil Search (PNG) Ltd.	Oil Search Ltd.	Y			
Moran	Ampolex (Highlands) Inc.	ExxonMobil Ltd.	Y	Y	Y	Partial
	Ampolex (PNG Petroleum) Inc.	ExxonMobil Ltd.	Y	Y	Y	Partial
	Esso PNG Moran Ltd.	ExxonMobil Ltd.	Y	Y	Y	Partial
	Merlin Pacific Oil Co. NL	ExxonMobil Ltd.	Y	Y	Y	Partial
	Eda Oil Ltd.	KPH	-	N	N	N
	Merlin Petroleum Co.	Nippon Oil exploration (PNG) Pty. Ltd., JX Nippon Oil & Gas Corp., Marubeni Corp.	-	Y	Y	Y
	Oil Search (PNG) Ltd.	Oil Search Ltd.	Y	Y	Y	Partial
PNG LNG	Ampolex (PNG) Ltd.	ExxonMobil Ltd.	Y	Y	Y	Partial
	Esso Highlands Ltd.	ExxonMobil Ltd.	Y	Y	Y	Partial
	Esso PNG Juha Ltd.	ExxonMobil Ltd.	Y	Y	Y	Partial
	ExxonMobil PNG Ltd.	ExxonMobil Ltd.	Y	Y	Y	Partial
	Kumul Petroleum (Kroton) Ltd.	KPH	-	N	N	N
	Kumul Petroleum (PNG LNG) Ltd.	KPH	-	N	N	N
	Nippon PNG LNG LLC	Nippon Oil exploration (PNG) Pty. Ltd., JX Nippon Oil & Gas Corp., Marubeni Corp.	-	Y	Y	Y
	Oil Search (LNG) Ltd.	Oil Search Ltd.	Y	Y	Y	Partial
	Oil Search (Tumbudu) Ltd.	Oil Search Ltd.	Y	Y	Y	Partial
	Lavana Ltd.	Santos Ltd.	-	Y	Y	Y
	Santos (Hides) Ltd.	Santos Ltd.	-	Y	Y	Y

\* ExxonMobil provided one consolidated reporting template for its upstream companies for 2017.

**Table 21 Response Status of GoPNG**

Reporting entity	Reporting Templates		
	Financial Data	Authorised Signature	Non-financial Data
IRC	Y	N	Y
MRA	Y	N	Partial
DOT	Y	N	Y
DOF	N	N	N
DOP	Y	Y	Partial
DNPM	Y	N	Y
PNG Customs	Partial	N	Partial
CEPA	N	N	N
B PNG	N	N	N

**Table 22 Response Status of State-Owned Enterprises**

Reporting entity	Reporting Templates		
	Financial Data	Authorised Signature	Non-financial Data
KPH	N	N	N
KMH	N	N	N
OTML	Y	Y	partial
OTDF	N	N	N
MRDC	Y	Y	Y

## 2.8.2 Reconciliation

IA reconciled the amounts of material revenue streams paid by EI with those received by GoPNG. As a result, there are some variances observed<sup>207</sup> due to incomplete responses from the reporting entities as presented in Table 23<sup>208</sup>. The variances may be caused by different factors such as misunderstanding of accountants, human errors, limitation of accounting system, and miscommunication between IA and the reporting entities.

<sup>207</sup> PNGEITI Report 2017

<sup>208</sup> PNGEITI Report 2017, pp. 121 - 122

**Table 23 Reconciliation Results**

Revenue stream	GoPNG Receiving Entities	Paid Amount Reported by EI (PGK)	Received Amount Reported by GoPNG (PGK)	Variance (PGK)	
				(PGK)	(%)
<b>Mining</b>					
Production levy	MRA	23,219,283	22,818,137	401,146	1.76%
MRA fees	MRA	-	6,089,572	Not Reconciled	
<b>Oil &amp; Gas</b>					
Development levy	DPF (via DOP)	15,592,973	7,334,173	8,258,800	112.61%
License fees	DOP	-	2,998,554	Not Reconciled	
Additional profits tax	IRC	1,575,219	-	1,575,219	0.00%
Equity distributions	KPH	-	-	Not Reconciled	
Equity distributions (Oil Search shares)	KPH	-	-	-	0.00%
Share of sales	State partners in PNG LNG	-	-	Not Reconciled	
<b>Mining, Oil &amp; Gas</b>					
Mandatory social expenditure		228,467,205	-	Not Reconciled	
Voluntary social expenditure		110,570,199	-	Not Reconciled	
Dividends	State(DOT)	280,925,527	562,300,000	-281,374,473	-50.04%
Salary and wage tax	IRC	597,496,850	619,220,325	-21,723,475	-3.51%
Corporate income tax	IRC	115,823,673	104,055,017	11,768,656	11.31%
ITC - 2. ITC offset from tax paid in reporting period	IRC	113,777,656	138,254,083	-24,476,427	-17.70%
ITC - 1. ITC actually spent on projects DNPM in reporting period		258,230,138	222,498,434	35,731,704	16.06%
Business payments tax	IRC	-	13,431,493	Not Reconciled	
Dividend withholding tax	IRC	-	47,229,739	Not Reconciled	
Interest withholding tax	IRC	-	7,215,745	Not Reconciled	
Management fee withholding tax	IRC	8,769,712	10,672,799	-1,903,087	
Royalty withholding tax	IRC	-	2,547,178	Not Reconciled	
Training Levy	IRC	489,837	71,264	418,573	
Special support grants	Provincial govt. & special purpose authorities	-	20,500,000	Not Reconciled	
Environmental permit fees	CEPA	3,288,469	-	Not Reconciled	
Royalties	DOP, MRA, LO & subnational govt.	258,894,982	217,769,874	41,125,108	18.88%

### 2.8.3 PNGEITI Report

In compliance with the EITI Standard, EITI implementing countries are required to produce the EITI Reports on an annual basis. PNGEITI Reports have been issued for the financial year (“FY”) from 2013 to 2017<sup>209</sup> since the inception of PNGEITI.

<sup>209</sup> PNGEITI National Secretariat, “PNGEITI Report”, <https://www.pngeiti.org.pg/reports/>, accessed on 22 February 2019.

**Table 24 PNGEITI Reports**

FY	Target Period	Issue Date
2013	From 1 January 2013 to 31 December 2013	12 February 2016
2014	From 1 January 2014 to 31 December 2014	24 February 2017
2015	From 1 January 2015 to 31 December 2015	21 December 2017
2016	From 1 January 2016 to 31 December 2016	21 December 2017
2017	From 1 January 2017 to 31 December 2017	28 December 2018

PNGEITI Report 2017 was issued on 28 December 2018. It is structured with eleven chapters, and key descriptions of each chapter are summarised as below.

■ Chapter 1: Introduction

PNG is improving transparency regarding the collection and distribution of revenues from the natural resource sector as an EITI candidate country. The EITI Standard requires candidate countries to form MSG as the key decision-making body for EITI implementation. MSG represents government, civil society and industry. The EITI Standard requires that payments and revenues be reconciled by IA. EY was engaged to fulfil this role and prepare the EITI report.

■ Chapter 2: Revenue Streams and Reporting Entities

PNGEITI Report 2017 covers all known material revenue streams from material reporting entities in EI. PNGMSG adopted a definition of materiality including the threshold of 2% to the total known revenues received by GoPNG from EI of mining and oil and gas sectors. The reporting entities included EI, SOE, trustees of government funds, and GoPNG.

■ Chapter 3: Contribution of the Extractive Industries to the Economy

The medium-term economic outlook for PNG remained positive. EI have made a significant contribution to the economy of PNG, most notably to exports, but also to GDP, government revenue and employment. However, these benefits can be volatile. The largest sources of government revenue from EI were salary and wage tax, dividends from the State's interest in extractive projects, infrastructure tax credit, and royalties.

■ Chapter 4: Legal Framework and Fiscal Regime

IRC is tasked with administration and collection of taxation. PNG Customs is responsible for collecting government revenue from imports and exports. The principal laws that regulate mining activities in PNG are MA, etc. MRA is responsible for oversight, administration and enforcement of these acts and associated agreements. The petroleum industry is governed by OGA and OGR under the administration and management of DOP.

■ Chapter 5: Management and Distribution of Revenues

The national budget process is led by DOT. Several committees assisted in steering the budget process and supporting fiscal decision-making. PNGEITI commissioned a scoping study to investigate the possibility of implementing the EITI Standard to subnational communities. AGO is responsible for

auditing public accounts and reporting to the Parliament. This audit reports highlighted serious deficiencies in accounting practices at all levels of government.

#### ■ Chapter 6: Social Expenditure

The EITI Standard requires disclosure of material mandatory social expenditures and encourages disclosure of discretionary social expenditures. PNGMSG agreed that these revenue streams would be unilaterally reported, with disclosure of discretionary social expenditures optional but encouraged. Some companies have disclosed a detailed description of what is considered a mandatory social expenditure.

#### ■ Chapter 7: Mining

Mining companies provided production data to MRA on a monthly basis as a requirement of their reporting obligations under MA. MRA performed reasonableness checks on the monthly data though it had insufficient resources or capacity to conduct auditing. The official register of tenements is maintained by MRA in handwritten ledgers at their office. MRA has established an online mineral tenement management system.

#### ■ Chapter 8: Oil and Gas

Oil and gas project operators report production data to DOP on a monthly basis. DOP did not perform detailed reviews or audits due to constraints of their resources. The official register of oil and gas licences was maintained by DOP in handwritten ledgers, not organised sequentially based on licence numbers. In principle, the register is accessible by the public, but clearly this is not a practical reality.

#### ■ Chapter 9: State-Owned Enterprises

SOE structure was changed in 2015, as the aggregation of all government mining interests to KMH and all government petroleum interests to KPH. No quasi-fiscal expenditures were disclosed for the reporting period. However, this may be because reporting entities were unclear on what should be classified a quasi-fiscal expenditure.

#### ■ Chapter 10: Reconciliation of Revenue Streams

One of two approaches was adopted for requesting and collecting data for each revenue stream: reconciled revenue streams for data collected from both the paying and receiving entities; and unilaterally disclosed revenue streams for data collected from either paying or receiving entities only. The revenue streams reconciled equate to approximately 96% of total known government revenue from the extractives sector. Only a third of reporting entities provided with signatures of an authorised company representative.

#### ■ Chapter 11: Findings and recommendations

There were eight recommendations presented including: address the findings of the Validation report; increase data availability through PNG government web portals for licence allocation and production data; improve comprehensiveness of revenue data; co-ordinated reconciliation of subnational payments and transfers; improving data quality by integrating PNGEITI with annual financial reporting

requirements; quasi-fiscal payments within extractives sector; reconciliation of PNG LNG share of sales; and additional profits tax.

#### 2.8.4 Recommendations

PNGEITI Report 2017 specified eight recommendations as below. PNGMSG is required to take an action in response to these recommendations.

■ Recommendation 1: Address the Findings of the Validation Report

PNGEITI Validation report identified many areas where the progress against the EITI Standard were “inadequate”, requiring further efforts to achieve. It is recommended that PNGMSG and IA continue to work to overcome the barriers to fully meeting the EITI Standard. Continued engagement with material reporting entities will be required to encourage full participation.

■ Recommendation 2: Increase Data availability through PNG government web portals for license allocation and production data

During the data gathering process by IA, there were still delays experienced accessing data associated with licenses and tenements awarded and transferred. MRA is recommended to investigate the feasibility of system improvement to increase the amount of data available and to improve the search function through online cadaster portal. DOP is recommended to continue to digitise oil and gas license data, and to leverages the knowledge gained from implanting the MRA cadaster portal as well as the KPH license interest web portal.

■ Recommendation 3: Improve comprehensiveness of revenue data

IA had problems accessing finalised, complete payments and revenue data from all entities in a timely manner for EITI reporting purpose. It is recommended that quantitative definition for material reporting entities is implemented in advance for PNGEITI Report 2018.

■ Recommendation 4: Co-ordinated reconciliation of sub-national payments and transfers

A reconciliation of subnational payments should be undertaken and reported on during 2019, prior to PNG undergoing the second Validation against EITI Standard. It is recommended that the first coordinated subnational reconciliation process be initiated early in 2019, within the same timeframe as the national level reconciliation for 2018 data.

■ Recommendation 5: Improving data quality by integrating EITI with annual financial reporting requirements

Not all data templates were signed by an authorised company representative to confirm consistency with audited financial statements. Improving the timeliness and transparency of written and audited annual reports which contain much of the relevant to EITI reporting would address many of the requirements of the EITI Standard. Companies are recommended to supply a copy of relevant financial reports. GoPNG is recommended that the EITI reporting requirements be mandated within annual financial reporting.



■ Recommendation 6: Quasi-fiscal payments within extractive sector

No quasi-fiscal payments have been disclosed for the reporting period. However, there may be some confusion around what actions qualify as “quasi-fiscal” payments. It is recommended that PNG should undertake a comprehensive review of all expenditures undertaken by extractives SOE (and their subsidiaries) that could be considered quasi-fiscal.

■ Recommendation 7: Reconciliation of PNG LNG share of sales

The payments from the share of sales are made to each JV partner through the PNG LNG Global Company LLC (“GloCo”) entity. No information on payments made from the GloCo entity to reconcile was received by IA. MSG recommended to engage the partners of the PNG LNG project to gain agreement on reporting of any material revenue streams that currently pass through the GloCo entity. Agreement on the scope and method of this reporting should be finalised prior to the initiation of PNGEITI Report 2018.

■ Recommendation 8: Additional profits tax

It is unclear whether the PNG LNG project, or any future project, should be paying additional profit tax, and if so, how much should be paid. There would appear to be some confusion among resource companies as to how this tax applies in practice. It is recommended that the reporting requirements of the mandatory income tax returns should be updated to include the information that is required for the IRC to calculate the additional profit tax liability for the company.

## 2.9 Lessons Learnt from Other EITI Implementing Countries

### 2.9.1 EITI Validation

The current status of implementing countries are listed as summarised following tables. As of January 2019, 51 countries are listed on EITI website. The first Validation was conducted at 35 countries including three countries which have already withdrawn from EITI. The status of Significant Progress was achieved by Colombia, Philippines, and Senegal in the first Validation, and by Mongolia and Timor-Leste in the second Validation.

**Table 25 Current Status of EITI Implementing Countries (1)**

Country	Status	First Validation		Second Validation		Thrid Validation	
Afghanistan	Suspended	19/01/19	Inadequate	(18/07/21)	Upcoming		
Albania	Meaningful	13/02/18	Meaningful	(13/02/19)	Upcoming		
Armenia	-	(09/09/19)	Upcoming				
Azerbaijan	Withdrawn	26/10/16	Meaningful				
Burkina Faso	Meaningful	13/02/18	Meaningful	(13/08/19)	Upcoming		
Cameroon	Meaningful	29/06/18	Meaningful	(29/12/19)	Upcoming		
Central African Rep.	Suspended	-	-				
Chad	-	(01/09/18)	Underway				
Colombia	Satisfactory	29/06/18	Satisfactory	(29/06/21)	(re-Validation)		
Cote d'Ivoire	Meaningful	08/05/18	Meaningful	(08/11/19)	Upcoming		
D. Rep. Congo	-	(01/10/18)	Underway				
Dominican Rep.	-	(01/01/19)	Underway				
Ethiopia	-	(01/04/18)	Underway				
Germany	-	(01/11/18)	Underway				
Ghana	Meaningful	08/05/17	Meaningful	(08/09/18)	Underway		
Guatemala	Suspended	(01/04/18)	Underway				
Guinea	-	(01/07/18)	Underway				
Guyana	-	(25/04/20)	Upcoming				
Honduras	Meaningful	25/10/17	Meaningful	(25/04/19)	Upcoming		
Indonesia	-	(01/09/18)	Underway				
Iraq	Suspended	26/10/17	Inadequate	(25/04/19)	Upcoming		
Kazakhstan	Meaningful	13/02/18	Meaningful	(13/08/19)	Upcoming		
Kyrgyz Rep.	Suspended	08/05/17	Inadequate	(08/06/19)	Upcoming		
Liberia	Suspended	24/05/17	Meaningful	(24/11/18)	Upcoming		
Madagascar	Suspended	29/06/18	Meaningful	(29/12/19)	Upcoming		
Malawi	-	(01/09/18)	Underway				
Mali	Meaningful	24/05/17	Meaningful	(28/02/19)	Upcoming		
Mauritania	Meaningful	08/05/17	Meaningful	(08/09/18)	Underway		
Mexico	-	(25/04/20)					
Mongolia	Satisfactory	11/02/17	Meaningful	13/02/18	Satisfactory	(13/02/21)	re-Validation
Mozambique	Meaningful	25/10/17	Meaningful	(25/04/19)	Upcoming		
Myanmar	-	(01/07/18)	Underway				
Netherlands	-						
Niger	Withdrawn	26/10/17	Inadequate				
Nigeria	Meaningful	11/02/17	Meaningful	(11/07/18)	Underway		
Norway	Meaningful	04/12/17	Meaningful	(04/12/18)	Underway		

**Table 26 Current Status of EITI Implementing Countries (2)**

Country	Status	First Validation	Second Validation	Thrid Validation
Papua New Guinea	Meaningful	30/10/18	Meaningful (30/04/20)	Upcoming
Peru	Meaningful	11/02/17	Meaningful (01/07/18)	Underway
Philippines	Satisfactory	05/10/17	Satisfactory (05/10/20)	re-Validation
Rep. of Congo	Meaningful	29/06/18	Meaningful (29/12/19)	Upcoming
Sao Tome & Principe	Meaningful	08/05/17	Meaningful 29/06/18	Meaningful with Significant Improvement (29/12/19) Upcoming
Senegal	Satisfactory	08/05/18	Satisfactory (08/05/21)	re-Validation
Seychelles	Meaningful	01/10/18	Meaningful (01/04/20)	Upcoming
Sierra Leone	-	(04/09/18)	Underway	
Solomon Islands	Withdrawn	08/05/17	Inadequate	
Suriname	-	(24/10/19)	Upcoming	
Tajikistan	Suspended	08/05/17	Inadequate (08/09/18)	Underway
Tanzania	Meaningful	25/10/17	Meaningful (25/04/19)	Upcoming
Timor-Leste	Satisfactory	11/02/17	Meaningful 13/02/18	Satisfactory (13/02/21) re-Validation
Togo	Suspended	08/05/18	Meaningful (08/11/19)	Upcoming
Trinidad & Tobago	-	(01/09/18)	Underway	
Ukraine	Meaningful	29/06/18	Meaningful (29/12/19)	Upcoming
United Kingdom	-	(01/07/18)	Underway	
Zambia	Meaningful	25/10/17	Meaningful (25/04/19)	Upcoming

## 2.9.2 Study Tour

### ■ Outline of Study Tour

A study tour was implemented as a third country training sponsored by JICA from 4 March to 11 March 2018 with the participation of the Head of Secretariat, Communications Specialist, Technical Officer and Procurement Officer from PNGEITI National Secretariat. The participants visited Manila, the Philippines and learn the experience of Philippine EITI<sup>210</sup> (“PH-EITI”). The first Validation of PH-EITI was conducted in 2017, and it was rated as Satisfactory Progress by the EITI Board.

### ■ Key Findings

It was observed that PH-EITI MSG was committed to PH-EITI with the support and coordination of PH-EITI National Secretariat. The concerned departments of the Philippine Government have committed themselves to PH-EITI implementation and collaborated to establish a legal platform to stipulate the responsibilities of the reporting entities to report data by deadline. On the other hand, in PNG, there is no legal provision to enforce PNGEITI reporting on SOE and EI.

It was also observed that CSO were strongly involved in research, capacity development, and policy framework of PH-EITI. CSO contributed to formulating policy framework to accelerate the implementation of PH-EITI through legislation development.

PH-EITI National Secretariat demonstrated initiatives for coordination, as it actively communicates with stakeholders, organise various events, and facilitate administrations exploiting freeware.

<sup>210</sup> PH-EITI official website, <https://www.ph-eiti.org/>, accessed on 22 February 2019.

## **Chapter 3 Key Issues and Proposed Project Activities**

### **3.1 Department of Petroleum**

DOP needs to improve the data management on license, revenues and production in oil and gas sector as well as its communications with the concerned organisations and the public in compliant with the EITI Standard. The data management and communications of DOP are hindered by several factors, including information and communication infrastructures at DOP offices, awareness and knowledge of DOP management and staff on the EITI Standard and PNGEITI, and standard operations procedures on the data management and information disclosure. DOP also needs to identify a person and / or a section in charge to improve its commitment to PNGEITI and facilitate communications with the concerned organisations in the reporting process of PNGEITI.

#### **3.1.1 Establishment for PNGEITI Communications**

Firstly, DOP needs to ensure its commitment to PNGEITI implementation. It is proposed that DOP assign an officer who works as a DOP's focal person / unit of PNGEITI to activate the communication channels of DOP with concerned organisations including PNGMSG, EI, and PNGEITI National Secretariat. The Project will assist DOP in preparing a TOR for such focal person / unit, providing induction training, and technical advisory in the course of the Project from time to time.

#### **3.1.2 Internal Data Management**

DOP needs to provide data and information on license, revenues and production volume in the reporting process of PNGEITI Reports. The data and information should be readily available and easily accessible and retrievable by authorised DOP staff for utilisations including PNGEITI reporting and disclosure on DOP official website. In this regard, the Project will assist improvement of internal data management.

The Project will focus on the data management of license, revenues and production volume. The petroleum license database should be fully exploited to update and retrieve the necessary data and information on license and revenues of license fees according to the standard operation procedures for PNGEITI reporting in compliant with the EITI Standard. On the other hand, more support from the Project may be necessary for design and development of efficient and secured database for production volume, along with the network attached storages to ensure accessibility and security necessary for internal data management.

#### **3.1.3 Training and Awareness on EITI Standards and PNGEITI**

DOP staff needs to have essential knowledge on the EITI Standard and PNGEITI to ensure that they are capable to deliver the outputs in line with the requirements. However, no specific training and / or awareness activities have been conducted so far to DOP staff on the EITI Standard or PNGEITI. In addition to a focal person / unit for PNGEITI communications, it is necessary to raise awareness and develop capacity of DOP management and staff. In this regard, awareness and / or induction training should be provided to selected officers of DOP at early stage of the Project. The capacity development

of DOP staff will be provided throughout the Project period in form of hands-on training and consultation in the reporting process of PNGEITI Report as well as educational sessions at PNGMSG meetings.

#### 3.1.4 Information Disclosure

DOP is required to disclose the information on petroleum license in accordance with the EITI Standard. DOP official website has just been created and there is a need to upload contents timely and comprehensively. In this regard it is suggested that the Project will identify the contents to be disclosed in compliance with the EITI Standard and assist DOP to provide advisory necessary for information disclosure.

### 3.2 Capacity Development of PNGMSG, Reporting Entities and PNGEITI National Secretariat

All the requirements in the EITI Standard must be met to become an EITI compliant country. The stakeholders, especially those who are involved in the reporting process of PNGEITI Reports, should acquire comprehensive and practical knowledge on the EITI Standard and apply for PNGEITI. The key target groups of capacity development in the Project are PNGMSG, Reporting Entities, and PNGEITI National Secretariat as outlined below.

#### 3.2.1 Capacity Development of PNGMSG

PNGMSG is required to plan and implement the corrective measures in response to the recommendations of the first Validation and IA in preparation for the upcoming second Valuation. In order to ensure sustainable improvement of the current EITI status of “Meaningful Progress”, the feasible measures should be implemented for respective issues. PNGMSG members need to have the detailed understanding and proactive discussions on the issues and practices as well as the respective requirements of the EITI Standard.

Therefore, it is suggested that the Project assist in implementation of the educational session at PNGMSG meetings in a continuous way. The topics of the sessions will be identified after thorough research and analysis, but they may include revenue streams for completeness and significance of reconciliation. The educational sessions will be developed in reference to the EITI Standard and other publications including guidelines and international practices of other EITI implementing countries as they will be effective to discuss and develop more practical measures for PNGEITI.

#### 3.2.2 Capacity Development of Reporting Entities

The comprehensiveness of PNGEITI Report is dependent on the reporting entities including GoPNG constituencies, state-owned enterprises, and extractives companies. The reporting entities should ensure comprehensive, accurate, authorised and timely responses to the reporting templates with more support of PNGEITI National Secretariat in the reporting process. The measures on data quality and assurance

should be also considered to minimise the variances in reconciliation, as some audit statements for GoPNG constituencies and state-owned enterprises in the target period may not be obtainable during the reporting process.

The Project will provide technical assistance by means of hand-on training and consultations to the selected reporting entities. It is suggested that the technical assistance be provided in cooperation with PNGEITI National Secretariat to develop and enhance their support capacity to the reporting entities and PNGMSG.

### 3.2.3 Capacity Development of PNGEITI National Secretariat

The capacity development of PNGEITI National Secretariat is inevitable for sustainable implementation of PNGEITI and enhanced support to PNGMSG. It is suggested that JICA consultants of the Project closely work with staff of PNGEITI National Secretariat and provide technical advisory in the course of implementation of abovementioned capacity development activities to PNGMSG and the reporting entities. The Project will conduct research and analysis on educational instruments for more effective and efficient delivery of training and awareness program and assist PNGEITI National Secretariat to develop and apply such educational tools. The Project will also provide technical advisory and hands-on training to PNGEITI National Secretariat in the process of support for PNGMSG and the reporting entities.

## 3.3 Awareness Promotion

PNGEITI National Secretariat is responsible for planning and implementation of awareness promotion activities. The feedback obtained from the participants in the roadshow was generally positive, and more topics related to PNGEITI are desired. In the constraints of available resources, PNGEITI National Secretariat is expected to continue the awareness promotion activities more efficiently and effectively.

### 3.3.1 Review PNGEITI Communication Strategy

PNGEITI communication strategy was formulated in 2016. From the experience and practices of various awareness promotion activities conducted since then, PNGEITI National Secretariat has accumulated the lessons learnt and skills for efficient and effective implementation of awareness promotion activities. In order to reflect the lessons learnt as well as the changing circumstances surrounding PNGEITI, it is suggested that the Project assist PNGEITI National Secretariat to revise PNGEITI communication strategy. When reviewing PNGEITI communication strategy, it is expected to collaborate with the communication sub-group to incorporate diverse ideas for promotion awareness.

### 3.3.2 Develop Promotion Materials and Contents

It is anticipated that PNGEITI communication strategy will review the target group and mode of communications. There is a need to develop contents suitable for the identified target group with sophisticated mode of communications. It is suggested that the Project assist PNGEITI National

Secretariat to develop the promotion materials according to the identified targets and objectives in the revised communication strategy. The project focus may include expansion of contents on the PNGEITI official website and development of the online materials.

### 3.3.3 Conduct Awareness Promotion Activities

It is anticipated that PNGEITI communication strategy will review and identify the priority of target group among PNGEITI stakeholders. The awareness promotion activities should be planned and implemented in accordance with the priority stipulated in the PNGEITI communication strategy. It is suggested that the Project assist PNGMSG and PNGEITI National Secretariat to plan and implement some awareness promotion activities in consideration of priority as well as resources necessary for such awareness promotion activities. Also, other stakeholders will be consulted to harmonise all awareness promotion activities and avoid overlap of support by external sponsors. Some materials will be developed during the preparation of the events and feedbacks will be collected for further improvement of events and materials used. By doing the awareness promotion activities, PNGEITI National Secretariat is expected to enhance the network with the stakeholders to carry out the activity continuously.

### 3.4 Project Design Matrix

It is proposed that the project design matrix (“PDM”) of the Project be updated as shown in Appendix 2 and Appendix 3.

### 3.5 Plan of Operations

The proposed plan of operations (“PO”) of the Project is attached in Appendix 4.

## **Annex 2: Products Produced by the Project**

1. Baseline Survey Report

**2-1-2 Baseline Survey Report Appendix**



## Appendix 1

### List of Persons and Organisations Interviewed

#### 1. Government of Papua New Guinea

##### (1) Department of Treasury

Name	Position and Designation	Remarks
Mr. Ismael SUNGA	Acting Economist, Extractive Industry Branch, SP Division	
Mr. Garry Maso PAYA	Chief of Internal Audit	

##### (2) PNGEITI National Secretariat

Name	Position and Designation	Remarks
Mr. Lukas ALKAN	Head of Secretariat	Project Director
Mr. Christopher TABEL	Communications Specialist	
Mr. Vaieke VANI	Technical Officer	
Mr. Gedion Timsthy	Media Contractor	Until January 2019
Ms. Delka Kemba RINNY	Finance Officer	
Ms. Liyasi Taligatus NUMARALAI	Administrative Officer	

##### (3) Department of Petroleum

Name	Position and Designation	Remarks
Mr. Kepsy PUIYE	Acting Secretary	Until January 2019
Mr. Lohial NUAU	Acting Secretary	Since January 2019
Mr. Channan S. KUMALAU	Deputy Acting Secretary	Since January 2019
Mr. Bob SARI	Acting Director, Petroleum Division	
Mr. Gregory BALAVUE	Acting Assistance Director, Exploration Branch	
Ms. Vicky COLEMAN	Revenue Officer, Finance and Accounting Branch	
Ms. Joy MATAENGE	Acting Assistant Director, Registry Branch	
Ms. Jeniffer KAPI	Compliance Officer, Registrar Branch	
Mr. George IMANAUI	Acting Manager, Exploration Branch	Archive Section
Mr. Kila Kila NAVU	Contract Officer, Exploration Branch	Archive Section
Mr. Anthon KEVIN	Contract Officer, Exploration Branch	Archive Section
Mr. William KEKET	Senior Geologist, Exploration Branch	Geo-Science Section
Mr. Moses HOMBHANJE	Contract IT Manager, Exploration Branch	IT Section
Mr. Nixon MATOLI	Contract Officer, Exploration Branch	IT Section
Mr. Warea UNDI	Acting Assistant Director, Engineering Branch	
Mr. Ronald MEKETA	Engineer, Engineering Branch	
Mr. Kenneth TAME	Policy Branch, Acting Assistant Director	Until February 2019
Mr. Alphonse LAGAP	Assistant Director, Coordination Branch	
Mr. Leslie YOKO	Acting Assistant Director, Finance and Accounts Branch	
Mr. Michael ROPA	Accountant, Finance and Accounts Branch	
Ms. Beverlyn S. KAMAKO	Acting Program Manager/Senior Examiner, Finance and Accounts Branch	
Mr. Kevin KELEMA	Training Manager, Human Resources Branch	
Ms. Grace MAINDE	Payment Officer, Human Resources Branch	
Mr. West TANGUA	Project Manager, Expenditure Implementation Committee	
Mr. Remon RIEPE	Internal Auditor, Internal Audit Unit	

##### (4) Department of Finance

Name	Position and Designation	Remarks
Mr. Paul NIAGA	Acting First Assistant Secretary, Non-Tax Revenue Division	
Mr. Mai KURAYA	Senior Revenue Review Officer, Non-Tax Revenue Division	
Mr. Melton BOGEGE	Officer, General Ledger	
Ms. Marlene PHILIP	Officer, Trust Accounts	
Mr. Kevin CURUOW	Technical Advisor	
Mr. Tom TIKI	First Assistant Secretary, Internal Audit & Compliance Division	

##### (5) Department of National Planning and Monitoring

Name	Position and Designation	Remarks
Ms. Marie PAIS	Acting Assistant Secretary, Economic	
Mr. Langa KOPIO	Acting Assistant Secretary, Economic Policy	
Mr. Masayoshi ONO	JICA Advisor	Dual duties as Advisory for DOT

##### (6) Internal Revenue Commission

Name	Position and Designation	Remarks
Ms. Ketty MASU	Director - Resources, Policy and Advice Division	
Mr. Abhimanyu DADU	Economist, Office of the Commissioner	
Mr. Albert KENNY	Officer	
Ms. Maggy BUF	Officer	

##### (7) Auditor General's Office

Name	Position and Designation	Remarks
Mr. Lemeki ILA	Deputy Auditor General, Statutory Bodies Audit Division	
Mr. Ray NOURU	National Government Audit Division	

## 2. Extractive Industries and State-Owned Enterprises

### (1) Oil Search Inc.

Name	Position and Designation	Remarks
Mr. Cornelius SOAGAI	Advisor, Government Affairs	

### (2) Kumul Petroleum Holdings Limited

Name	Position and Designation	Remarks
Ms. Esther YUYUGE	Government & Community Affairs Manager	
Mr. Osbourne KARMIE	Graduate Government Interface	

### (3) Total E&P PNG Limited

Name	Position and Designation	Remarks
Ms. Fiona PAGLA	Government Relations, Manager	

## 3. Civil Society

Name	Organisation	Position and Designation	Remarks
Mr. Lawrence STEPHENS	Transparency International PNG	Chairman	
Ms. Majorie ANDREW	Institute of National Affairs	Deputy Director	
Ms. Wallis YAKAM	Consultative Implementation & Monitoring Council	Executive Officer	
Mr. Martyn NAMORONG	PNG Resource Governance Coalition	National Coordinator	

## 4. Resources Persons and Consultants

Name	Organisation	Position and Designation	Note
Mr. James GORE	Ernst & Young PNG	Partner, Assurance	Independent Administrator
Mr. Leonard CATALON	Ernst & Young PNG	Manager, Assurance	Independent Administrator
Dr. Tim GRICE	Leapfrog International, Australia	Founding Director	Subnational Payments and Transfers Scoping Study
Dr. Jeremy WEATE	Adam Smith International	Policy Consultant	Development of PNGEITI National Policy and Legislation
Ms. Nellie JAMES	Adam Smith International	Consultant	Development of PNGEITI National Policy and Legislation
Mr. Shimar Saxena	KPMG	Manager, Advisory Services	Beneficial Ownership Roadmap Implementation Manager
Ms. Stephanie Injia	KPMG	Consultant, Advisory Services	Beneficial Ownership Roadmap Implementation Manager

## 5. Development Partners

Name	Organisation	Position and Designation	Note
Mr. Wilfred LUS	World Bank Group	Senior Mining Specialist	

**Appendix 2**

**Comparison Table of Proposed Revision in Project Design Matrix (PDM)**

➤ **Changes from PDM ver.0 (Oct 2017) to the proposed draft of the revised PDM ver.1 (Mar 2019) with suggested target value of the proposed indicators**

Current PDM		Proposed changes		Rationale / remarks
Description		Description		(Target of the Indicator)
Objectively Verifiable Indicators	Means of Verification	Objectively Verifiable Indicators	Means of Verification	
<b>Overall Goal</b>	Resource related revenue management in PNG is further improved.	Resource related revenue management in PNG is further improved.		
	PNG becomes an EITI(*1) compliant county.	<u>Result of the assessment card is further improved. (At least 3 of requirements upgraded the status after the project.)</u>	Validation result by EITI International Secretariat, <u>Self-assessment result</u>	The compliant status will be achieved by addressing each and every Requirements. Project impact may cover some Requirements but not all. [Current] PNG is the candidate county as of February 2019. The assessment score card of the validation result of 2018 shows the progress level as 13 Satisfactory, 6 Meaningful, and 8 Inadequate Progress. [Target] At the end of the project, 5 of the Requirements' status are expected to improve. Further improvement is expected in 3 Requirements which shows the upgraded status.
<b>Project Purpose</b>	Resource related revenue management and reporting in accordance with EITI International Standard is promoted.	Resource related revenue management and reporting in accordance with EITI(*1) Standard is promoted.		
	Result of the assessment card is improved from 2018 to 2020. (Self-assessment to be conducted before 6 months of the termination will be improved from the validation results to be conducted in 2018.)	Result of the assessment card is improved from 2018 to 2020. (Self-assessment to be conducted before 6 months of the termination will be improved from the validation results to be conducted in 2018.) <u>(EITI Requirements #2.2 License allocations, #2.3 License register, #3.2 Production data, #4.1 Completeness, and #4.9 Data quality are improved.)</u>	<u>Validation result by EITI International Secretariat, Self-assessment result</u>	Specify the improved status by addressing the Requirement items which showed the "inadequate" or "meaningful" progress at the time of Validation conducted in 2018. [Current] License allocations (#2.2) (inadequate), License register (#2.3) (meaningful), Production data (#3.2) (inadequate), Comprehensiveness (#4.1) (inadequate), and Data quality (#4.9) (inadequate). [Target] Improved status for the above Requirements.
<b>Output 1</b>	Management of relevant data and information in DP (*2) is improved.	<u>Data management at DOP (*2) is improved to comply with EITI Requirements.</u>		- Add "to comply with EITI Requirements"
	1-1. Information management procedure is established.	<u>1-1. Appointed focal person or unit members for implementation of EITI at DOP.</u>	<u>1-1. Appointment documentation</u>	1-1. [Current] n/a [Target] At least one liaison officer will be appointed.
	1-2. Financial reports required by government regulation are submitted.	<u>1-2. The procedures of data collection, storage and reporting in compliant with EITI Requirements at DOP are documented.</u>	<u>1-2. Standard of procedure</u>	1-2. [Current] n/a [Target] Data collection, recording / storage, reporting procedure will be standardized and documented for (A) License, (B) Production, (C) Revenue.
	1-3. Data accessibility from the public is improved.	<u>1-3. At least 10 people of DOP management and staff are provided trainings on EITI Standards</u>	<u>1-3. Training records</u>	1-3. [Current] n/a [Target] At least 10 officers, includes the appointed focal person(s).
	1-x. Other indicators will be determined based on the baseline survey.	<u>1-4. Updated contents relevant to EITI Standard on DOP website are increased.</u>	<u>1-4. DOP Website</u>	1-4. [Current] No downloadable contents on "http://petroleum.gov.pg/". [Target] Information will be updated and be available for the public.

<b>Output 2</b>	Reporting mechanism among extractive companies and government agencies (mainly EITI Secretariat) is enhanced.		<u>EITI reporting mechanism among extractive companies and <b>government agencies</b> is enhanced.</u>		- Specify EITI reporting. - Not only EITI Nat Secretariat, but also MSG will be important to be involved.
	2-1. Reporting templates are streamlined with EITI requirement.  2-2. Understanding of participants to trainings on the revised templates is improved (more than two-third of the participants respond as they improved their understandings after the training).	2-1. Revised templates  2-2. Results of the questionnaire of the trainings	<u>2-1. At least 4 of topics (such as the best practices of EITI reporting in other countries) discussed in the sessions</u>  <u>2-2. Feedback of training, consultation or follow-up on the EITI reporting template conducted through the Secretariat at least 3 reporting entities.</u>  <u>2-3. Status of submission of templates to the Independent Administrator is improved</u>  <u>2-4. Educational tools to be utilized by the reporting entities are developed</u>	<u>2-1. Materials of educational session, Training records</u>  <u>2-2. Activity records</u>  <u>2-3. EITI Report (Results of reporting compliance)</u>  <u>2-4. Education tools</u>	2-1. [Current] n/a [Target] At least 4 topics (one topic for each session)  2-2. As the results of the training, individual visit, consultation, follow-up, and so on. [Current] n/a [Target] At least 3 entities including DOP  2-3. [Current] For 2017 reporting, the rate of reporting template submitted and the rate template signed were decreased from 2016. [Target] The rate of reporting template submitted, the rate template signed, and the rate of non-financial data submitted will be improved from the 2017 reporting.  2-4. [Current] n/a [Target] Educational tools for reporting entities such as online course will be developed.
<b>Output 3</b>	Awareness and implementation structure for EITI is enhanced in the country.		Awareness and implementation structure for EITI is enhanced in the country.		
	3-1. Participants for the sensitization activities are improved the awareness on EITI (more than XX% of the participants respond as they improved their awareness after the activity).  3-2. XX times of awareness raising activities are taken place.	3-1. Result of the questionnaire of the sensitization activities  3-2. Activity Records	<u>3-1. The communication strategy of PNG EITI is updated.</u>  <u>3-2. At least 4 materials of awareness promotion is developed.</u>  <u>3-3. At least 4 of times of awareness raising activities are taken place.</u>  <u>3-4. Participants for the promotion activities are improved the awareness on EITI.</u>	<u>3-1. Revised Communication Strategy</u>  <u>3-2. Developed materials</u>  <u>3-3. Activity Records</u>  <u>3-4. Result of the questionnaire of the promotion activities</u>	3-1. [Current] The current strategy was prepared and approved in 2016. [Target] Having a revised communication strategy. More detailed target groups and approach will be identified.  3-2. [Current] n/a [Target] At least 4 items (suppose one material for each awareness promotion activity)  3-3. [Current] n/a [Target] At least 4 times of events assisted with JICA's support (finance)  3-4. [Current] Not specifically obtained the feedback by the questionnaire. [Target] More than 50% of the participants respond as they improved their awareness after the activity).

	Current PDM	Proposed changes	Rationale
	Activities	Activities	
<b>Output 1</b>	<p>1-1 Conduct baseline survey and comprehend the current process and practices of managing the registry of licenses and contracts and the revenue collected to review the workflow at DP and MRA (*3).</p> <p>1-2 Identify the areas of improvement in the process of managing the license and revenues at DP.</p> <p>1-3 Organize the files of handwritten ledgers of licenses.</p> <p>1-4 Organize the electronic registry of licenses (scanning, etc.).</p> <p>1-5 Consider how to manage the electronic registry.</p> <p>1-6 Organize database, etc. based on the result of the consideration of 1-5.</p> <p>1-7 Conduct the training how to utilize the database.</p> <p>1-8 Based on the baseline survey, review the process of reporting.</p> <p>1-9 Assist DP to submit the report to DOT regularly.</p> <p>1-10 Assist DP to establish the website of DP for disclosure.</p>	<p>1-1 Conduct baseline survey and comprehend the current process and practices of managing the registry of licenses and contracts and the revenue collected to review the workflow <u>at DOP.</u></p> <p>1-2 Identify the areas of improvement in the process of managing the license and revenues at <u>DOP.</u></p> <p>1-3 <u>Prepare a Terms of Reference for the focal point at DOP for implementing EITI and the project.</u></p> <p>1-4 <u>Provide induction training for the identified officer(s) on EITI Standard.</u></p> <p>1-5 <u>Provide technical advice to the officer(s) during the course of the project activity and the implementation of EITI at DOP.</u></p> <p>1-6 <u>Analyze the data management at DOP on the data items related to EITI reporting, such as license, revenues, and productions.</u></p> <p>1-7 <u>Prepare the standard operation procedures of data management at DOP on the data items related to EITI reporting.</u></p> <p>1-8 <u>Assist DOP to equip the information infrastructure for data management of EIT reporting, if necessary.</u></p> <p>1-9 <u>Assist DOP to operationalize the data management framework of the production data, if necessary.</u></p> <p>1-10 <u>Plan and implement induction training for DOP officers to familiarize themselves with EITI reporting.</u></p> <p>1-11 <u>Provide hands on training and consultation on the EITI reporting template submission.</u></p> <p>1-12 <u>Conduct educational session for DOP officers through MSG on the topics to address the recommendations in the EITI report and to follow up the action plan.</u></p> <p>1-13 <u>Elaborate the contents to be disclosed in compliance with EITI Standard.</u></p> <p>1-14 <u>Assist DOP to collect and upload the contents through the DOP website.</u></p>	<p>- concurrently done with (1-1), (2-2) and (3-1)</p> <p>(A) Establish EITI focal point at DOP - Any liaison officer/ Coordination Unit At DOP - concurrently done with (1-4) and (1-10)</p> <p>(B) I: Internal procedures - Utilize the current assets of Database at DOP - Equip with Network Attached Storage or other devices if necessary.</p> <p>(C) Training - For officer who is in charge of the activities - concurrently done with (1-4) and (1-10) - concurrently done with (1-11) and (2-8) - concurrently done with (1-12) and (2-4)</p> <p>(D) Information disclosure</p>
<b>Output 2</b>	<p>2-1 Conduct a Third-Country training to learn good practice in EITI compliant country.</p> <p>2-2 Assist EITI Secretariat to prepare for Validation.</p> <p>2-3 Review the EITI report with JICA experts to consider action plan to address the recommendations for the subsequent reporting.</p> <p>2-4 Review the two types of reporting templates of (1) from extractive companies to EITI Secretariat and (2) from extractive companies to the government agencies in the light of the government and EITI requirements.</p> <p>2-5 Provide technical advice to EITI Secretariat staff on revising EITI reporting templates.</p> <p>2-6 Provide trainings on accounting and audit skills for EITI Secretariat.</p> <p>2-7 Assist to streamline the EITI reporting template from extractive companies to EITI Secretariat, as necessary.</p> <p>2-8 Assist EITI Secretariat to take place the workshop on the revised EITI reporting templates for stakeholders.</p>	<p>2-1 Conduct a Third-Country training to learn good practice in EITI compliant country.</p> <p>2-2 <u>Conduct baseline survey and comprehend the current process and practices of managing the payments and receipts of the resource related revenues and reporting on the relevant public finances and the EITI templates, to identify the areas of improvement.</u></p> <p>2-3 Review the EITI report with JICA experts to consider action plan to address the recommendations for the subsequent reporting.</p> <p>2-4 <u>Conduct research and analysis on the topics to address the recommendations in the EITI report (such as the best practices of EITI reporting in other countries) to develop the educational materials.</u></p> <p>2-5 <u>Deliver the developed education materials to MSG(*3) members on the topics to follow up the action plan for the recommendations.</u></p> <p>2-6 <u>Communicate with the Independent Administrator to learn the process for compilation of the EITI reporting templates and the reconciliation.</u></p> <p>2-7 <u>Select the reporting entities to be supported for submission of the EITI reporting template.</u></p> <p>2-8 <u>Review the operation of filling out the EITI reporting template in the reporting entities with the Secretariat.</u></p>	<p>- Done</p> <p>- concurrently done with (1-1), (2-2) and (3-1)</p> <p>- Review EITI report and Validation report - propose action plan for MSG</p> <p>(A) Improve capacity of MSG - Modality may vary. Educational sessions in MSG meeting will be planned and conducted. - on the technical aspects of the issues of measures to be taken - concurrently done with (1-12) and (2-4)</p> <p>(B) Improve capacity of reporting entities - Awareness and training on the front line. - train, consult, or follow until submission of the template through the Secretariat - DOP will be one of the entities to be supported.</p>

		<p><u>2-9 Provide hands-on supports to the reporting entities for filling out the EITI reporting template through the Secretariat.</u></p> <p><u>2-10 Provide feedback and share the lessons learnt from the review and the supports with the reporting entities and MSG.</u></p> <p><u>2-11 Provide technical advice and hands-on training to the Secretariat staff in the process of the review and the supports for the reporting entities by JICA experts.</u></p> <p><u>2-12 Research and analyse the effective learning materials and the contents on the EITI basics and the EITI reporting template based on the feedback.</u></p> <p><u>2-13 Develop learning materials for MSG on the EITI basics and the EITI reporting templates to disseminate.</u></p>	<p>- concurrently done with (1-11) and (2-8)</p> <p>(C) Improve capacity of the Secretariat</p> <ul style="list-style-type: none"> <li>- Establish the framework for consulting and follow up of EITI reporting</li> <li>- Development of Educational tools for reporting entities as a part of the framework</li> </ul>
<b>Output 3</b>	<p>3-1 Prepare a plan for awareness raising activity of EITI.</p> <p>3-2 Assist EITI Secretariat to conduct stakeholder workshops to promote the awareness of EITI reporting.</p> <p>3-3 Assist EITI Secretariat to conduct seminars in provinces to promote the awareness of EITI reporting with MSG (*4) to sub-national government agencies.</p> <p>3-4 Assist EITI Secretariat to conduct seminars in provinces to promote the awareness of EITI with MSG to the public.</p> <p>3-5 Assist EITI Secretariat to conduct a launching event for EITI Report.</p>	<p><u>3-1 Conduct baseline survey and comprehend the current practices of awareness promotion activities and materials for communicating EITI issues to identify the areas of improvement.</u></p> <p><u>3-2 Research and analyse the good practices of communicating EITI (such as other EITI implementing countries practices) to review the communication strategy</u></p> <p><u>3-3 Revise the communication strategy.</u></p> <p><u>3-4 Identify the materials and contents of awareness promotion to be developed with the project.</u></p> <p><u>3-5 Assist the Secretariat to develop the materials and contents.</u></p> <p><u>3-6 Identify the promotion activity to be conducted with the project.</u></p> <p><u>3-7 Assist the Secretariat to conduct the promotion activity with MSG to enhance the awareness of EITI and EITI reporting.</u></p> <p><u>3-8 Provide technical advice to the Secretariat staff in developing and delivering the materials and contents to maintain them by JICA experts.</u></p>	<p>- concurrently done with (1-1), (2-2) and (3-1)</p> <p>(A) Revision of the strategy</p> <ul style="list-style-type: none"> <li>- To be authorized by MSG</li> <li>- identify the targets / areas with priority</li> </ul> <p>(B) Material development</p> <p>(C) Conduct the promotion activity</p> <ul style="list-style-type: none"> <li>- Events to be supported will be identified, by considering the modality of the project.</li> <li>- Utilize the materials to be developed in the preceding activity</li> </ul> <p>(D) Capacity development of the Secretariat</p>

\*1 EITI: Extractive Industry Transparency Initiative  
 \*2 DP: Department of Petroleum  
 \*3 MRA: Mineral Resource Authority  
 \*4 MSG: Multi-stakeholder Group

\*1 EITI: Extractive Industries Transparency Initiative  
 \*2 DOP: Department of Petroleum  
 \*3 MSG: Multi-stakeholder Group

**Project Title:** Project for Improving Resource related Revenue Management**Implementing Agency:** Department of Treasury, Papua New Guinea**Period of Project:** 3 years (From January 2018 to December 2020)**Project Site:** Papua New Guinea

(Proposed Draft)

Narrative Summary	Objectively Verifiable Indicators	Means of Verification	Important Assumption	Achievement	Remarks
<b>Overall Goal</b> Resource related revenue management in PNG is further improved.	Result of the assessment card is further improved. (At least 3 of requirements upgraded the status after the project.)	Validation result by EITI International Secretariat, Self-assessment result			
<b>Project Purpose</b> Resource related revenue management and reporting in accordance with EITI(*1) Standard is promoted.	Result of the assessment card is improved from 2018 to 2020. (Self-assessment to be conducted before 6 months of the termination will be improved from the validation results to be conducted in 2018.) (EITI Requirements #2.2 License allocations, #2.3 License register, #3.2 Production data, #4.1 Completeness, and #4.9 Data quality are improved.)	Validation result by EITI International Secretariat, Self-assessment result	No major change in the commitment of GoPNG to comply with EITI.		
<b>Outputs</b> 1. Data management at DOP (*2) is improved to comply with EITI Requirements.	1-1. Appointed focal person or unit members for implementation of EITI at DOP. 1-2. The procedures of data collection, storage and reporting in compliant with EITI Requirements at DOP are documented. 1-3. At least 10 people of DOP management and staff are provided trainings on EITI Standards 1-4. Updated contents relevant to EITI Standard on DOP website are increased.	1-1. Appointment documentation 1-2. Standard of procedure 1-3. Training records 1-4. DOP Website	- No significant or frequent change in personnel due to the organizational restructuring or change in regulation.  - Government agencies are not severely understaffed.		
2. EITI reporting mechanism among extractive companies and government agencies is enhanced.	2-1. At least 4 of topics (such as the best practices of EITI reporting in other countries) discussed in the sessions 2-2. Feedback of training, consultation or follow-up on the EITI reporting template conducted through the Secretariat at least 3 reporting entities. 2-3. Status of submission of templates to the Independent Administrator is improved 2-4. Educational tools to be utilized by the reporting entities are developed	2-1. Materials of educational session, Training records 2-2. Activity records 2-3. EITI Report (Results of reporting compliance) 2-4. Education tools	- Legal framework does not constrain the reporting practices for EITI report		
3. Awareness and implementation structure for EITI is enhanced in the country.	3-1. The communication strategy of PNG EITI is updated. 3-2. At least 4 materials of awareness promotion is developed. 3-3. At least 4 of times of awareness raising activities are taken place. 3-4. Participants for the promotion activities are improved the awareness on EITI.	3-1. Revised Communication Strategy 3-2. Developed materials 3-3. Activity Records 3-4. Result of the questionnaire of the promotion activities			

Activities	Inputs		Important Assumption
	The Japanese Side	The PNG Side	
<p>1-1 Conduct baseline survey and comprehend the current process and practices of managing the registry of licenses and contracts and the revenue collected to review the workflow at DOP.</p> <p>1-2 Identify the areas of improvement in the process of managing the license and revenues at DOP.</p> <p>1-3 Prepare a Terms of Reference for the focal point at DOP for implementing EITI and the project.</p> <p>1-4 Provide induction training for the identified officer(s) on EITI Standard.</p> <p>1-5 Provide technical advice to the officer(s) during the course of the project activity and the implementation of EITI at DOP.</p> <p>1-6 Analyze the data management at DOP on the data items related to EITI reporting, such as license, revenues, and productions.</p> <p>1-7 Prepare the standard operation procedures of data management at DOP on the data items related to EITI reporting.</p> <p>1-8 Assist DOP to equip the information infrastructure for data management of EIT reporting, if necessary.</p> <p>1-9 Assist DOP to operationalize the data management framework of the production data, if necessary.</p> <p>1-10 Plan and implement induction training for DOP officers to familiarize themselves with EITI reporting.</p> <p>1-11 Provide hands on training and consultation on the EITI reporting template submission.</p> <p>1-12 Conduct educational session for DOP officers through MSG on the topics to address the recommendations in the EITI report and to follow up the action plan.</p> <p>1-13 Elaborate the contents to be disclosed in compliance with EITI Standard.</p> <p>1-14 Assist DOP to collect and upload the contents through the DOP website.</p>	<p>- Japanese experts</p> <p>- Equipment (TBD)</p> <p>- Training Third country</p>	<p>-Assignment of Counterpart Management (Project Director, Project Manager)</p> <p>-Assignment of Counterpart staff</p> <p>-Equipment Office space for JICA experts</p> <p>-Local Cost (e.g.) Counterpart for implementation of project activities</p>	<p>-Budget allocation and release of funds for the project activities is secured.</p> <p>-Commitment and cooperative framework for the Project activities with stakeholders are secured.</p>
<p>2-1 Conduct a Third-Country training to learn good practice in EITI compliant country.</p> <p>2-2 Conduct baseline survey and comprehend the current process and practices of managing the payments and receipts of the resource related revenues and reporting on the relevant public finances and the EITI templates, to identify the areas of improvement.</p> <p>2-3 Review the EITI report with JICA experts to consider action plan to address the recommendations for the subsequent reporting.</p> <p>2-4 Conduct research and analysis on the topics to address the recommendations in the recommendations in the EITI report (such as the best practices of EITI reporting in other countries) to develop the educational materials.</p> <p>2-5 Deliver the developed education materials to MSG(*3) members on the topics to follow up the action plan for the recommendations.</p> <p>2-6 Communicate with the Independent Administrator to learn the process for compilation of the EITI reporting templates and the reconciliation.</p> <p>2-7 Select the reporting entities to be supported for submission of the EITI reporting template.</p> <p>2-8 Review the operation of filling out the EITI reporting template in the reporting entities with the Secretariat.</p> <p>2-9 Provide hands-on supports to the reporting entities for filling out the EITI reporting template through the Secretariat.</p> <p>2-10 Provide feedback and share the lessons learnt from the review and the supports with the reporting entities and MSG.</p> <p>2-11 Provide technical advice and hands-on training to the Secretariat staff in the process of the review and the supports for the reporting entities by JICA experts.</p> <p>2-12 Research and analyse the effective learning materials and the contents on the EITI basics and the EITI reporting template based on the feedback.</p> <p>2-13 Develop learning materials for MSG on the EITI basics and the EITI reporting templates to disseminate.</p>			<p><b>Pre-Conditions</b></p> <p>-No major change in the policy direction and structure of compliance with EITI standards.</p> <p>-Assignment of the CP staff from respective organizations for the project activities is secured.</p> <p>-No significant intervention against the promotion of EITI.</p>
<p>3-1 Conduct baseline survey and comprehend the current practices of awareness promotion activities and materials for communicating EITI issues to identify the areas of improvement.</p> <p>3-2 Research and analyse the good practices of communicating EITI (such as other EITI implementing countries practices) to review the communication strategy</p> <p>3-3 Revise the communication strategy.</p> <p>3-4 Identify the materials and contents of awareness promotion to be developed with the project.</p> <p>3-5 Assist the Secretariat to develop the materials and contents.</p> <p>3-6 Identify the promotion activity to be conducted with the project.</p> <p>3-7 Assist the Secretariat to conduct the promotion activity with MSG to enhance the awareness of EITI and EITI reporting.</p> <p>3-8 Provide technical advice to the Secretariat staff in developing and delivering the materials and contents to maintain them by JICA experts.</p>			<p><b>&lt;Issues and countermeasures&gt;</b></p>

\*1 EITI: Extractive Industries Transparency Initiative  
\*2 DOP: Department of Petroleum  
\*3 MSG: Multi-stakeholder Group



Project Title: Project for Improving Resource Related Revenue Management in Papua New Guinea

Inputs	Plan	2018				2019				2020				2021	Remarks	Monitoring	
		III	IV	I	II	III	IV	I	II	III	IV	I	Issue	Solution			
Expert	Plan																
Short-term experts	Actual																
Short-term experts	Plan																
Short-term experts	Actual																
Short-term experts	Plan																
Short-term experts	Actual																
Short-term experts	Plan																
Short-term experts	Actual																
Equipment	Plan																
(To be determined)	Actual																
Training in Japan	Plan																
N/A	Actual																
In-country/Third country Training	Plan																
N/A	Actual																

Activities	Plan	2018				2019				2020				2021	Responsible Organization	Achievements	Issue & Countermeasures
		III	IV	I	II	III	IV	I	II	III	IV	I					
Sub-Activities	Actual														Japan	GOPNG	
<b>Output 1: Data management at DOP is improved to comply with EITI Requirements.</b>																	
1-1. Conduct baseline survey and comprehend the current process and practices of managing the registry of licenses and contracts and the revenue collected to review the workflow at DOP.	Plan																
	Actual																concurrently done with (1-1), (2-2) and (3-1)
1-2. Identify the areas of improvement in the process of managing the license and revenues at DOP.	Plan																
	Actual																
1-3. Prepare a Terms of Reference for the focal point at DOP for implementing EITI and the project.	Plan																
	Actual																
1-4. Provide induction training for the identified officer(s) on EITI Standard.	Plan																
	Actual																
1-5. Provide technical advice to the officer(s) during the course of the project activity and the implementation of EITI at DOP.	Plan																
	Actual																
1-6. Analyze the data management at DOP on the data items related to EITI reporting, such as licenses, revenues, and productions.	Plan																
	Actual																
1-7. Prepare the standard operation procedures of data management at DOP on the data items related to EITI reporting.	Plan																
	Actual																
1-8. Assist DOP to equip the information infrastructure for data management of EIT reporting, if necessary.	Plan																
	Actual																
1-9. Assist DOP to operationalize the data management framework of the production data, if necessary.	Plan																
	Actual																
1-10. Plan and implement induction training for DOP officers to familiarize themselves with EITI reporting.	Plan																
	Actual																
1-11. Provide hands on training and consultation on the EITI reporting template submission.	Plan																concurrently done with (1-11) and (2-8)
	Actual																concurrently done with (1-12) and (2-4)
1-12. Conduct educational session for DOP officers through MSG on the topics to address the recommendations in the EITI report and to follow up the action plan.	Plan																
	Actual																
1-13. Elaborate the contents to be disclosed in compliance with EITI Standard.	Plan																
	Actual																
1-14. Assist DOP to collect and upload the contents through the DOP website.	Plan																
	Actual																

Activities	Sub-Activities	Plan	Actual	2018				2019				2020				2021	Responsible Organization	Achievements	Issue & Countermeasures
				III	IV	I	II	III	IV	I	II	III	IV	I					
<b>Output 2: EITI reporting mechanism among extractive companies and government agencies is enhanced.</b>																			
2.1 Conduct a Third-Country training to learn good practice in EITI compliant country.		Plan	Actual																
2.2. Conduct baseline survey and comprehend the current process and practices of managing the payments and receipts of the resource related revenues and reporting on the relevant public finances and the EITI templates, to identify the areas of improvement.		Plan	Actual														concurrently done with (1-1), (2-2) and (3-1)		
2.3. Review the EITI report with JICA experts to consider action plan to address the recommendations for the subsequent reporting.		Plan	Actual																
2.4. Conduct research and analysis on the topics to address the recommendations in the recommendations in the EITI report (such as the good practices of EITI reporting in other countries) to develop the educational materials.		Plan	Actual														concurrently done with (1-12) and (2-4)		
2.5. Deliver the developed education materials to MSG members on the topics to follow up the action plan for the recommendations.		Plan	Actual																
2.6. Communicate with the Independent Administrator to learn the process for compilation of the EITI reporting templates and the reconciliation.		Plan	Actual																
2.7. Select the reporting entities to be supported for submission of the EITI reporting template.		Plan	Actual																
2.8. Review the operation of filling out the EITI reporting template in the reporting entities with the Secretariat.		Plan	Actual														concurrently done with (1-11) and (2-8)		
2.9. Provide hands-on supports to the reporting entities for filling out the EITI reporting template through the Secretariat.		Plan	Actual																
2.10. Provide feedback and share the lessons learnt from the review and the supports with the reporting entities and MSG.		Plan	Actual																
2.11. Provide technical advice and hands-on training to the Secretariat staff in the process of the review and the supports for the reporting entities by JICA experts.		Plan	Actual																
2.12. Research and analyse the effective learning materials and the contents on the EITI basics and the EITI reporting template based on the feedback.		Plan	Actual																
2.13. Develop learning materials for MSG on the EITI basics and the EITI reporting templates to disseminate.		Plan	Actual																

Activities	Sub-Activities	Plan	Actual	2018				2019				2020				2021	Responsible Organization	Achievements	Issue & Countermeasures
				III	IV	I	II	III	IV	I	II	III	IV	I					
<b>Output 3: Awareness and implementation structure for EITI is enhanced in the country.</b>																			
3-1. Conduct baseline survey and comprehend the current practices of awareness promotion activities and materials for communicating EITI issues to identify the areas of improvement.		Plan	Actual														concurrently done with (1-1), (2-2) and (3-1)		
3-2. Research and analyse the good practices of communicating EITI (such as other EITI implementing countries practices) to review the communication strategy		Plan	Actual																
3-3. Revise the communication strategy.		Plan	Actual																
3-4. Identify the materials and contents of awareness promotion to be developed with the project.		Plan	Actual																
3-5. Assist the Secretariat to develop the materials and contents.		Plan	Actual																
3-6. Identify the promotion activity to be conducted with the project.		Plan	Actual																
3-7. Assist the Secretariat to conduct the promotion activity with MSG to enhance the awareness of EITI and EITI reporting.		Plan	Actual																
3-8. Provide technical advice to the Secretariat staff in developing and delivering the materials and contents to maintain them by JICA experts.		Plan	Actual																

Duration / Phasing	Plan	Actual

Monitoring Plan	Plan	Actual	2018				2019				2020				2021	Remarks	Issue	Solution
			III	IV	I	II	III	IV	I	II	III	IV	I					
Monitoring																		
Joint Coordinating Committee meeting	Plan	Actual																
Submission of Monitoring Sheet	Plan	Actual																
Reports/Documents																		
Project Completion Report	Plan	Actual																

I : January - March, II : April - June, III : July - September, IV : October - December

## **Annex 2: Products Produced by the Project**

1. Baseline Survey Report
- 2-1-3 Baseline Survey Report  
(Summary, in Japanese)**

パプアニューギニア国  
資源収入管理能力向上プロジェクト

ベースライン調査報告書  
(和文概要版)

2019年4月

EY 新日本有限責任監査法人  
グローバルイノベーションコンサルティング株式会社  
共同企業体

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## 用語一覧

英語名	英語略称	日本語名
Auditor General's Office	AGO	会計検査院
Beneficiary Ownership	BO	受益所有権
Candidate Country		候補国
Civil Society Organisation	CSO	市民団体
Compliant Country		遵守国
Consolidated Revenue Fund	CRF	一般会計歳入口座
Department of Finance	DOF	大蔵省
Department of National Planning and Monitoring	DNPM	国家計画モニタリング省
Department of Petroleum	DOP	石油省
Department of Treasury	DOT	財務省
Development Levy		開発負担金
EITI Board		EITI 理事会
EITI International Secretariat		EITI 国際事務局
EITI Standard		EITI 基準
Extractive Industries Transparency Initiative	EITI	採取産業透明性イニシアティブ
Extractive Industry	EI	採取企業
Head of Secretariat		事務局長(PNGEITI 事務局)
Inadequate Progress		不十分な進展
Independent Administrator	IA	独立管理人
Internal Audit and Compliance Division	IACD	内部監査コンプライアンス局(大蔵省)
Internal Audit Unit		内部監査課
Internal Revenue Commission	IRC	歳入委員会
Meaningful Progress		意味のある進展
Mining Act	MA	鉱業法
Mineral Resources Authority	MRA	鉱産資源機構
Mineral Resources Authority Act	MRAA	鉱産資源機構法
Multi Stakeholders Group	MSG	マルチステークホルダーグループ
National Executive Council	NEC	国家評議会
Oil and Gas Act	OGA	石油・天然ガス法
Oil and Gas Regulations	OGR	石油・天然ガス規則
Papua New Guinea EITI	PNGEITI	パプアニューギニア EITI
Philippines EITI	PH-EITI	フィリピン EITI
PNG Chamber of Mines and Petroleum		PNG 鉱物資源石油会議所
PNGEITI Multi Stakeholders Group	PNGMSG	PNGEITI マルチステークホルダーグループ
PNGEITI National Secretariat		PNGEITI 事務局
Public Finance Management Act	PFMA	公共財政管理法
Public Money Management Regularisation Act	PMMRA	公的資金管理規制法
Quasi-Fiscal Expenditure		準公共支出
Reconciliation		突合
Roadshow		地域説明会
Satisfactory Progress		十分な進展
State-Owned Enterprise	SOE	政府系企業
The Independent State of Papua New Guinea	PNG	パプアニューギニア独立国
Transparency International	TI	トランスパアレンシーインターナショナル
Trust Account		信託口座
Validation		検証

## 1. ベースライン調査の概要

### ● 調査目的

「パプアニューギニア国資源収入管理能力向上プロジェクト」は、採取産業透明性イニシアティブ（EITI）に則った管理及び報告の促進を通じて、パプアニューギニア独立国（PNG）における資源収入管理の改善に寄与することを目的とした技術協力プロジェクトである。

EITI は、石油・天然ガス・鉱物資源等の開発に携わるいわゆる採取産業から資源産出国政府への資金の流れの透明性を高めるための多国間協力の枠組みであり、加盟国における腐敗や紛争の予防及び成長と貧困削減につながる責任ある資源開発の促進を目標としている。PNG は 2014 年に EITI の加盟国となっている。

JICA は 2015 年度に公共財政管理を進める取り組みの一環として、プロジェクト研究「天然資源国における経済・財政状況分析」を実施した。PNG は調査対象国の一つであり、本研究からのインプットとして、EITI への加盟という提言が行われたことを受け、PNG は JICA に対し、EITI 基準に則った資源収入の改善を目的とした本技術協力プロジェクトを要請した。2017 年に実施された詳細計画策定調査において、特に石油省における情報データ管理が鉱物資源機構よりも明らかに劣っている点等が考慮され、本プロジェクトの主なスコープとしては、EITI に関連した公共財政管理、及び、EITI に関連した石油省における情報データ管理が設定された。

本ベースライン調査は、PNG における EITI（PNGEITI）の実施状況や同国政府機関における資源収入管理にかかる現状分析及び今後のプロジェクト活動の詳細化を目的として実施した。

### ● 調査方法

本調査は、2018 年 10 月から 2019 年 2 月にかけて首都ポートモレスビー市内において実施した。本調査では、カウンターパート機関を含む関係者へのインタビューにより情報収集した。主なインタビュー対象者は、政府機関（PNGEITI 事務局、石油省、財務省、大蔵省、歳入委員会、国家計画モニタリング省、会計検査院）、政府系企業、採取企業、市民団体、援助機関（世界銀行）である。また、PNGEITI 報告書<sup>1</sup>、検証<sup>2</sup>結果、国内各種法律等の主要文献調査も合わせて実施した。

### ● 報告書の構成

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<sup>1</sup> 採取産業から資源産出国政府への資金の流れをめぐる情報を記載した報告書。EITI 基準で、EITI 実施国が年次で作成することを義務付けられている。本報告書では 2017 年度 PNGEITI 報告書（2018 年 12 月発行）を主に分析した。

<sup>2</sup> すべての EITI 実施国は、EITI への参加要件を満たした「候補国」または EITI 基準に定められる認証要件をすべて満たした「遵守国」に区分される。EITI 理事会（Board）は「候補国」に対し検証（Validation）を実施し、「遵守国」に求められる EITI 認証要件をすべて満たしているかを確認する。本報告書では 2018 年 10 月に結果が発表された第一回検証の結果を分析した。



本報告書（和文概要版）は、ベースライン調査報告書（英文）を要約したものである。詳細の調査結果及び資料参照先は、ベースライン調査報告書（英文）に記載する。

## 2. 現状分析

### 2.1 PNGEITI の概要

- PNGEITI の沿革

PNGEITI の現在に至るまでの主なできごとを表 1 に示す。

表 1 PNGEITI の沿革

年	主なできごと
2012	● マルチステークホルダーグループ (MSG) の組織化
2013	● 政府による EITI 加盟の表明 ● 国家評議会 (NEC) 決定 90/2013。PNG における EITI 基準の適用を承認 ● PNGMSG を正式に承認 ● EITI 加盟申請を EITI 国際事務局に提出
2014	● EITI 理事会が PNG を EITI 候補国として承認
2015	● PNGEITI 事務局の設立
2016	● 2013 年度 PNGEITI 報告書発行
2017	● 2014 年度～2016 年度 PNGEITI 報告書発行 ● 国家評議会決定 91/2017。2013 年度 PNGEITI 報告書の指摘事項への対応を要請
2018	● EITI 国際事務局が PNGEITI に対する検証を実施 ● 2017 年度 PNGEITI 報告書発行

- PNGEITI の実施体制

EITI 基準では、政府機関・採取企業・市民社会の代表がマルチステークホルダーグループ (MSG) を形成して、各国の EITI 作業計画を決定、実施することを要件として規定している。PNGEITI の MSG (PNGMSG) の構成を図 1 に示す。

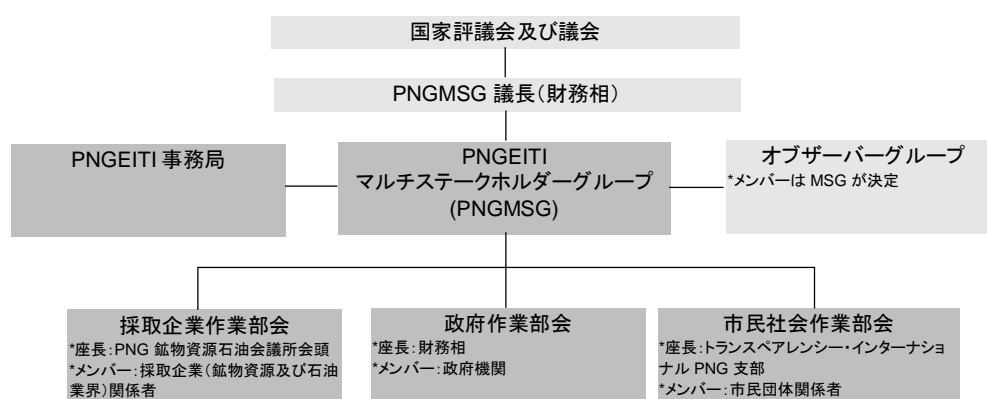


図 1 PNGEITI 実施体制図

- PNGEITI 事務局の体制

PNGMSG の活動を支援するため、PNGEITI 事務局が設置されている。PNGEITI 事務局には事務局長を含めて表 2 に示す七名が在籍している。この他に四名（副事務局長、メディア制作担当職

員、調査分析担当職員、渉外・普及担当職員) の人材を募集中であり、2019 年前半の採用を予定している。

表 2 PNGEITI 事務局構成員

職 位	氏 名
事務局長	Mr. Lucas Alkan
コミュニケーション専門職員	Mr. Christopher Tabel
技術担当職員	Mr. Vaieke Vani
調達担当職員	Mr. Francis Diakon
財務担当職員	Mrs. Delka Kemba Rinny
総務担当職員	Miss Liyasi Taligatus Numaralai
運転手	Mr. Steven Tai

● PNGEITI 事務局の活動

PNGEITI 事務局の活動には、年次計画作成、PNGMSG 会合開催支援、年次活動報告書作成、独立管理人の備上、PNGEITI 報告書の発行、広報・啓発活動等がある。これらの活動のため財務省内で PNGEITI 事務局向けの予算が確保されている。また、活動の一部は開発パートナー資金で行われている。

● 外部リソースの活用

PNGMSG や PNGEITI 事務局の活動促進のため、以下の外部リソースが活用されている。

- 独立管理人は、資源関連収入に関して採取企業側の支出金額と政府側の受入金額の突合及び PNGEITI 報告書案の作成を担当する。独立管理人の起用は、EITI 基準による認証要件の一つである。2017 年度 PNGEITI 報告書の独立管理人は、前年度に引き続きアーンスト・アンド・ヤングが担当した。
- 将来に向けた PNGEITI 政策や関連法令の導入構想及び戦略ロードマップの草案作成について、2018 年にアダム・スミス・インターナショナルをコンサルタントとした支援を受けている。同草案に基づき、PNGEITI 事務局の組織改編に関する検討が行われている。
- すべての EITI 加盟国に対して 2020 年までに採取資源にかかる受益所有権情報を開示することが義務付けられている。PNGEITI では 2017 年以降、KPMG が受益所有権開示にかかるロードマップの活動に関する立案、調整、及び実施を推進している。
- 資源収入の地方政府への支払及び送金に関する報告の枠組みを検討するため、豪政府支援の PNG Governance Facility を通じてコンサルタントが派遣され、詳細計画調査を実施している。2019 年前半に報告書が提出される予定である。
- 世界銀行は、2017 年に市民団体を通じた地方向けの啓発プログラム実施のために資金援助を行った。PNGEITI 事務局は 2019 年にも啓発プログラム実施等のため、世界銀行へ資金援助を要請している。

## 2.2 関連法規

- 石油・天然ガスセクター

石油・天然ガス法は、石油・天然ガスセクターのライセンス等に関する基本法令であり、資源の探査・開発・生産等の目的に応じた五種類のライセンスや資源収入（ロイヤルティー、開発負担金、ライセンス手数料）を規定している。また、同法の細則を記した石油・天然ガス規則は、法定報告類の規定等広範な内容を規定している。石油・天然ガスセクターの主な法定報告のうち、本プロジェクトと関連性が高い報告を表 3 に示す。

表 3 石油・天然ガスセクターの主な法定報告

主な項目	報告頻度
石油・天然ガスの継続的な産出量	別途定める
石油・天然ガスおよびそれらの製品のパイプラインによる継続的な輸送量	
石油・天然ガスおよびそれらの製品の加工設備による継続的な生産量	
原油等の物質の坑井からの湧出量または坑井への注入・廃棄量等、産出に関する情報	月次
石油・天然ガス田からの総産出量	年次

- 鉱産資源セクター

鉱業法は、鉱産資源セクターのライセンス等に関する基本法令であり、資源の採掘・営業活動等の目的に応じた六種類のライセンスや、地主に認められる権利や補償、資源収入（ロイヤルティー、申請負担金、ライセンス手数料）を規定している。また、鉱産資源セクターの監督機関である鉱産資源機構に関する法令として鉱産資源機構法が定められている。鉱産資源セクターの主な法定報告を表 4 に示す。

表 4 鉱産資源セクターの主な法定報告

主な項目	報告頻度	報告者
業務実績および支出の概要	半年次	採鉱ライセンス保有者
業務の詳細内容	年次	
鉱物の産出に関する詳細	月次	鉱産資源リース権保有者
業務の詳細内容	年次	
沖積層鉱物の産出量および価格	年次	沖積層鉱産資源リース権保有者

- 公共財政管理

PNG の公共財政管理に関する基本法令として公共財政管理法が制定されており、国庫管理、予算統制、債務、与信及び保証、調達及び契約締結等に関する規定を網羅している。

2018 年には公的資金管理規制法が施行された。同法では政府における公的資金管理の従来の方

法を改定し、省庁・政府関連機関に対して一切の公金収入を直接一般会計歳入口座に入金することを義務付けている。また、入金された公金収入の割は当該省庁・政府関連機関に払い戻すことが規定されている。しかし、これらの条項は完全には施行されていない。

省庁・政府関連機関が提出すべき公共財政管理上の法定報告のうち、本プロジェクトと関連性が高い報告を表 5 に示す。

表 5 公共財政管理上の主な法定報告

主な項目	報告頻度	報告期限
前年度の新規または既存信託口座に関する詳細	年次	年初 1 暦月以内
省庁や政府関連機関の財務諸表、業務の実績及び管理に関する報告	年次	翌年度初 4 暦月以内
政府関連機関の実績および管理	-	-
各省の未収手数料	年次	翌年度初 30 日以内

## 2.3 石油省

- 組織の概要

石油省の組織図を図 2 に示す。

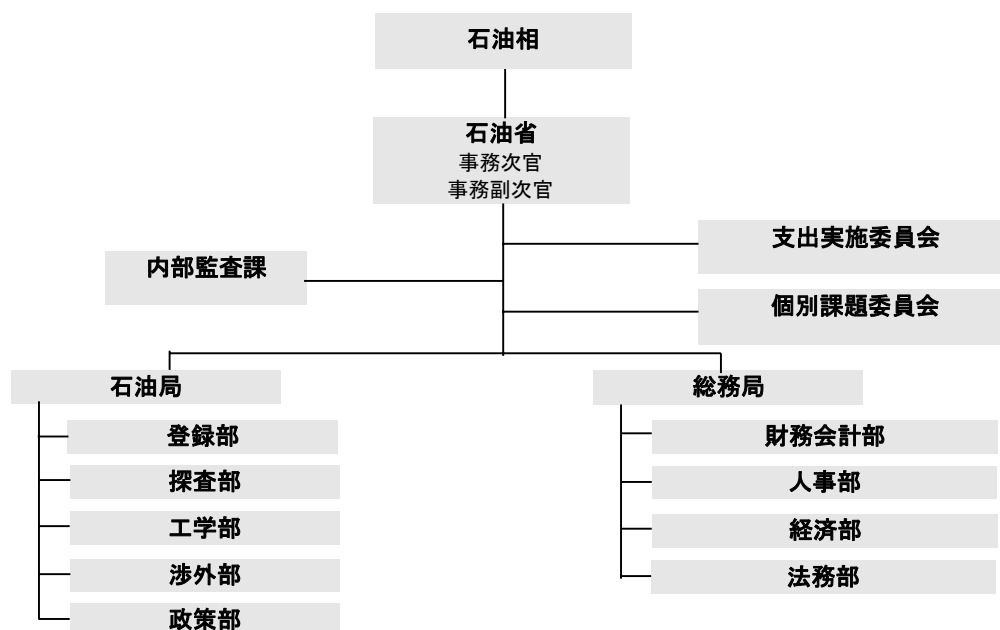


図 2 石油省組織図

石油省を構成する主要部門は石油局と総務局である。EITI 報告に必要な情報のうち、ライセンス情報や産出データの管理は石油局、税外収入の手続きや報告は総務局が担当している。

石油省は、過去数年間で経験豊富な職員の離職が相次ぎ、人材不足が顕著である。能力開発面では国内の教育・研修機関が提供する研修プログラムに職員を派遣する一方、省内での職員研修は実施されていない。また、職員が EITI に関する知識を習得する機会も提供されていない。

石油省のオフィスは首都ポートモレスビー市内の複数拠点に分散している。2018 年 11 月には、ロイヤルティー支払遅延への不満を持つ一部地主によるオフィス襲撃の影響により本部機能の移転を余儀なくされる等、オフィスの問題は石油省の円滑な業務運営の支障であったが、新規統合オフィス拠点への移動計画が進行中である。また、過去数年間石油省のエージェンシーへの改編案が話題に上っているが、具体的な時期や内容は不透明である。

複数の海外機関では、国外研修の提供等により職員の能力向上を支援している。一方、石油省の組織や業務改善に関する支援は、2000 年代半ばまでの世界銀行による技術支援を最後に行われていない。

- データ・情報の管理

石油省が EITI 報告のために提供すべき情報は、ライセンス情報、資源関連の税外収入（ライセンス手数料、ロイヤルティー、開発負担金）、産出データである。

- ライセンス情報：ライセンス関連書類は採取企業から提出される。石油省では、従来ライセンス情報を紙ベースで管理していたが、現在データベース化の取り組みを進めている。

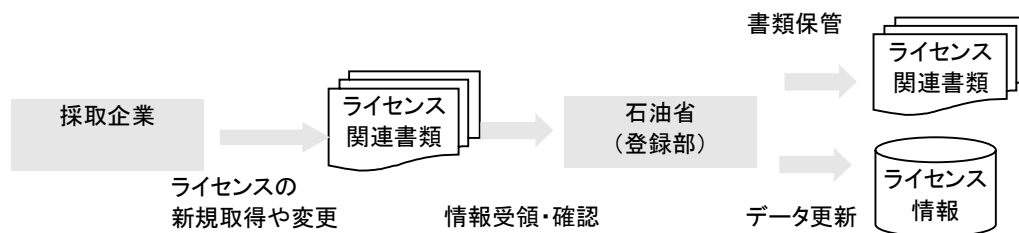


図 3 ライセンス情報フロー概念図

- ライセンス手数料：ライセンスを保有する採取企業は、毎年所定のライセンス手数料を石油省に支払う。公的資金管理規制法施行後、ライセンス手数料は小切手払いとなり、一般会計歳入口座に入金される。石油省は、大蔵省から提供される支払データとライセンス情報を元に作成した支払スケジュールと突合し、未払の場合には採取企業に対して通知する。

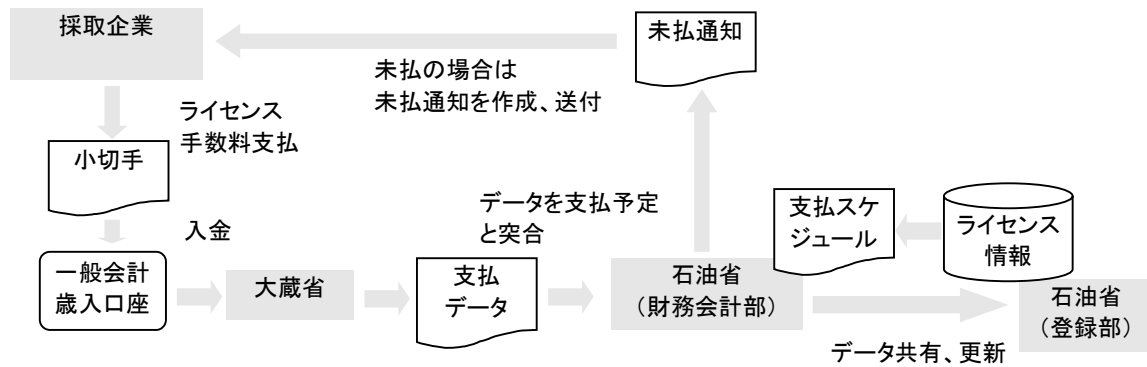


図 4 ライセンス手数料フロー概念図

- ロイヤルティー及び開発負担金：採取企業は一定期間の産出量に応じて、地主に対してロイヤルティー、地方政府に対して開発負担金をそれぞれ支払う。ロイヤルティー及び開発負担金は、一般会計歳入口座とは別にある信託口座に入金される。ロイヤルティーの場合には、大蔵省が一部を地主に配分し、残額は信託口座の管財人が管理する。地主への配分情報は石油省が提供する。開発負担金の場合には、全額が地方政府に配分される。

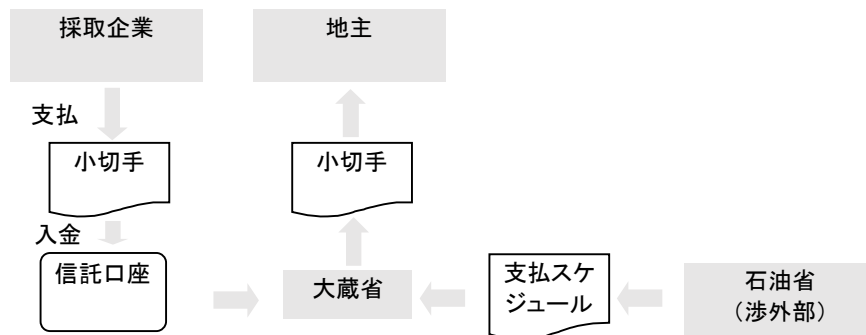


図 5 ロイヤルティー及び開発負担金フロー概念図

- 産出データ：石油省は、採取企業から日次で産出データを電子メールで受信している。現状石油省のインターネット接続が機能していないため、職員の個人アドレスでデータを受信している。

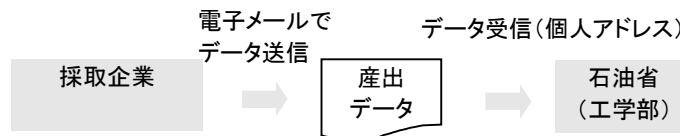


図 6 産出データフロー概念図

2017 年度 PNGEITI 報告書作成にあたっては、報告機関の一つである石油省からのデータが回答遅延または未回答のものがあつた。石油省では内部ネットワークやインターネット接続が機能停止状態にあり、脆弱な情報インフラが省内外の円滑なコミュニケーションの阻害要因となっている。一方で、ライセンス情報のデータベース化に加えて、紙ベース書類のデジタル化や公式ウェブサイトの開設等の情報管理・公開に向けた努力も進められている。

## 2.4 主な資源収入の流れ

本報告書では資源収入のうち税収入、税外収入、政府系企業からの配当金を分析対象とする。

### ● 税収入

主な資源関連の税収入は、採取企業社員の源泉取得税や採取企業の法人税である。これらの税金は歳入委員会が徴収し、未収税額は同委員会の情報システムで管理されている。EITI 基準は採取企業側からの支払金額と政府側の受取金額の突合を義務づけているが、2017 年度 PNGEITI 報告では、支払金額の情報が採取企業側からの未回答であったため受払金額を突合できなかったケースがあった。また、受払金額について採取企業は発生主義、歳入委員会は現金主義に基づいて報告されたため、受払金額の乖離要因と考えられるケースもあった。

### ● 税外収入

石油・天然ガスセクターに係る税外収入の大部分を占めるロイヤルティー及び開発負担金は信託口座に入金される。公的資金管理規制法では一切の公金収入を一般会計歳入口座へ直接入金することを規定しているが未実施の状況である。また、ロイヤルティー及び開発負担金の金額は産出量に応じて決定される。しかし、石油省では人材及び予算不足により採掘現場における産出量の検証を行っておらず、産出データの正確性や金額の妥当性は採取企業の報告に依存している。

2017 年度 PNGEITI 報告では、採取企業による支払いが小切手の場合は、受払金額の突合状況は比較的良好であった一方、銀行送金の場合には、受入金額の情報が石油省側から未回答であったため受払金額を突合できなかった。銀行送金の場合には、石油省は銀行通知を受領するまでは入金事実を認識できないため、金額把握の適時性、正確性、網羅性の確保に改善の余地がある。

### ● 政府系企業からの配当金

政府系企業は、採掘プロジェクトへの参加持分に応じた配当及び売上の配分を採取企業から受領し、成文化された配当ポリシーに従って国庫への入金を行っている。政府系企業は政府省庁と異なる固有の根拠法や準拠法に服するため、法的強制力を伴わない PNGEITI への報告状況が概して低調である。このため、配当金に関する受払金額の突合ができないケースが見られた。

## 2.5 報告機関の監査

### ● 外部監査

会計検査院は、中央政府、エージェンシー等の政府機関、政府系企業、地方政府の外部監査を担当する機関である。会計検査院では、被監査機関の性格に応じ、財務諸表監査または法令順守（コンプライアンス）監査を実施している。



被監査機関の財務諸表作成の遅延や会計検査院での慢性的な人員不足によって、監査実施や監査報告書に遅れが生じている。2019年2月時点で会計検査院のウェブサイトに公開されている監査報告書は、2012～2016年度のものである。また、公開されている監査報告書によれば、監査結果は総じて芳しいものではない。監査実施の遅延の影響により、PNGEITI 報告書を作成する際の受払金額の突合時点では、監査済みの資源収入金額を入手することができず、不十分な突合の要因となっている。

- 内部監査

大蔵省の内部監査コンプライアンス局は、公的機関に対して内部監査機能及び監査委員会の整備や運営に関する指導の役割を担っている。大蔵省の事務次官が委員長を務める監査委員会は、指導の対象となる機関の内部監査に関する活動を監理する会議体である。

対象となる政府関連機関の多くは内部監査体制が脆弱で、内部監査担当者が一名のみである、監査委員会が未設置等の状況が見られる。PNGEITI 報告機関での内部監査要員の不足は、内部統制の品質や外部監査結果にも影響を与える。

## 2.6 コミュニケーション

- コミュニケーション戦略

2016年に承認されたPNGEITI コミュニケーション戦略には、コミュニケーション活動の目標、対象、活動内容、実施主体が明示されている。同戦略は、すべての中央・地方組織へのEITI基準の浸透を目指しており、コミュニケーション活動は同戦略に基づいて実施されている。同戦略の実施を主導するために設置されたコミュニケーションサブグループには、採取セクター関係機関及び採取企業の一部が参加している。

PNGEITI コミュニケーション戦略には、コミュニケーション対象層の優先度が規定されている。中央政府及び採取企業の優先度が最も高く、市民団体、地方政府、独立管理人がこれに次ぐ。さらに、大学、国会内委員会、教会、学校も対象層と位置付けてられている。一方、PNGEITI 事務局ではこれまでのコミュニケーション活動実績を踏まえて、コミュニケーション対象層を地主等にも拡大する必要があると認識している。

- 啓発・広報活動

PNGEITI では、公式ウェブサイト、地域説明会、セミナー、ワークショップ、コンファレンス等で直接的なコミュニケーションを図る一方、ラジオ、テレビ、新聞等の間接的なコミュニケーション手段も活用している。また、一般向けの宣材として、PNGEITI 報告の概要を記した説明資料、小冊子・パンフレット、四半期毎に発行するニュースレター、各種グッズ等の制作も行っており、各種イベント時に配布している。

PNGEITI 事務局はPNGEITI 公式ウェブサイトを運営し、自らコンテンツの更新を行っている。

公式ウェブサイトの構成を表 6 に示す。

表 6 PNGEITI 公式ウェブサイトの構成

見出し	リンク
ホーム	トップページ、PNGMSG 議長メッセージ、最新ニュースへのリンク
PNGEITI について	EITI の紹介、PNGEITI 概要、PNGMSG 紹介、PNGEITI 事務局紹介
文書ポータル	PNGEITI の検証結果、PNGEITI 報告書、PNGEITI 年次進捗報告書、PNGEITI 年次活動計画、PNGMSG 会議議事録、PNGMSG の覚書
メディアポータル	最新ニュース、PNGEITI 記事、よくある質問
募集中の職種・契約	職員募集
お問い合わせ窓口	問い合わせフォーム
データポータル	資源収入状況一覧表

PNGEITI 事務局は、地方政府や地域の地主グループ向けの啓発を目的とした地域説明会や、PNGEITI について基本的な理解を有する関係者向けの最新情報共有を目的としたワークショップを継続的に開催している。地域説明会は、地方関係者の PNGEITI への関心を高めるのに貢献しているが、開催費用は高額である。

- 能力開発活動の検討

EITI 基準や PNGEITI に関する知識向上を目的とした能力開発教材はこれまで開発されていない。PNGEITI 事務局では、PNGEITI 報告機関の担当者向けに、低コストで運用可能なオンラインコースの設置を検討している。また、将来的には大学等の高等教育機関において EITI に関する知識を提供する継続的なカリキュラムを導入する構想を有している。

## 2.7 PNGEITI の検証

2018 年 10 月、EITI 理事会は PNGEITI の第一回検証結果について「意味のある進展」であると公表した。各認証要件の評価結果は図 7 の通りである。

EITI 認証要件		進展の水準				
カテゴリー	認証要件	進展なし	不十分な進展	意味ある進展	十分な進展	それ以上
#1. MSG による監督	#1.1 政府の関与				■	
	#1.2 産業界の関与				■	
	#1.3 市民社会の関与				■	
	#1.4 MSG のガバナンス				■	
	#1.5 ワークプラン				■	
#2. 契約及びライセンスの配分を含む法的組織的枠組み	#2.1 法的枠組み				■	
	#2.2 ライセンスの付与		■			
	#2.3 ライセンスの登録			■		
	#2.4 契約開示のポリシー				■	
	#2.5 受益所有権	■				
	#2.6 国家の持分参加			■		
#3. 開発と生産	#3.1 探鉱データ				■	
	#3.2 産出データ		■			
	#3.3 輸出データ			■		
#4. 収入の徴収	#4.1 網羅性		■			
	#4.2 現物支給の収入	■				
	#4.3 パーター協定	■				
	#4.4 輸送収入	■				
	#4.5 政府系企業に関する取引			■		
	#4.6 地方政府への直接的な支払		■			
	#4.7 内訳データの公開				■	
	#4.8 データの適時性				■	
	#4.9 データの品質		■			
#5. 収入の配分	#5.1 収入の配分		■			
	#5.2 地方政府向け送金		■			
	#5.3 収入管理及び支出	■				
#6. 社会経済的支出	#6.1 義務上の社会的支出			■		
	#6.2 政府系企業による準公共支出		■			
	#6.3 経済上の貢献				■	
#7. 結果及び影響	#7.1 社会一般における意見交換				■	
	#7.2 データ利用のしやすさ	■				
	#7.3 指摘事項への事後対応				■	
	#7.4 EITI 実施の結果及び影響			■		

図 7 PNGEITI の第一回検証結果

EITI 加盟国が第一回検証で「意味のある進展」となった場合には、公表後 18 カ月以内に第二回検証を実施する必要がある。PNGEITI の場合には 2020 年 4 月末が第二回検証の実施期限となる。このため、第一回検証で「不十分な進展」または「意味のある進展」と評価された認証要件を中心に、第二回検証開始までに改善策を検討、実施する必要がある。改善を要する認証要件のうち、本プロジェクトの支援範囲となる要件の現状を記す。

- #2.2 ライセンスの付与

EITI 加盟国は、採取産業のライセンスの発行や移転に関する情報を EITI 報告で開示する必要がある。報告期間において発生したあらゆるライセンスの発行や移転に関する情報を開示する必要があるが、これらの情報が既に一般に利用できる状態であれば、参照先またはリンクを EITI 報告に記載する。

当該項目は第一回検証で「不十分な進展」と評価された。評価向上に向けて、石油省における帳簿管理やデータ開示手続きの整備により、ライセンスの移転や発行に関する情報を特定する必要がある。

### ● #2.3 ライセンスの登録

EITI 加盟国は、最新かつ包括的なライセンス情報を反映した登録簿またはシステムを管理する必要がある。必要な情報が既に一般に利用できる状態であれば、参照先またはリンクを EITI 報告に記載する。

当該項目は第一回検証で「意味のある進展」と評価された。評価向上に向けて、石油省における帳簿管理やデータ開示手続きの整備が必要である。石油省では従来手書きの台帳により管理していたライセンス情報のデータベース化を進めている。今後データベースの利用や、石油省の公式ウェブサイトでの開示等を規定、実施することが求められる。

### ● #3.2 産出データ

EITI 加盟国は、産出データを開示する必要がある。開示情報には、産出データの出所や産出量及び価格の算出方法に関する情報も含まれる。

当該項目は第一回検証で「不十分な進展」と評価された。評価向上に向けて、EITI 基準にしたがって石油省でのデータ管理やレポート手順を整備する必要がある。石油省は採取企業から産出データを受領しているが、これら受領データを集計するしくみを構築する必要がある。

### ● #4.1 網羅性

EITI 加盟国の MSG は、資源収入の各要素の重要性及び開示項目について合意する必要がある。合意された資源収入の開示項目に関しては、採取企業側の支払額と政府側の受入額を網羅的に突合することが求められる。

当該項目は第一回検証で「不十分な進展」と評価された。評価向上に向けて、PNGEITI 事務局が PNGEITI 報告書作成のプロセスへの主体的な関与を高めて PNGEITI 報告機関からの回答状況をモニタリングする等、受払金額の網羅的な突合に必要なデータ収集の改善を図る必要がある。また、慢性的な人材不足を抱える石油省に関しては報告体制の整備やデータ報告プロセスでのより多くの支援が必要である。

### ● #4.9 データの品質

資源収入データの品質保証のため、採取企業側の支払額と政府側の受入額の突合は、国際的な

専門基準を適用する独立管理人が行われなければならない。また、EITI 国際事務局が発行しているガイドラインでは、政府や採掘企業における既存の監査や保証システムを基礎とし、国際的な実務や基準の遵守を促進することを規定している。

当該項目は第一回検証で「不十分な進展」と評価された。評価向上に向けては、まず PNGEITI 報告機関から提供されるデータの質的向上を通じて、突合手続きの精度を改善する必要がある。このためには、報告機関からのより多くの協力が得られるように、PNGEITI が国家レベルの取り組みであることの啓発を活発化することが重要である。また、EITI が既存の監査や保証システムを基礎とすることを考慮すれば、政府機関及び政府系企業への会計検査院による外部監査の改善も求められる。

## 2.8 2017 年度 PNGEITI 報告書

### ● 報告機関の回答状況

2017 年度 PNGEITI 報告書は 2018 年 12 月に公表された。PNGEITI 報告に必要な情報に関する報告機関からの回答状況を表 7 に示す。前年度に比べ改善が見られなかった。

表 7 報告機関の回答状況

報告機関	回答率		然るべき権限者の署名を得た 報告率		非財務データの 回答率
	2017	2016	2017	2016	2017
PNGEITI 報告書の年度	2017	2016	2017	2016	2017
鉱産資源採取企業	42%	75%	33%	38%	42%
石油・天然ガス採取企業	80%	100%	80%	75%	60%
政府系企業(管財人を含む)	40%	86%	40%	57%	30%
政府機関	61%	86%	11%	57%	50%
計	53%	84%	35%	58%	45%

### ● 本プロジェクトに関連する提言事項

受払金額の突合及び報告書案の作成を担当した独立管理人は、翌年度以降の PNGEITI 報告改善に向けた提言を行っている。本プロジェクトに関連する提言事項を以下に示す。

- 政府機関ウェブサイトからのライセンスや産出データ入手：ライセンスや産出データ等の非財務データは、鉱産資源セクターの場合は鉱産資源機構、石油・天然ガスセクターの場合は石油省が管理している。鉱産資源機構については既存のデータポータルサイトの機能改善、石油省については鉱産資源機構等の先行事例を参考にしたライセンスデータのデジタル化を提言している。
- 収入データの網羅性向上：報告機関から網羅的かつ適時にデータを手入手できるように、次年度 PNGEITI 報告書の対象報告機関決定の早期化を提言している。

- 年次財務報告の活用によるデータ品質向上：財務諸表は PNGEITI 報告に必要な多くのデータを網羅しており、監査済み財務諸表の適時性・透明性の向上によって EITI 基準に示す要件も満たすケースも多いと考えられる。採掘企業に対しては、財務諸表の写しの提出、政府機関に対しては年次財務報告内に EITI 報告事項も含めることを提言している。
- 政府系企業による準公共支出：準公共支出とは政府系企業が行う社会サービスや公共インフラ支出等、政府予算外で行われる支出のことを指す。2017 年度 PNGEITI 報告書では政府系企業による準公共支出は報告されなかったが、準公共支出の解釈について報告機関の間で混乱があるものと思われる。このため、政府系企業（及びその子会社）のすべての支出を網羅的に見直し、準公共支出の該当判断を行うことを提言している。

## 2.9 他国における EITI 実施状況

- EITI 加盟国の検証結果

2019 年 1 月時点で 35 か国の検証結果が公表されている（検証後に EITI を脱退した三カ国を含む）。コロンビア、フィリピン、セネガルは第一回検証で、モンゴルと東ティモールは第二回検証でそれぞれ「十分な進展」と評価され、遵守国となっている。

- 第三国研修

本プロジェクトの一環として、EITI 実施の先行事例を学ぶため検証で「十分な進展」の評価を得たフィリピンへの第三国研修が実施された。第三国研修は、2018 年 3 月 4 日から 11 日にかけて PNGEITI 事務局の四名が参加し、フィリピン EITI (PH-EITI) 事務局等を訪問した。フィリピンでは、報告機関に対する期日までの報告義務の法制化、市民団体の政策枠組み等への関与度の高さ、PH-EITI 事務局の自主性と能力等の教訓が得られた。

### 3. 本プロジェクトでの対応方針案

現状分析を踏まえて、本プロジェクトにおける対応方針案を以下の通り検討した。

#### 3.1 石油省

- PNGEITI 報告のための実施体制の整備

石油省内に PNGEITI 報告のための専任担当者を配置する。専任担当者は同省の PNGEITI の実施にかかる調整役として情報の取りまとめや PNGEITI に関する省内外のコミュニケーションの窓口として活動する。本プロジェクトでは、専任担当者の業務分掌の提案や、就任時及びプロジェクト期間を通じた技術的な研修や助言による支援を行う。

- PNGEITI 報告に必要なデータ管理の改善

PNGEITI 報告に必要なライセン্স情報、資源関連の税外収入、産出データの情報・データの収集、記録、報告、管理の改善を図る。ライセン্স情報や税外収入に関しては、石油省内でデータベース化を進めている。このため、データベースの情報を PNGEITI 報告のために活用する方法の検討及び実施を支援する。一方、産出データに関しては、採取企業から得られるデータの集約化の方法を検討、実施する。必要に応じて情報機材の提供やデータ管理システムの構築を支援する。

- PNGEITI 報告に関する研修及び啓発

PNGEITI 報告に関係する石油省職員を対象として、EITI 基準及び PNGEITI に関する研修及び啓発を実施する。これまで石油省では EITI 基準や PNGEITI に関連する研修は行われておらず、EITI 基準や PNGEITI の目的や石油省が果たすべき役割等の基本的事項を含めた能力向上を図る。

- PNGEITI 報告に関連する情報開示の促進

石油省の公式ウェブサイトは開設されたばかりであり、今後コンテンツの充実が必要である。石油省の公式ウェブサイトに掲載する PNGEITI 報告に関連する情報のコンテンツの企画及び制作を支援する。特にライセン্স情報が対象として想定される。

#### 3.2 能力向上

- PNGMSG の能力向上

PNGMSG 定期会合の機会を利用して継続的に教育セッションを提供する。教育セッションでは、網羅的な収入把握に向けた対応、突合作業の重要性、品質向上のポイント等、PNGEITI の検証結果の改善に直結するテーマについて、EITI 国際事務局が提供するガイドラインや他の EITI 実施国での事例を取り上げる。専門的かつ実践的な視点からの能力向上を図ることで、PNGEITI に関す

る改善策の検討を促進する。

- PNGEITI 報告機関の能力向上

データの網羅性や品質の改善のためには、報告機関からの回答率及び回答の質の向上が不可欠である。このため、複数の PNGEITI 報告機関を対象として、報告期間中の現場指導も含めた技術的な助言により支援する。また、期限までに回答が得られるように各報告機関の作業進捗状況を適宜フォローアップする。

- PNGEITI 事務局の能力向上

PSGMSG に対する教育セッションや PNGEITI 報告機関に対する現場指導の過程では、PNGEITI 事務局と協働することにより、これらの作業の円滑化を図るとともに、実務を通して PNGEITI 事務局に対して技術的な指導及び助言を行う。また、報告機関の能力強化に資するための学習ツールの企画及び開発について PNGEITI 事務局を支援する。

### 3.3 啓発活動

- PNGEITI コミュニケーション戦略の改訂

PNGEITI コミュニケーション戦略策定後に蓄積されたノウハウや経験を的確に反映させるため、同戦略の改訂作業を支援する。改訂に際しては多くの関係者の意見を反映させるためコミュニケーションサブグループの関与を高める。

- 啓発活動のための宣材及びコンテンツの開発

PNGEITI コミュニケーション戦略の改訂により、コミュニケーション対象や目的が見直しされる。新たな対象や目的に対して効果的かつ効率的なコミュニケーション活動を行うための宣材及びコンテンツを検討し、開発を支援する。

- 啓発活動の実施

PNGEITI 事務局及び PNGMSG が計画、実施する啓発活動を支援する。本プロジェクトで利用可能なリソースや宣材及びコンテンツの開発ニーズを勘案して、支援対象とする啓発活動を選定する。また、今後の改善に生かすため、啓発活動の実施後、宣材及びコンテンツ、活動に関する意見のフィードバックを実施する。



## **Annex 2: Products Produced by the Project**

### **2-2 TOR of DPE EITI Unit**

## EITI Unit

- I. Objectives
- II. Terms of Reference
- III. Tasks and Activities
- IV. Activity timeframe
  - Specific Timeframe for FY2022
- V. Members of the Unit
- VI. Reporting flow
- VII. Reporting items for EITI
- VIII. Operating procedure

### I. Objectives

Promote the implementation of EITI as a coordinator and a focal point at the entity level.

## II. Terms of Reference

- i. Coordinate the EITI related activities at the entity level in collaboration with MSG and NS.
- ii. Guide the implementation of the Work Plan and the Strategy of PNGEITI at the entity level.
- iii. Facilitate the communication with MSG, NS and other relevant stakeholders.
- iv. Improve the practice of EITI reporting at the entity level for mainstreaming.
- v. Foster capacity building and awareness raising on PNGEITI in-house.

## III. Tasks and Activities

### i. EITI reporting

1. Study the template received from IA/NS and check if any changes or updates in EITI requirements
2. Distribute the template to relevant officers with guidance
3. Provide necessary support to the relevant officers to fill in the template
4. Collect and compile the information on the template
  - ✓ # of licenses awards and transfers
  - ✓ License registry information
  - ✓ Production volume and value
  - ✓ Revenues (license fee, royalty and development levy)
5. Validate the collected data and information
6. Obtain the authorization to submit the template to IA/NS
7. Responding to queries from IA/NS during the reconciliation
8. Review the draft EITI Report and provide comments to IA/ NS

### III. Tasks and Activities

#### ii. EITI related activity for MSG

1. Attend the MSG meetings on behalf of the representative of the entity
2. Attend the Technical Working Groups meetings of MSG on behalf of the representative of the entity
3. Join the outreach and communication activities and contribute to PNGEITI as resource person
4. Provide and contribute the information to the public relation activities of PNGEITI
5. Cooperate in providing information and feedback for the monitoring and evaluating the PNGEITI activities
6. Facilitate the communication with other stakeholders to improve the implementation of PNGEITI

### III. Tasks and Activities

#### iii. EITI related activity for the entity

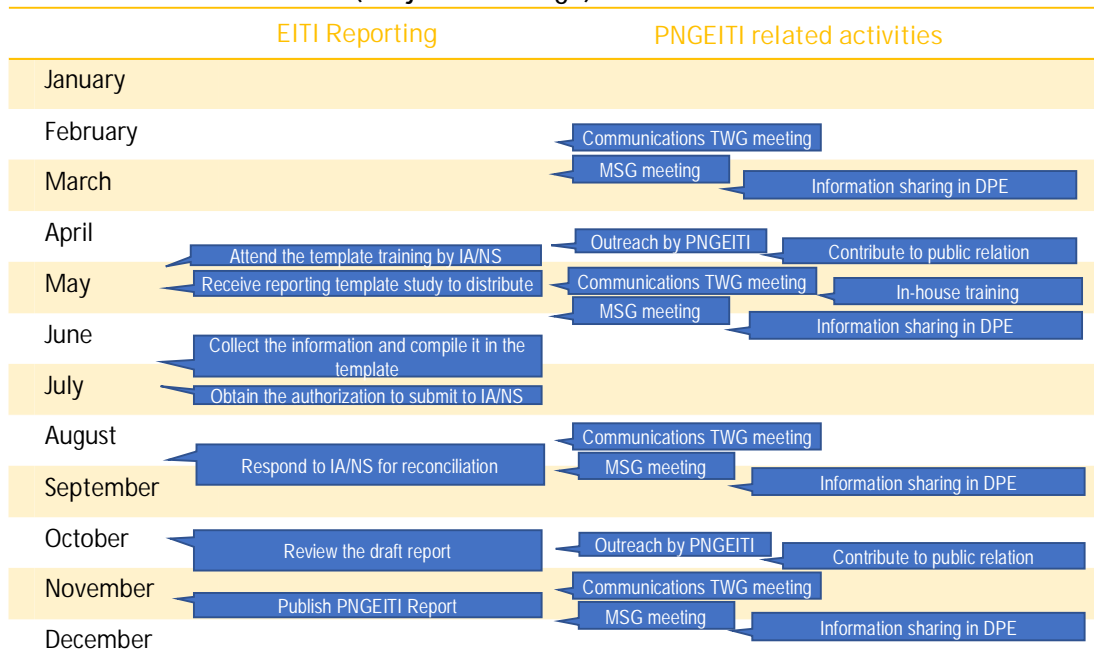
1. Share the outcomes of the meetings of MSG and TWG of PNGEITI in the entity
2. Share the PNGEITI's event schedule or result to promote the participation and dissemination of information in the entity
3. Plan and conduct the capacity development and awareness promotion on PNGEITI in the entity
4. Suggest the direction of regular update or information disclosure to the entity for mainstreaming PNGEITI
5. Facilitate the communication to exchange knowledge and experiences and obtain feedback in the entity
6. Accumulate the knowledge and know-how on the EITI reporting for further improvement and mainstreaming

## IV. Activity timeframe

- EITI Reporting
  - Annual EITI Report
- PNGEITI related activities
  - MSG meetings at least quarterly
  - TWG of MSG meetings
  - Outreach of PNGEITI
  - Capacity development and awareness promotion in the entity
  - Regular update and information disclosure by the entity

## IV. Activity timeframe

Annual timeframe (subject to change)

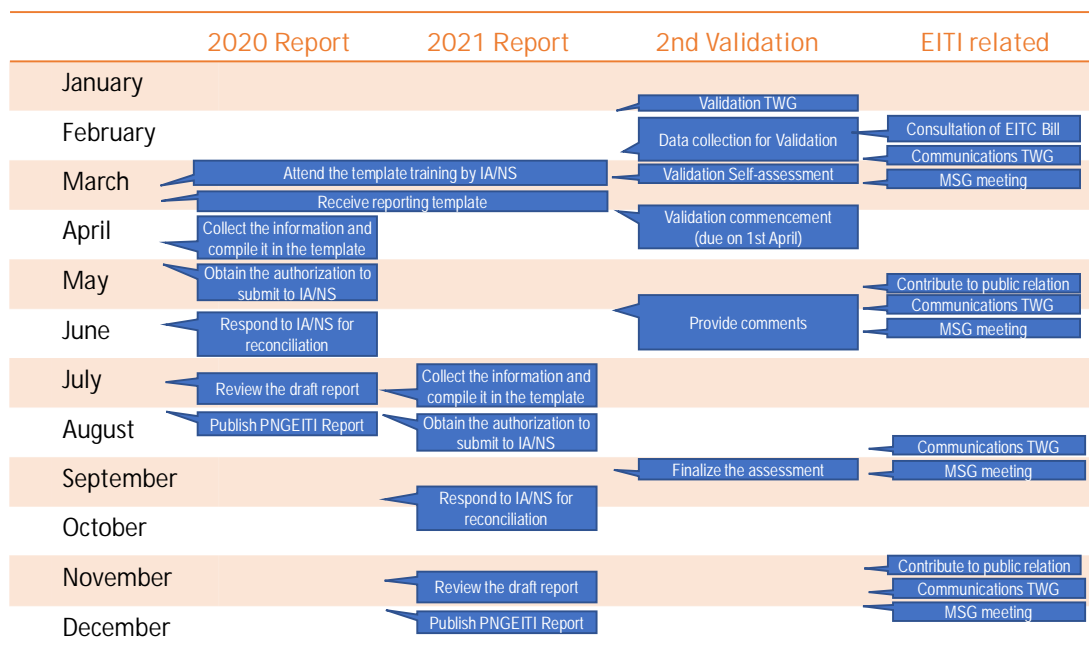


## IV. Activity timeframe

### Specific Timeframe for FY2022

- Second Validation by EITI International Secretariat
  - ✓ Postponed due to COVID, commence on 1st April 2022
- EITI 2020 Report
  - ✓ Delay was caused due to COVID, need to catch up on the schedule
- EITI 2021 Report
  - ✓ Get back to a annual regular reporting cycle within 2022
- EIT Commission Bill
  - ✓ Required to provide input and feedback

### IV. Activity timeframe - Specific Timeframe for FY2022 2nd Validation, 2020 EITI Report and 2021 EITI Report

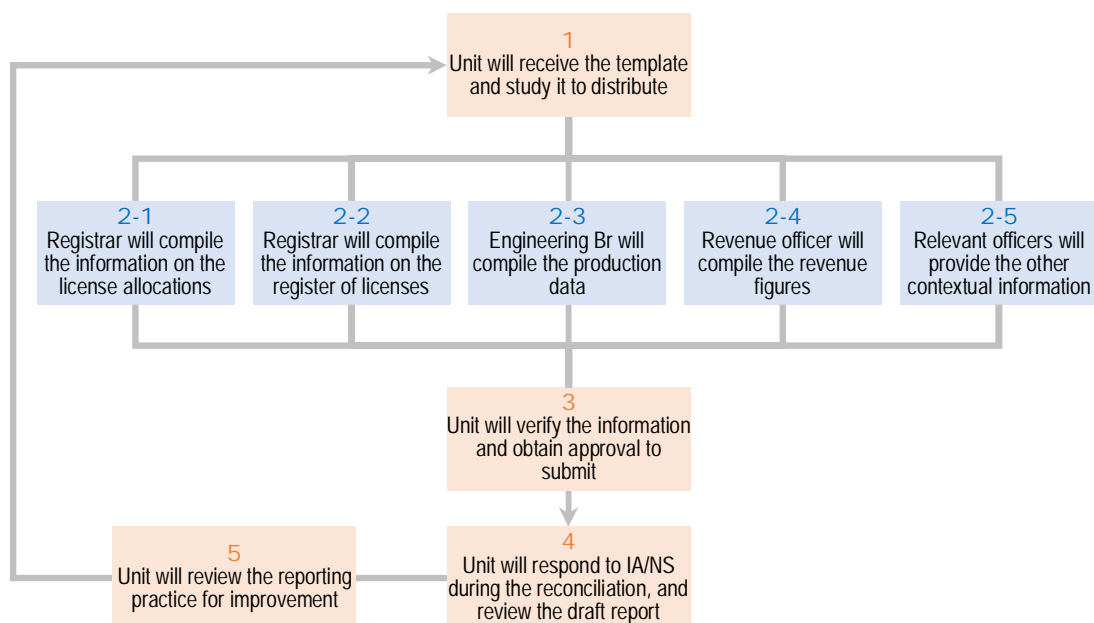


## V. Members of the Unit

- As of January 2022

#	Name	Title	EITI In-charge
1	Channan Kumalau	Director, Special Project Program	Head of EITI Unit
2	Jimmy Haumu	Director, Petroleum Division	
3	Joy Mataenge	Assistant Director, License & Administration	License information
4	Vicky Coleman	Senior Revenue Officer	Revenue data
5	Samuel Tobung	Senior Petroleum Engineer	Production data
6	Jennifer Kapi	Deputy Registrar	License information
7	Moses Hombhanje	ICT Manager	
8	Eileen Kamura	GESI Desk	
9	Alexander Nimi	Coordination Branch	

## VI. Reporting flow







## VII. Reporting items (subject to change)

### ▶ EITI requirement #3.2 Production

- ▶ Requirement:
  - ▶ Production data, including production volumes and values by commodity
  - ▶ By region company or project

### ▶ Production data

- ▶ To be provided by Registrar Branch
- ▶ Consistency in the use of the measurement

Commodity	Measurement
Oil	Barrels
Condensate	Barrels
Gas	MMScf
LNG	Tonnes

Project	Commodity	Measurement	Oil	Gas	Condensate	LNG
SE Gobe	Oil	Barrels	,000			
	Gas	MMScf		,000		
Hides	Gas	MMScf		,000		
	Condensate	Barrels			,000	
Kutubu	Oil	Barrels	,000			
PNG LNG	LNG	Tonnes				,000
	Gas	MMScf		,000		
			,000	,000	,000	,000

## VII. Reporting items (subject to change)

### ▶ EITI requirement #4 Revenue collection

- ▶ Requirement:
  - ▶ Comprehensive disclosure of company payments and government revenues from the extractive industries

### ▶ Revenue

- ▶ To be provided by Revenue Officer
- ▶ Include amount received through DOF / Trust Accounts

### ▶ License fees (5 types)

Type of License	No of license	Amount
Petroleum Prospecting License (PPL)		
Petroleum Retention License (PRL)		
Petroleum Development License (PDL)		
Petroleum Pipeline License (PL)		
Petroleum Processing Facility License (PPFL)		
Total		

### ▶ Development Levy (trust / annual)

Project	Company	Amount
ExxonMobil PNG LNG and Oil Project Subsidiaries	ExxonMobil PNG Ltd	
PNG LNG	Oil Search Ltd	
Total		

### ▶ Royalty (trust / monthly)

Project	Company	Amount
ExxonMobil PNG LNG and Oil Project Subsidiaries	ExxonMobil PNG Ltd	
PNG LNG	Oil Search Ltd	
Total		

## VIII. Operating procedure

Ref	Process	Responsible Offices
1.	Distribution of EITI Reporting template	Unit
2-1.	Number of licenses for the period	Registrar
2-2.	Petroleum license map & listing of licenses	Registrar, Geologist
2-3.	Production data	Engineering
2-4.	Revenue	Revenue, Registrar
2-5.	Other contextual information	Registrar, legal, etc.
3.	Submission of the template	Unit
4.	Review of the draft Report	Unit
5.	Review the reporting practice	Unit

## VIII. Operating procedure

### 1. Distribution of EITI Reporting template

1.	Distribution of EITI Reporting template	Remarks
1	Unit will obtain the timeframe of the EITI for the year from IA / NS, and inform relevant offices through the Secretary of the timeframe and the activity schedule of the Unit.	<ul style="list-style-type: none"> <li>• Timeframe</li> <li>• Activity schedule</li> </ul>
2	Unit members will attend the EITI reporting template training, if provided by IA / NS.	<ul style="list-style-type: none"> <li>• Training material</li> </ul>
3	Unit will receive the template from IA / NS.	<ul style="list-style-type: none"> <li>• EITI reporting template</li> </ul>
4	Unit members will study the template to see if there are any changes in requirements or reporting items.	<ul style="list-style-type: none"> <li>• EITI standard</li> <li>• Template</li> </ul>
5	Unit will distribute the template to the relevant officers with guidance.	
6	Unit will provide support for the relevant officers filling in the template, as necessary.	

## VIII. Operating procedure

### 2-1. Number of licenses for the period

#### #2.2 Contract and license allocations

2-1.	Number of licenses for the period	Remarks
1	Registrar will receive the template with guidance	• Template
2	Registrar will check if there are any changes in requirements or reporting items	• EITI Standard
3	Registrar will confirm whether the information required is available in case of any changes in requirements or reporting items	
4	Registrar will collect the information from "Petroleum Register book"	• Petroleum Register book
5	Registrar will count the number of licenses lodged, awarded, extended, transferred, cancelled, surrendered, expired	
6	Registrar will fill in the template and verify the information.	
7	Registrar will forward the template to Unit.	

## VIII. Operating procedure

### 2-2. Petroleum license map & listing of licenses

#### #2.3 Register of licenses

2-2.	Petroleum license map & listing of licenses	Remarks
1	Registrar will receive the template with guidance	• Template
2	Registrar will check if there are any changes in requirements or reporting items	
3	Registrar will confirm whether the information required is available in case of any changes in requirements or reporting items	
4	Registrar will consult with Geologist to identify the licenses to be reported in consistent with the "Petroleum License Map"	• Petroleum License map
5	Geologist will extract the information from the mapping system and share it with Registrar	• Mapping system
6	Registrar will modify the information into the reporting format.	• License information format
7	Registrar will verify the information.	
8	Registrar will forward the information to Unit.	

## VIII. Operating procedure

### 2-3. Production data

#### #3.2 Production

2-3.	Production data	Remarks
1	Petroleum Engineer will receive the template with guidance	• Template
2	Petroleum Engineer will check if there are any changes in requirements or reporting items	
3	Petroleum Engineer will confirm whether the information required is available in case of any changes in requirements or reporting items	
4	Petroleum Engineer will extract the data from the production database on MS-Access	• Production database on MS-Access
5	Petroleum Engineer will customize the data into the reporting format with disaggregating by commodity, company, project and region.	
6	Petroleum Engineer will verify the data by ensuring the consistency in the measurement unit for each commodity	
7	Petroleum Engineer will forward the data to Unit.	

## VIII. Operating procedure

### 2-4. Revenue

#### #4 Revenue collection

2-4.	Revenue	Remarks
1	Revenue Officer will receive the template with guidance	• Template
2	Revenue Officer will check if there are any changes in requirements or reporting items	
3	Revenue Officer will confirm whether the information required is available in case of any changes in requirements or reporting items	
4	Revenue Officer will extract the information on license fees from the Collection Statement to fill in the template	• Collection statement
5	Revenue Officer will extract the information on Royalties and Development Levies from the Collector's statement to fill in the template	• Collector's statement
6	Revenue Officer will verify the figures by ensuring the cash basis.	
7	Registrar will verify the figures with Register Tenement Book, as necessary.	• Register tenement book
8	Revenue Officer will forward the template to Unit.	

## VIII. Operating procedure

### 2-5. Other contextual information

2-5.	Other contextual information	Remarks
1	The relevant officers will receive the template or request of information from Unit	<ul style="list-style-type: none"><li>• Template</li></ul>
2	The relevant officers will check the template or request	
3	The relevant officer will fill in the template or prepare the supporting documents.	<ul style="list-style-type: none"><li>• Template</li><li>• Supporting documents</li></ul>
4	For example: <ul style="list-style-type: none"><li>• License procedures</li><li>• criteria used for awarding the license</li><li>• any deviation from the procedure</li><li>• Employment figure disaggregated by gender</li></ul>	
5	The relevant officers will forward the template or the supporting documents to Unit	

## VIII. Operating procedure

### 3. Submission of the template

3.	Submission of the template	Remarks
1	Unit will collect the information on the respective parts of the template filled by relevant officers.	<ul style="list-style-type: none"><li>• Template</li></ul>
2	Unit will compile the information on the template.	
3	Unit will confirm whether every required item is filled in the template .	
4	Unit will make follow up on the submission of the information, if there are any missing or outstanding items with reminding the due date of submission of the template.	
5	Unit will make an inquiry to appropriate officials for clarification, if any.	
6	Unit will prepare the cover letter to be signed off, and send the template and supplement information altogether with the cover letter to the Secretary for approval.	<ul style="list-style-type: none"><li>• A cover letter</li><li>• Template</li><li>• Supplement information</li></ul>
7	Unit will submit the approved templated to IA / NS.	<ul style="list-style-type: none"><li>• Template</li></ul>

## VIII. Operating procedure

### 4. Review of the Report

4.	Review of the Report	Remarks
1	Unit will receive any queries from IA / NS	
2	Unit will consult with appropriate officers to obtain further information, if necessary	
3	Unit will facilitate the discussion with the appropriate officers and IA / NS as and when necessary to provide the clarification	
4	Unit will respond to IA / NS to provide further information and clarification with supporting evidence, if required	• Supporting evidence
5	Unit will receive the draft Report and circulate in DPE	• Report draft
6	Unit will review the draft and compile the comments.	
7	Unit will provide the comments to IA / NS.	
8	Unit will receive the Report and circulate it in DPE to inform the launch.	• Report

## VIII. Operating procedure

### 5. Review the reporting practice

5.	Review the reporting practice	Remarks
1	Unit will discuss any issues to be carried forwarded to the next reporting process for improvement	
2	Unit will discuss the action plan for the next reporting period for smoothing the reporting process	
3	Unit will promote and facilitate the routine and regular information disclosure relating EITI by DPE	
4	Unit will discuss to suggest the direction of mainstreaming and streamlining the EITI reporting	• EITI Standard
5	Unit will discuss to suggest the routine and regular update of information disclosure by DPE to harmonize with EITI reporting	• EITI Standard
6	Unit will discuss to see whether DPE can replace the information reported by template and Report with the routine information disclosure by DPE	• EITI Standard • EITI Report • Template

## **Annex 2: Products Produced by the Project**

### **3. Training Materials for the National Secretariat Staff**

2-3-1 An approach to Improve  
Comprehensiveness

2-3-2 How to Arrange the Review

## **Annex 2: Products Produced by the Project**

3. Training Materials for the National Secretariat Staff

**2-3-1 An approach to Improve  
Comprehensiveness**



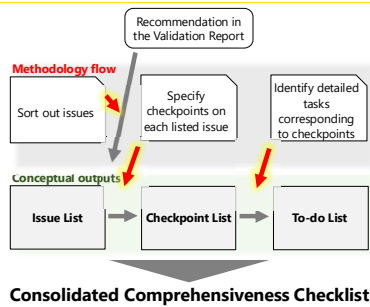
## Sessions for Capacity Development of PNGEITI National Secretariat

June, 2019  
JICA Consultant Team



## 1. How Can Be Comprehensiveness Ensured? - Use CCC -

### How is CCC Created?



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### CCC for What?

#### ■ CCC helps PNGEITI National Secretariat and/or MSG:

- ▶ **Understand** detailed checkpoints and to-dos in a structured, transparent way
- ▶ **Check** the progress of tasks requisite for ensuring comprehensiveness
- ▶ **Review** effectively on IA's deliverables such as Scoping Study, Inception Report and EITI Report
- ▶ **Monitor** IA's performance including extensive data gathering

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### Comments in Detail

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.

1.1 Is the threshold defined by a specific number?	1.1.1 Ensure the materiality threshold is defined by a specific number.
	1.1.2 Share the defined number with MSG.

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### Comments in Detail

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.

1.2 Is the method to calculate the threshold clearly described and feasible?	1.2.1 Ensure the method is clearly described.
	1.2.2 Ensure the method is feasible considering any availabilities of data used in the calculation.
	1.2.3 Share the method with MSG.

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### Comments in Detail

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.

1.3 Is the method free of any pitfalls affecting the comprehensiveness?	1.3.1 Check whether such pitfalls are there in the method from viewpoints including, but not limited to: - if "known government revenues" implies existence of any unknown government revenues, specify types, payers and, if possible, estimated amount. - Companies not only in production but also in exploration are fully considered.
	1.3.2 Remedy any pitfalls found in a way to ensuring comprehensiveness.

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### Comments in Detail

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.

1.4 Is the calculation conducted using credible data?	1.4.1 Ensure the calculation is conducted using credible data.
	1.4.2 If not, invent any acceptable rationale to ensure comprehensiveness.

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### Comments in Detail

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.

1.5 Are any other options considered?	1.5.1 Take into consideration any other option of materiality threshold.
	1.5.2 If not, invent any acceptable rationale to ensure comprehensiveness.

### Comments in Detail

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.

1.6 Has MSG identified the companies making material payments and the government entities receiving material revenues?	1.6.1 Record in MSG minutes such companies and government entities.
	1.6.2 Ensure that 2018 EITI Report includes any statement that MSG identified such companies and government entities.

### Comments in Detail

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.

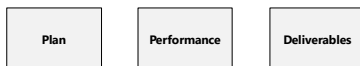
1.7 Has MSG formally confirmed and endorsed that the materiality threshold for selecting companies ensures the comprehensiveness with understanding its rationale?	1.7.1 Record in MSG minutes such confirmation and endorsement.
	1.7.2 Ensure that 2018 EITI Report includes any statement that MSG confirmed and endorsed that such comprehensiveness is ensured.

## 2. How to Monitor IA?



### Why is Monitoring IA Important?

- In Validation, there are some deficiencies deemed to be attributed to **expression or compilation** in EITI Report, which could be prevented if dealt with more appropriately or monitored more closely.
- To monitor IA in **triple** aspects as below helps PNGEITI National Secretariat ensure high quality in reporting.



### Monitoring IA's Plan

#### Factors affecting the plan proposed in TOR

- Delay by one month** in starting the IA engagement

is followed by delays in finalisation of:



- can be **absorbed** by having works for each report overlapped and shortening data collection period
- affects the timing of **endorsement of materiality** at MSG

- Political situation in PNG?

### Monitoring IA's Performance

- Information we obtained so far on IA's performance in the past indicates matters on which additional explanation for reporting entities is needed such as:
  - what** EITI Report is and **why**
  - what **adverse impacts** would take place by non-compliance with any instructions/deadline on preparing EITI Report
- Any practical support by PNGEITI National Secretariat to IA's performance of the engagement is indispensable in terms of the followings, depending on IA's performance monitored:
  - presenting an **exact contact list** of reporting entities
  - in playing a liaison role between reporting entities and IA, behaving as **good interpreter** not just conduit

### Monitoring IA's Deliverables

For ensuring comprehensiveness, use CCC.



- Action plans to mitigate any weaknesses and gaps should be:
- ready by next Validation process; and
  - described in the report, as much as possible

Consolidated Comprehensiveness Checklist

Issue	Checkpoint	To-do		
		Activity	Done	
<b>Explicitly recommended in Valuation Report</b>				
1. 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.	1.1 Is the threshold defined by a specific number?	1.1.1 Ensure the materiality threshold is defined by a specific number.		
		1.1.2 Share the defined number with MSG.		
	1.2 Is the method to calculate the threshold clearly described and feasible?	1.2.1 Ensure the method is clearly described.		
		1.2.2 Ensure the method is feasible considering any availability of data used in the calculation.		
		1.2.3 Share the method with MSG.		
	1.3 Is the method free of any pitfalls affecting the comprehensiveness?	1.3.1 Check whether such pitfalls are there in the method from viewpoints including but not limited to: <ul style="list-style-type: none"> <li>- if "known government revenues" implies existence of any unknown government revenues, specify types, payers and, if possible, estimated amounts.</li> <li>- Companies not only in production but also in exploration are fully considered.</li> </ul>	1.3.2 Remedy any pitfalls found in a way to ensuring comprehensiveness.	
			1.4.1 Ensure the calculation is conducted using credible data.	
			1.4.2 If not, invent any acceptable rationale to ensure comprehensiveness.	
	1.4 Is the calculation conducted using credible data?	1.4.1		
		1.4.2		
			1/5	

Consolidated Comprehensiveness Checklist

Issue	Checkpoint	To-do	
		Activity	Done
1. Are any other options considered?	1.1	1.1.1 Take into consideration any other option of materiality threshold.	
		1.1.2 If not, invent any acceptable rationale to ensure comprehensiveness.	
	1.6 Has MSG identified the companies making material payments and the government entities receiving material revenues?	1.6.1 Record in MSG minutes such companies and government entities.	
		1.6.2 Ensure that 2018 EITI Report includes any statement that MSG identified such companies and government entities.	
		1.7 Has MSG formally confirmed and endorsed that the materiality threshold for selecting companies ensures the comprehensiveness with understanding its rationale?	1.7.1 Record in MSG minutes such confirmation and endorsement.
		1.7.2 Ensure that 2018 EITI Report includes any statement that MSG confirmed and endorsed that such	
	2. The MSG should ensure that PNG's next EITI Report includes the IA's assessment of the materiality of omissions from non-reporting entities.	2.1 Is such IA's assessment included in 2018 EITI Report?	2.1.1 Ensure that the IA's assessment is included in 2018 EITI Report.
2.2 Is the assessment clear, reasonable and based on right and fair understanding of PNG context?		2.2.1 Identify any reporting companies and government entities mentioned directly or related to specific matters referred to, in the assessment.	
		2.2.2 Ensure by consulting the companies and/or government entities identified that the assessment is clear, reasonable, and based on right and fair understanding of PNG context.	
		2/5	

Consolidated Comprehensiveness Checklist

Issue	Checkpoint	To-do	
		Activity	Done
3. The MSG should ensure that PNG's next EITI Report includes an assessment of the comprehensiveness of the EITI Report	3.1 Has MSG explicitly ensured it?	3.1.1 Record in MSG minutes that it ensured the IA's assessment.	
		3.1.2 Ensure that the assessment is included in 2018 EITI Report.	
	3.2 Is the assessment clear, reasonable and based on right and fair understanding of PNG context?	3.2.1 Identify any reporting companies and government entities mentioned directly, or related to specific matters referred to, in the assessment.	
3.2.2 Ensure by consulting the companies and/or government entities identified that the assessment is clear, reasonable, and based on right and fair understanding of PNG context.			
	3.3 Has MSG explicitly ensured it?	3.3.1 Record in MSG minutes that it ensured the assessment.	
4. The MSG should ensure that PNG's next EITI Report includes that full unilateral government disclosure of total revenues, including from non-material companies, is provided for each of the material revenue streams.	4.1 Is such disclosure included in 2018 EITI Report?	4.1.1 Ensure that the disclosure is included in 2018 EITI Report.	
		4.2 Check all of the government entities received any material revenues are included in the disclosure.	
	4.2 Are the unilateral government total revenues fully disclosed?	4.2.1 Consult all of the government entities received any material revenues on whether the unilateral total revenues are fully disclosed.	
		4.2.2 Consult all of the government entities received any material revenues on whether the unilateral total revenues are fully disclosed.	
4.3 Are non-material companies clearly specified in the report?	4.3.1 Ensure that non-material companies are clearly specified in the report.		
		3/5	

Consolidated Comprehensiveness Checklist

Issue	Checkpoint	To-do	
		Activity	Done
4. Are revenues from non-material companies included?	4.1	4.1.1 Consult the government entities providing data with which non-material companies are determined on whether the rationale of determining non-material companies ensures the comprehensiveness.	
		4.1.2 Ensure that revenues from non-material companies are included in the disclosure.	
	4.2	4.2.1 Consult the government entities providing data with which non-material companies are determined on whether the revenues from non-material companies are accurate.	
		4.2.2 Consult the government entities providing data with which material revenue streams are determined on whether the rationale of determining material revenue streams ensures the comprehensiveness.	
	4.3 Are material revenue streams clearly specified in the report?	4.3.1 Ensure that material revenue streams are clearly specified in the report.	
	4.6 Is the disclosure appropriately provided for each of the material revenue stream?	4.6.1 Consult the government entities providing data with which material revenue streams are determined on whether the rationale of determining material revenue streams ensures the comprehensiveness.	
		4.6.2 Ensure by consulting the government entities providing data with which non-material companies are determined that the disclosure is appropriately provided for each of the material revenue stream.	
4.7 Has MSG explicitly ensured it?	4.7.1 Record in MSG minutes that it ensured the full unilateral government disclosure.		
		4/5	

Consolidated Comprehensiveness Checklist

Issue	Checkpoint	To-do	
		Activity	Done
5. The MSG should develop and disclose an action plan for addressing the deficiencies in comprehensiveness of reporting documented in the initial assessment.	5.1 Is such action plan developed?	5.1.1 Ensure that the action plan is developed.	
		5.2 Does the action plan cover all of the deficiencies in comprehensiveness of reporting?	5.2.1 Ensure that the deficiencies are completely covered.
	5.3 Is the action plan clear, feasible and exhaustive?	5.3.1 Identify any entries mentioned directly, or related to specific matters referred to, in the action plan.	
		5.3.2 Ensure by consulting the entries identified that the action plan is clear, feasible, and exhaustive.	
	5.4 Has MSG formally confirmed and endorsed the action plan?	5.4.1 Record in MSG minutes such confirmation and endorsement.	
5.5 Is the action plan disclosed?	5.5.1 Have the action plan easily accessible by the public.		
		5/5	

## **Annex 2: Products Produced by the Project**

3. Training Materials for the National Secretariat Staff

### **2-3-2 How to Arrange the Review**

### Sessions for Capacity Development of PNGEITI National Secretariat

November, 2019  
JICA Consultant Team



### How Can PNGEITI National Secretariat Arrange the Review ?



#### Expected Roles of the Secretariat

- Coordinate
- Represent
- Enhance



#### Points of View for the Review

- Follow-up the status
- Coordinate the coverage
- Create/revise the self-related parts
- Ensure the recommendations

#### Follow-up the Status

- Communicate with the IA
- Identify the delayed institutions
- Urge them responding to IA' request
- Set the deadline

- Follow-up the status
- Coordinate the coverage
- Create/revise the self-related parts
- Ensure the recommendations

#### Coordinate the Coverage

- Minimise parts not reviewed
- Specify the reviewing bodies per part
- Make sure the reviewed parts per body
- Reassign reviewers as necessary

- Follow-up the status
- Coordinate the coverage
- Create/revise the self-related parts
- Ensure recommendations

#### Create/revise the Self-related Parts

- Identify any parts to be reviewed
- Consider any changes
- Keep consistency
- Prove any descriptions

- Follow-up the status
- Coordinate the coverage
- Create/revise the self-related parts
- Ensure recommendations

#### Ensure Recommendations

- Specify the recommendations on the Validation requiring MSG's approval
- Ensure any of these are described in the report
- If not, include such things in MSG's agenda
- Describe in the report as much as possible on how to address the recommendations

- Follow-up the status
- Coordinate the coverage
- Create/revise the self-related parts
- Ensure recommendations

## Breakdown of Recommendations

- ❑ Specify the recommendations on the Validation requiring MSG's approval
- ❑ Ensure any of these are described in the report
- ❑ If not, include such things in MSG's agenda
- ❑ Describe in the report as much as possible on how to address the recommendations

- ❑ Follow-up the status
- ❑ Coordinate the coverage
- ❑ Create/revise the self-related parts
- ❑ Ensure recommendations

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## Link of Roles to Points of View

- 
- ❑ Coordinate
  - ❑ Represent
  - ❑ Enhance
  - ❑ Follow-up the status
  - ❑ Coordinate the coverage
  - ❑ Create/revise the self-related parts
  - ❑ Ensure recommendations

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## **Annex 2: Products Produced by the Project**

### **2-4 Media & Communications Strategy**



# Papua New Guinea Extractive Industries Transparency Initiative (PNGEITI)

## Media & Communications Strategy 2022-2023

*“Promoting Transparency and Accountability of Revenue  
from the PNG Mining and Petroleum Sector”*

### PNGEITI Media & Communications Strategy 2022

#### Table of Contents

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3. National Communications.....	19
4. International Communications.....	27
5. Branding and Languages.....	33
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#### Appendix (as a separate sheet)

1. Stakeholders Mapping
2. List of Stakeholders
3. Record of Communications Activities
4. National Communications Methodology
5. International Communications Methodology



## Acronyms

Comms TWG	Communications Technical Working Group
CSO	Civil Society Organisation
EI	Extractive Industry
EITI	Extractive Industries Transparency Initiative
GoPNG	Government of Papua New Guinea
KRA	Key Results Area
M&E	Monitoring and Evaluation
MOU	Memorandum of Understanding
MRA	Mineral Resources Authority
MSG	PNGEITI Multi-Stakeholders Group
MTDP	Medium-Term Development Plan
NEC	Government of Papua New Guinea National Executive Council
NGS	Nongovernmental Stakeholders
NS	PNGEITI National Secretariat
OGP	Open Government Partnership
PNGEITI	Papua New Guinea Extractive Industries Transparency Initiative
SOE	State Owned Enterprise
TWG	Technical Working Group

3

## 1. Introduction

### 1.1. Background

As stipulated in the National Goals and Directive Principles of Papua New Guinea (PNG), ***natural resources should be conserved and sustainably managed for the collective benefit of all***. The Extractive Industries Transparency Initiative (EITI) Principles and Standard aim at promoting an open and accountable management of its implementing countries' oil, gas and mineral resources. Following the decision made by the Government of Papua New Guinea (GoPNG) to sign up to the EITI in 2013, the PNGEITI was formed under the directive of the GoPNG National Executive Council (NEC) decision 90/2013. The Multi Stakeholders Group (MSG) was then formally established by the NEC through a Memorandum of Understanding (MOU). PNGEITI and MSG play a crucial role in promoting sustainable resource management for all citizens of PNG.

The National Policy on Transparency and Accountability in the Extractive Sector adopted in 2019 sets out 9 clear objectives in which the government commits to establishing an independent administrative body to promote and require transparency and accountability in the mining and petroleum (oil and gas) sectors in PNG. This public body, once legally constituted, will extend the work of PNGEITI and both domesticate international standards and respond to national needs. The national policy also mandates the body to "develop an information, communications and education strategy that is appropriate for the country to ensure that outputs produced by the administrative body are effectively mainstreamed and provide relevant and meaningful information to different stakeholder groups across the country".

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# 1. Introduction

## 1.1. Background

### **Box 1. Objectives of The National Policy on Transparency and Accountability in the Extractive Sector 2019**

1.	The Independent Administrative Body
2.	Full Participation in extractive sector transparency and accountability
3.	Comprehensive Disclosure of Information
4.	Limit Corruption in Government
5.	Diagnostic Tool as support Extractives Sector Reform
6.	Better Public Financial Management in Extractive Industry Sector
7.	Encourage Public Debate and Policy Making
8.	Effective Information Dissemination among stakeholders
9.	Ensure Complementarity with Transparent and governance in PNG

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# 1. Introduction

## 1.2. New Communications Programme 2022

The PNGEITI's first Communications Strategy (the "first Strategy") was adopted in 2016 and has guided its Communications Programme (the "Programme") during the initial years of implementation.

The programme has been implemented by the PNGEITI National Secretariat (NS) and facilitated by the Communications Technical Working Group consisting of representatives from three constituencies of the MSG: namely, the Government, the Extractive Industry (EI) and Civil Society Organisations (CSOs).

The Programme contributed to PNG gaining a "Meaningful Progress" status as an EITI implementing country in 2018. Achievements under the Programme include:

- Conducting over 50 roadshows and workshops to promote public awareness utilising PNGEITI Reports to catalyse debate related to fiscal policy and economic management issues;

- Increased participation in the MSG with representatives from the Government, EI, CSOs, State Owned Enterprises (SOE) and other stakeholders;
- Regular media and outreach campaigns regarding beneficial ownership and subnational payments as part of EITI reporting.

Despite these achievements, the 1st Validation of PNGEITI Report conducted in April 2018, indicated accurate and accountable data disclosure by both government and private sector industry reporting entities to be key challenges. Preparing a comprehensive PNGEITI annual report has been partly hampered by a lack of capacity and commitment by sub-national governments to report on and share resource revenue and spending data.

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# 1. Introduction

## 1.2. New Media & Communications Programme 2022

The new Media & Communications Strategy 2022 (the “Strategy”) builds on the knowledge and experience accumulated to date and reflects lessons learned by the PNGEITI and international industry best practices. The Strategy encompasses active engagement at sub-national government level to ensure their increased participation, which in turn will contribute to addressing specific areas of weaknesses including data quality, submission rate and completeness of information in reporting. It also seeks to address emerging information and communication needs and capture opportunities at the community, national and global levels. The Strategy further incorporates newly introduced requirements under EITI Standard 2019.

For example, recognising that women are often excluded from economic and social benefits the extractive industries could bring whilst being vulnerable to risks associated with the sector, the PNGEITI will deploy targeted actions to promote gender responsiveness in its operations.

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# 1. Introduction

## 1.3. Alignment between PNGEITI Media & Communications Strategy and Government Policies

The Strategy aligns with and contributes towards PNG’s government’s efforts to promote inclusive sustainable economic growth, the ultimate goal of the Medium-Term Development Plan (MTDP) III (2018-2022). Whilst cautioning the country’s overreliance on the extractive resource sector, the MTDP III recognises the importance of balancing between diversifying the source of revenues and maximising linkages and stimulus between the extractive resource sector and the rest of the economy.

The PNGEITI’s communications activities are geared towards achieving most of the 8 Key Results Areas (KRAs) identified in the MTDP III, in particular, Increased Revenue and Wealth Creation (KRA#1), Sustainable Social Development (KRA#3), Improved Service Delivery (KRA#5), Improved Governance (KRA#6) and Responsible Sustainable Development (KRA#7).

In addition, the Strategy directly corresponds to the 7 commitment areas of the Open Government Partnership (OGP), a multi-stakeholder global initiative with over 70 countries, ultimately ensuring government’s accountability<sup>1</sup>.

1. *Public Participation – Engaging citizens in policy making*
2. *Government Integrity – Fighting corruption and strengthening democratic institutions*
3. *Freedom of Information – Guarantee public access to government information*
4. *Fiscal Transparency – Helping citizens follow the money*
5. *Public Service Delivery – Making services work for the people*
6. *Extractive Resources Transparency – Engaging extractive revenues are used for the public benefit*
7. *Open Data – Digesting and Opening up Government data for access to information and transparency*

1: Since 2015, GoPNG has participated in OGP and is currently implementing Action Plan 2018-2020. Transparency.

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# 1. Introduction

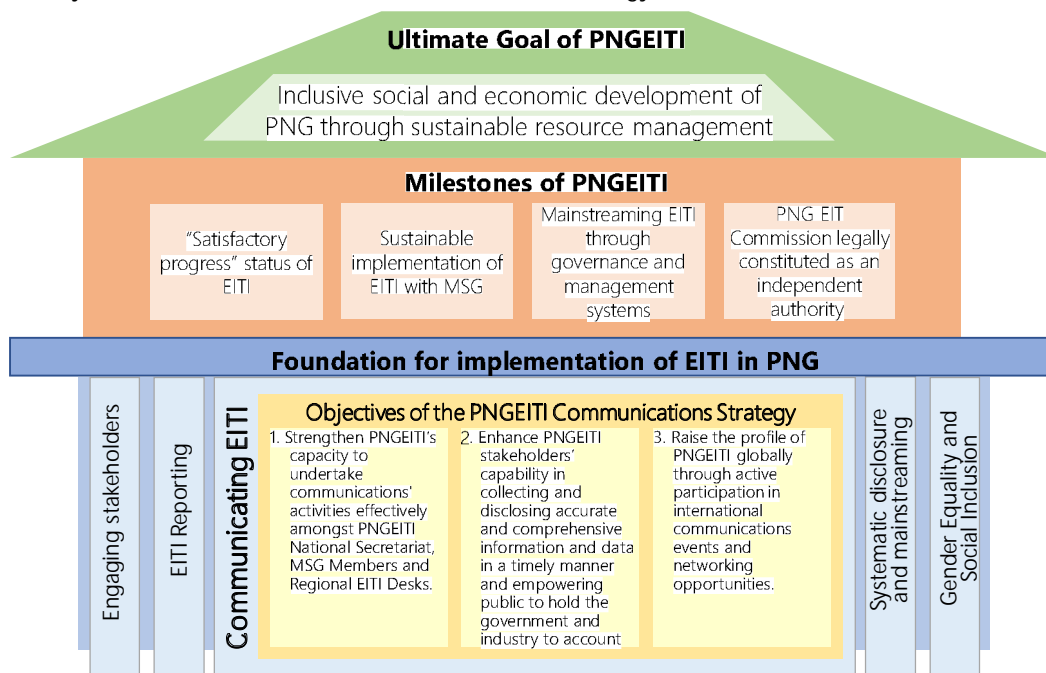
## 1.4. Objectives of the Communications Strategy

The ultimate goal of PNGEITI is ***inclusive social and economic development of PNG through sustainable resource management***. Four major milestones which are crucial for achieving the goal are indicated in Figure 1.

Whilst all activities of PNGEITI collectively contribute to these milestones, objectives to be achieved through the Communications Strategy are particularly important part of the foundation for these milestones.

# 1. Introduction

## 1.4. Objectives of the Media & Communications Strategy



**Figure 1. Objectives of the Media & Communications Strategy within PNGEITI framework**

# 1. Introduction

## 1.4. Objectives of the Media & Communications Strategy

In order to successfully meet the EITI Standard, the Strategy aims to achieve three objectives as shown in Table 1.

**First**, it aims at enhancing EITI knowledge and capacity amongst the PNGEITI National Secretariat and the MSG members.

**Secondly**, it aims to raise the profile of the PNGEITI by gathering and disseminating open and accessible information and providing targeted training to stakeholders, thus improving the quality of data and reporting, encouraging public debate and enhancing GoPNG's and industry's accountability as a result.

**Lastly**, the Strategy seeks to leverage on the wealth of EITI experiences gained globally, stimulating peer learning amongst EITI implementing countries.

It is envisaged that PNG will ultimately be recognised as a good practice EITI compliant country globally.

# 1. Introduction

## 1.4. Objectives of the Media & Communications Strategy

**Table 1. Objectives and Expected Outputs of the Media & Communications Strategy**

Objectives	Expected Outputs
Strengthen PNGEITI's implementation capacity amongst PNGEITI National Secretariat, MSG Members and Regional EITI Desks.	<ul style="list-style-type: none"> <li>• Develop and conduct training on EITI Standard</li> <li>• Establish EITI Desks (focal points) at sub-national or provincial level to disseminate PNGEITI information in the regions and provide community-based support</li> <li>• Improve the quality of PNGEITI information and data disclosure by developing practical tools</li> <li>• Develop EITI branding for marketing purposes</li> <li>• Put in measures to ensure women's increased representation and participation throughout the PNGEITI structure</li> <li>• Utilise online communications platform for stakeholders to promote PNGEITI</li> </ul>
Enhance PNGEITI stakeholder's capability in collecting and disclosing accurate and comprehensive information and data in a timely manner and empowering public to hold the government and industry to account.	<ul style="list-style-type: none"> <li>• Conduct training on EITI Standard reporting requirements</li> <li>• Disclose and report accurate PNGEITI information and data regularly</li> <li>• Share peer knowledge and experiences from other EITI implementing countries</li> <li>• Expand inclusive outreach activities to disseminate relevant information</li> <li>• Establish a capacity development framework with educational mainstreaming</li> </ul>
Raise the profile of PNGEITI globally through active participation in international communications events and networking opportunities	<ul style="list-style-type: none"> <li>• Proactively reach out to international stakeholders to learn from other EITI implementing countries</li> <li>• Communicate PNGEITI's experiences with global audiences in various international platforms</li> <li>• Organise an international workshop, conference, or educational session to share EITI implementation practices and lessons learned with EITI implementing countries</li> </ul>

## 2. Stakeholders and Implementation Frameworks

### 2.1. Stakeholders Framework

In PNG, a country with a vibrant extractive industry producing 89% of exports and contributing 27.7 % of GDP<sup>2</sup>, it is important that all stakeholders are fully informed of planned or ongoing extracting projects and their socio-economic benefits and impact. With this in mind the PNGEITI promotes an enabling environment where every citizen of PNG benefits from the industry activities through improved policy and practice of revenue management.

Whilst the EITI Standard identifies Government, Industry and CSOs as three main stakeholders groups, following a segmentation exercise and consultations conducted by NS, three broad stakeholder groups for the Strategy have been identified as: i) the Government of PNG (GoPNG); ii) the Extractive Industry (EI); and iii) Non-governmental Stakeholders (NGS). The Strategy also recognises international stakeholders as another important stakeholder group for the PNGEITI to engage in communications activities to stimulate global peer learning. (A detailed stakeholder mapping is available in Appendix 2.)

2: 2019 National Budget, p. 166,  
[http://www.treasury.gov.pg/html/national\\_budget/files/2018/Volume%201.pdf](http://www.treasury.gov.pg/html/national_budget/files/2018/Volume%201.pdf)

## 2. Stakeholders and Implementation Frameworks

### 2.1. Stakeholders Framework

As shown in the figure below (Figure 2), MSG is centrally positioned due to its oversight and accountability role. All EITI reporting entities in PNG are committed to gathering and submitting required data and information based on EITI Standard requirements.

Other EITI stakeholder groups belonging to “information users” or “EITI supporters” often begin their journey of being “informed” of EITI and PNGEITI activities, getting “interested” in them and finally becoming “engaged” in the Initiative by implementing EITI practices.

The PNGEITI plans to exploit the extensive EITI global network by proactively tapping into the experiences of peer EITI implementing countries. Such information exchange and lesson sharing would contribute to PNG showcasing to the global audiences including investors and development partners about investment opportunities PNG has to offer.

## 2. Stakeholders and Implementation Frameworks

### 2.1. Stakeholders Framework

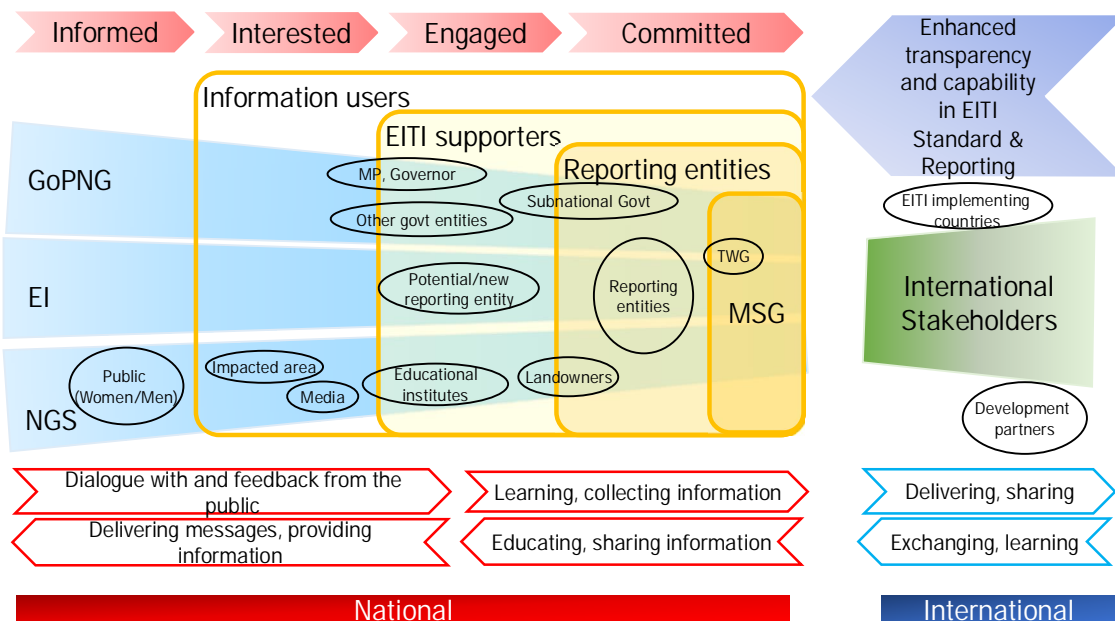


Figure 2. PNGEITI Stakeholders Framework

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## 2. Stakeholders and Implementation Frameworks

### 2.2. Implementation Framework

The National Secretariat and MSG represented by CSOs, the Industry and the Government remain accountable for the delivery of the Strategy overall, whilst the Technical Working Group (TWG) will be responsible for the coordination of various activities, liaising with relevant stakeholders for smooth implementation and monitoring of all activities, particularly the Communications Technical Working Group (Comms TWG) for specific technical interventions such as mass media events including press releases and Op-Eds and public engagement events in the impacted areas.

In order to overcome challenges associated with maintaining quality and comprehensive reporting in line with EITI Standard, and to help coordinate EITI activities in the regions, a regional/provincial level support structure is planned to be established.

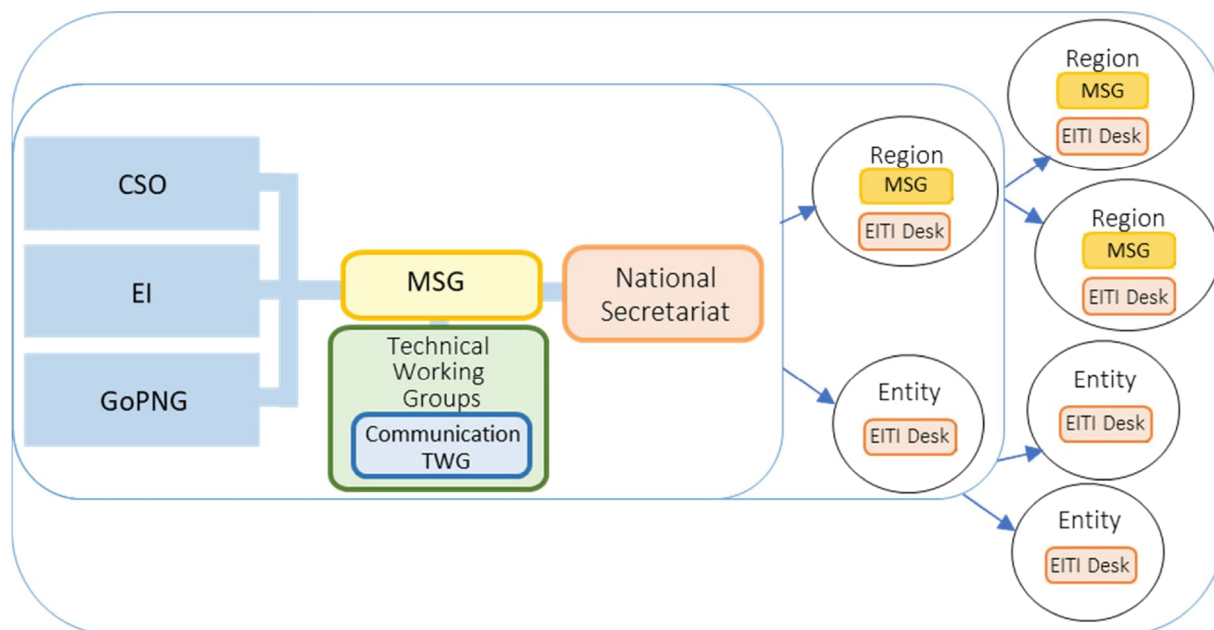
EITI Desks hosted by provincial/regional offices will act as a focal point for information inquiries concerning EITI or any events or activities. Reporting entities shall also assign EITI desks to coordinate EITI activities within their organisation.

Furthermore, the MSG structure at the national level will be replicated in the regions and governed by a feasible arrangement deemed appropriate by the national level and the sub-national level. It will be represented by governmental, non-governmental as well as industry organisations. The MSG members will include women and other socially excluded groups to ensure their voices are heard and their opinions reflected in the management of all EITI activities. The number of women shall be progressively increased over time and will eventually be no less than half of all members.

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## 2. Stakeholders and Implementation Frameworks

### 2.2. Implementation Framework



**Figure 3. PNGEITI Implementation Framework**

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## 2. Stakeholders and Implementation Frameworks

### 2.2. Implementation Framework

**Table 2. Roles and Responsibilities of the Stakeholders**

Organisation	Roles	Responsibilities
MSG	Management body	<ul style="list-style-type: none"> <li>Decide, approve, and authorise PNGEITI annual work plans, strategies, annual reports and other relevant matters.</li> <li>Implement PNGEITI activities and ensure they are EITI compliant including being transparent, inclusive and gender responsive.</li> <li>Monitor and evaluate PNGEITI activities.</li> </ul>
National Secretariat	Administrative body / Coordinator	<ul style="list-style-type: none"> <li>Coordinate PNGEITI activities among stakeholders, convene meetings, draft PNGEITI related documents, answer inquiries, organise events and other related activities.</li> <li>Provide feedback on PNGEITI activities.</li> </ul>
Communications TWG	Awareness promotion	<ul style="list-style-type: none"> <li>Disseminate EITI and PNGEITI information through educational sessions, workshops, outreaches, mass and social media, and publications.</li> <li>Ensure information is accessible to all by responding to various needs of community groups including women and other hard-to-reach groups</li> </ul>
EITI Desk in region	Focal Point	<ul style="list-style-type: none"> <li>Help facilitate EITI / PNGEITI information dissemination among regional stakeholders.</li> <li>Provide public consultations on related issues with regional stakeholders, engaging community based organisations and women's organisations.</li> <li>Document and report on conducted activities to National Secretariat.</li> </ul>
EITI Unit in reporting entity	Messenger / Facilitator	<ul style="list-style-type: none"> <li>Disseminate EITI / PNGEITI information and requirements</li> <li>Build capacity and promote awareness within the organisation to institutionalise EITI implementation including promoting gender awareness.</li> <li>Document and report on conducted activities to National Secretariat.</li> </ul>



### 3. National Communications

#### 3.1. Target Audiences

As explained in 2.1 Stakeholders Framework, the groups of stakeholders in the extractive sector are diverse in terms of their interest and roles they play in the sector. Table 3 shows all stakeholder groups and the level of priority in communications activities.

By conducting workshops, conferences and outreach activities in provinces as well as having media appearances, the PNGEITI has successfully raised its profile amongst stakeholders. However, until now, more focus has been put on engaging with government agencies at the national level than with entities outside at the sub-national level.

Whilst government stakeholders in at the national level remain an important audience, it is critical for the PNGEITI to increase its effort in targeting other stakeholder groups which are key to improving the quality of reporting in line with the EITI Standard. For

this reason, as communications target audiences, “Reporting Entities” and “Other Government Authorities” with reporting responsibilities are made a “very high” priority. It is also crucial to continue targeting influential stakeholders such as sub-national government authorities, policy makers and the media who could contribute to promoting a transparent, sustainable and inclusive extractive industry in PNG.

Educational institutions play an important role in developing and delivering educational contents with an ultimate goal of mainstreaming EITI principles including transparency and good governance through the education system, contributing to nurturing a generation of citizens and civil society to hold the government and industry to account.

### 3. National Communications

#### 3.1. Target Audiences

**Table 3. Level of Stakeholder Priority**

Target audience	Organisations / groups include	Priority	Type	Aim
<b>Government of PNG</b>				
Politicians	Prime Minister, Members of Parliament, Department Ministers	<b>Very High</b>	Information users	Interested
Sub-national government	Gulf / Morobe / Southern Highlands provincial government	<b>Very High</b>	EITI Supporters	Engaged
Other government authorities	Department of Petroleum and Energy, Mineral Resources Authority, Internal Revenue Commission	<b>Very High</b>	Reporting entities	Engaged
Other government	Auditor General's Office, Department of Planning and Monitoring	<b>High</b>	Information Users	Informed
<b>Extractives Industry</b>				
Reporting entities	Total E & P Ltd, ExxonMobil PNG Ltd, Oil Search (PNG) Ltd	<b>Very High</b>	Reporting entities	Engaged
Potential reporting entities	Petroleum and mining project stakeholders	<b>High</b>	EITI Supporters	Engaged
<b>Non-governmental Stakeholders</b>				
Civil Society Organisations	Transparency International PNG, PNG Resource Governance Coalition National	<b>Very High</b>	EITI supporters	Engaged
Media	EMTV, The National, Post Courier, FM100, PNGFM, NBC	<b>Very High</b>	Information users	Interested
Residents in the impacted areas	Transparency International PNG (TIPNG), Institute of National Affairs	<b>High</b>	Information users	Interested
Landowners	Landowners Association in Province and Sub-national	<b>High</b>	EITI Supporters	Engaged
Public	PNG citizens, companies, individual Investors	<b>Moderate</b>	Information users	Informed
Educational Institutions	University of PNG, University of Technology	<b>Moderate</b>	EITI Supporters	Engaged

### 3. National Communications

#### 3.2. Key Messages

For international stakeholders, the PNGEITI will make full use of online/digital media contents for both sharing and obtaining information. Even in times of restricted international and regional travels, it is important to continue engaging with international stakeholders using possible means. It is however hoped that PNG host international delegates from the global EITI industries to share the country's efforts in improving EITI policies and practices (See a list of channels and media of communications for each stakeholder group in Table 8).

### 3. National Communications

#### 3.2. Key Messages

**Table 4. Key Messages for Stakeholders**

Main audience	Aim	By	Status to be achieved	Key Messages	Issues / topic of interest
<b>Public</b>	Informed	MSG, NS, Comms TWG, EITI Desks	<ul style="list-style-type: none"> <li>• PNGEITI well known</li> <li>• Information available and accessible to all including women and other socially excluded groups (marginalized)</li> </ul>	<ul style="list-style-type: none"> <li>• Support EITI/ PNGEITI implementation and monitor the transparency of disclosed information and data</li> <li>• Encourage debate about governance and accountability</li> </ul>	<ul style="list-style-type: none"> <li>• EITI social and economic benefits</li> <li>• Contribution to EITI informing public about the performance of EI</li> </ul>
<b>Media, EI</b>	Interested	MSG, NS, Comms TWG, EITI Desks	<ul style="list-style-type: none"> <li>• Keep them informed and updated</li> <li>• Public debate promoted</li> <li>• Feedback obtained</li> </ul>	<ul style="list-style-type: none"> <li>• Be critical and analytical about disclosed PNGEITI information and data</li> <li>• Help raise awareness of EITI / PNGEITI</li> <li>• Use PNGEITI annual reports as key reference</li> </ul>	<ul style="list-style-type: none"> <li>• Benefit sharing from revenue</li> <li>• Transparency and accountability in disclosing EITI data and information</li> </ul>
<b>Subnational govt</b>	Engaged	MSG, TWG, NS, Comms TWG, Provincial Govt	<ul style="list-style-type: none"> <li>• Information disseminated</li> <li>• Awareness raising rolled out</li> <li>• Quality of reporting and information disclosure improved</li> </ul>	<ul style="list-style-type: none"> <li>• Compliant with EITI principles, standards and practices</li> <li>• Respond to EITI / PNGEITI inquiries</li> </ul>	<ul style="list-style-type: none"> <li>• Strengthen reporting capacity of sub-national government and oil, gas, and mining project implementer</li> </ul>
<b>Reporting entity</b>	Committed	MSG, TWGs, NS, EITI Desk/ Unit in entity	<ul style="list-style-type: none"> <li>• Training of trainers, and capacity development as focal points delivered</li> <li>• Implementation reviewed and monitored</li> <li>• Status and presence of PNGEITI improved</li> </ul>	<ul style="list-style-type: none"> <li>• Disclose accurate information and data regularly aligned with EITI principles and standard</li> </ul>	<ul style="list-style-type: none"> <li>• Collect EITI required information and data internally</li> <li>• Obtain disclosure approval as an entity</li> </ul>
<b>Educational institute</b>	Engaged	UPNG, PAU, UniTec, Secondary Ed	<ul style="list-style-type: none"> <li>• Educational mainstreaming</li> <li>• EITI information shared</li> <li>• Education tools to secondary education provided</li> </ul>	<ul style="list-style-type: none"> <li>• Contribute to EITI implementation</li> </ul>	<ul style="list-style-type: none"> <li>• Enhance analytical evaluation of EITI activities</li> <li>• Develop human resources for sustainable PNGEITI implementation</li> </ul>

### 3. National Communications

#### 3.3. Channels and Medium of Communication

The Communications TWG with support from the MSG and NS shall utilise a variety of communications means, channels and media at its disposal to maximise reach and increase efficiency.

Table 5 is a non-exhaustive list of available communication means that can be used to reach audiences and stakeholders in PNG.

### 3. National Communications

#### 3.3. Channels and Medium of Communication

**Table 5. Communication Channels and Media**

Channel/Medium	Type	Usage
<b>Social Media</b>	Online video clips (Facebook, YouTube), Twitter, Instagram	<ul style="list-style-type: none"> <li>• Upload EITI concepts, principles, standards and other related topics</li> <li>• Upload interviews, dramas, events and other related activities</li> </ul>
	Mobile apps	<ul style="list-style-type: none"> <li>• Share event information and results</li> <li>• Disseminate PNGEITI updates</li> </ul>
<b>Events</b>	Educational session	<ul style="list-style-type: none"> <li>• Disseminate EITI updates, required knowledge and skills, lessons learned from other EITI implementing countries and other related matters</li> <li>• Develop innovative ways to promote EITI such as school competition, collaboration with EI /CSO stakeholders to engage in school/community activities, events to celebrate girls studying STEM subjects and student internship opportunities</li> </ul>
	Roadshow/outreach event	<ul style="list-style-type: none"> <li>• Introduce EITI / PNGEITI principles, implementation framework and other related information</li> </ul>
	Workshop	<ul style="list-style-type: none"> <li>• Disseminate EITI / PNGEITI updates, issues and results of annual report and other related matters</li> </ul>
<b>Websites</b>	PNGEITI Website (incl. links to stakeholders websites)	<ul style="list-style-type: none"> <li>• Share EITI / PNGEITI stakeholders website links</li> <li>• Resource hub – uploading of documents for public access</li> </ul>
<b>Printed materials</b>	Brochures, pamphlets	<ul style="list-style-type: none"> <li>• Provide EITI / PNGEITI updates, results, outcomes, principles, standards and other relevant information</li> </ul>
	Annual reports	<ul style="list-style-type: none"> <li>• Produce information materials in easily accessible formats (consider using plain language and braille for the visually impaired)</li> </ul>
<b>Mainstream media</b>	Summary of annual reports	<ul style="list-style-type: none"> <li>• Share EITI information and activities, OpEd, Press Release, interview, documentary</li> </ul>
	TV, Radio, Newspaper	<ul style="list-style-type: none"> <li>• Collaborate with Media outlets to encourage public debate and promote PNGEITI implementation and accountability</li> </ul>
<b>Policy consultation</b>	Development Forum	<ul style="list-style-type: none"> <li>• Cooperate and include GoPNG agencies to improve effectiveness of awareness promotion and information sharing</li> </ul>
<b>Data portal</b>	Database	<ul style="list-style-type: none"> <li>• Access to EITI / PNGEITI related information and data</li> </ul>
<b>Others</b>	Novelty, goods	<ul style="list-style-type: none"> <li>• T-shirt, flash drive, pen, mugs and other goods with PNGEITI logo and messaging</li> </ul>

### 3. National Communications

#### 3.3. Channels and Medium of Communication

The PNGEITI shall collaborate strategically with its network of supporters and stakeholder organisations to undertake a variety of communications activities. During the initial period of Strategy implementation (Short Term), the PNGEITI will focus on establishing systems and mechanisms for introducing and embedding EITI Standard into the operations of the extractive sector. This will be done by engaging with high priority stakeholders in awareness raising activities and targeted training sessions as well as disseminating EITI activities using online and offline communications opportunities for the wider audience.

This will be followed by a consolidation phase (Medium Term) where stakeholders will be in a position to make good use of industry information supported by an increased availability of quality information and data. Equipped with open, accurate and transparent information, ordinary Papua New Guineans will be able to join public debate, encouraging good governance in resource revenue management.

Ultimately (Long Term), it is envisaged that transparency and accountability be enhanced thanks to improved reporting and empowered stakeholders (see planned sequence of activities in Figure 4).

### 3. National Communications

#### 3.3. Channels and Medium of Communication

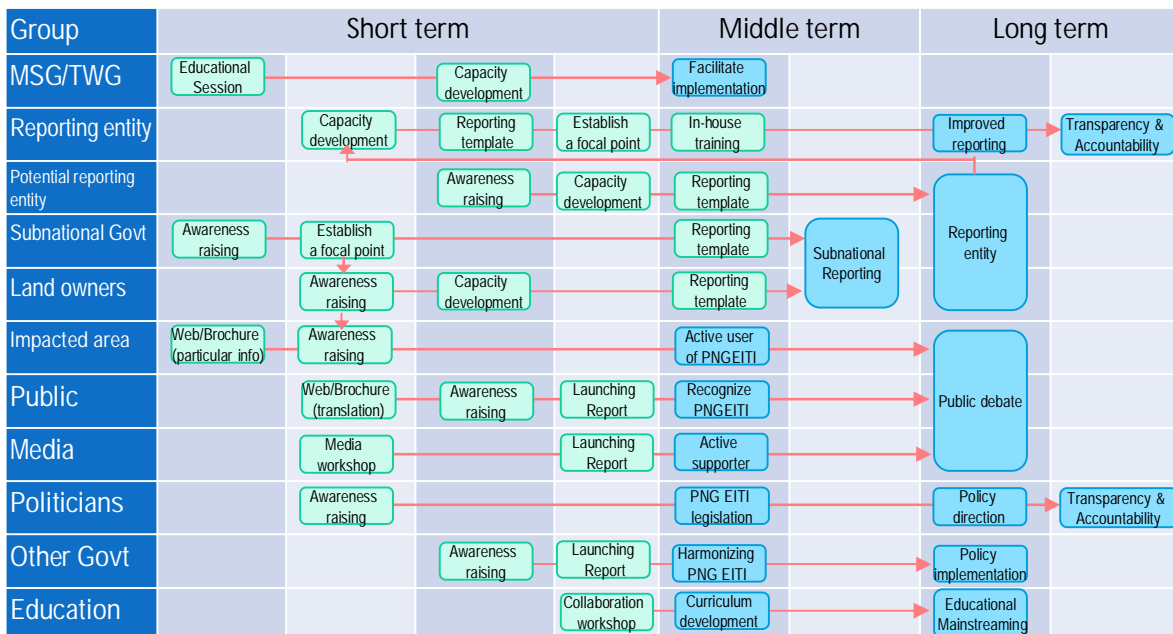


Figure 4. Planned Sequence of Activities

## 4. International Communications

### 4.1. Target Audiences and Key Messages

EITI international stakeholders range from the International Secretariat of the EITI, National Secretariats in other EITI countries, CSOs, the media, academia, development partners and to investors (see Table 6 for identified stakeholder groups, aims of engagement and key messages of communication).

With the PNGEITI aiming to become an EITI “Satisfactory Progress” country, it is vital that the country learns from EITI peer experiences.

The PNGEITI will therefore accelerate its effort in reaching out to other EITI countries for exchange of information and peer learning. Countries identified with good practices in promoting EITI successfully in this Strategy from which PNG intends to learn are Norway, the Philippines, Mongolia and Timor-Leste, where all hold the “Satisfactory Progress” status and are considered to be amongst EITI leading countries. The PNGEITI will also participate in relevant regional or global conferences and other opportunities wherever possible.

## 4. International Communications

### 4.1. Target Audiences and Key Messages

**Table 6. Target Audiences and Key Messages**

Stakeholders	Aims/Key Messages
<b>National Secretariat in other EITI implementing countries</b>	<ul style="list-style-type: none"> <li>Learn from the experience of EITI implementation in other implementing countries to enhance coordination and facilitation capacity of PNGEITI National Secretariat</li> <li>Develop the capacity of the Secretariat to share PNGEITI experiences with other EITI implementing countries</li> <li>Improve coordination and facilitation capacity to effectively and efficiently implement EITI by establishing information-sharing network</li> </ul>
<b>International EITI Secretariat</b>	<ul style="list-style-type: none"> <li>Share progresses made by PNGEITI, provide report results and consult on relevant matters</li> </ul>
<b>International Media</b>	<ul style="list-style-type: none"> <li>Keep abreast with latest developments concerning EITI</li> <li>Raise the profile of PNGEITI globally</li> <li>Demonstrate PNGEITI and GoPNG’s commitment to promoting transparent, sustainable and inclusive extractive sector</li> </ul>
<b>International CSO</b>	<ul style="list-style-type: none"> <li>Collate and analyse lessons from international CSO led activities in other EITI implementing countries</li> <li>Collaborate to enhance PNGEITI activities</li> </ul>
<b>International Academia</b>	<ul style="list-style-type: none"> <li>Obtain insights and analysis of EITI implementation</li> <li>Collaborate to strengthen M&amp;E of PNGEITI implementation</li> </ul>
<b>Targeted Implementing countries - Norway, the Philippines, Mongolia, Timor-Leste</b>	<ul style="list-style-type: none"> <li>Enhance implementation capability of EITI by developing a collaboration network to promote transparent and accountable resource-related revenue management</li> <li>Utilise lessons learned from other EITI implementing countries</li> <li>(e.g. Norway (International Secretariat hosting country), the Philippines (awareness promotion), Mongolia (implementation framework), Timor-Leste (policy engagement))</li> </ul>
<b>Development Partners - ADB, AusAID, JICA, WB</b>	<ul style="list-style-type: none"> <li>Obtain best practices of knowledge and technical transfers</li> <li>(e.g. Developing an implementation framework incorporating legal, political and other critical functions and supporting various communications activities)</li> <li>Demonstrate PNGEITI and GoPNG’s commitment to promoting transparent, sustainable and inclusive extractive sector</li> </ul>
<b>Consulting firms</b>	<ul style="list-style-type: none"> <li>Exchange knowledge and experience of developing institutional capacity of reporting entities including improving reporting template, conducting awareness promotion events, strengthening communication among stake</li> </ul>
<b>Investors</b>	<ul style="list-style-type: none"> <li>Offer investors relevant information to develop a sustainable environment for EITI implementation in PNG</li> <li>Demonstrate PNGEITI and GoPNG’s commitment to promoting transparent, sustainable and inclusive extractive sector</li> </ul>

## 4. International Communications

### 4.2. Channels and Medium of Communication

For international stakeholders, the PNGEITI will make full use of online/digital media contents for both sharing and obtaining information. Even in times of restricted international and regional travels, it is important to continue engaging with international stakeholders using possible means.

It is however hoped that PNG host international delegates from the global EITI industries to share the country's efforts in improving EITI policies and practices (See a list of channels and media of communications for each stakeholder group in Table 7).

## 4. International Communications

### 4.2. Channels and Medium of Communication

**Table 7. Communication Channels and Media**

Channel/ Medium	Type	Usage
<b>Workshop / Conference / Meeting</b>	Host in PNG	<ul style="list-style-type: none"> <li>Share lessons learned from EITI implementation and exchange relevant information amongst peer implementing countries</li> </ul>
	Participate in other countries	
	Online	<ul style="list-style-type: none"> <li>Establish /join a global/regional network of policy makers and practitioners in the extractive sector</li> </ul>
<b>Websites and Social Media</b>	PNGEITI Website (incl. link to national and international stakeholders' websites)	<ul style="list-style-type: none"> <li>Disseminate EITI activities, updates and outcomes with international audiences to share PNG experience in implementation process</li> </ul>
	Facebook, YouTube, Twitter, Instagram	
<b>Topic specific website</b>	Upload data, information, audio visual materials on external websites	<ul style="list-style-type: none"> <li>Disclose information, data, feedback, evaluation and insights from PNGEITI</li> </ul>
<b>Data portal</b>	Upload data on PNGEITI and other EITI implementing countries' secretariat websites	<ul style="list-style-type: none"> <li>Disclose EITI chronological data, analysis of activities and stakeholders' opinions</li> </ul>
<b>Printed materials</b>	Newsletter/posters/industry magazine	<ul style="list-style-type: none"> <li>Share activities and lessons learned from EITI implementing countries</li> </ul>

## 4. International Communications

### 4.3. Implementation Plan

In the short to medium term, the PNGEITI shall focus on establishing contacts with key stakeholders in EITI Secretariat and peer countries. Exchange events or activities can take place both online and offline.

Engaging with a variety of international stakeholders in the long term could ultimately offer unique opportunities such as conducting a comparative impact study with an international research institute and sharing information with potential investors or development partners.

The below Table (Table 8) is an indicative engagement plan to be discussed and developed by the MSG and NS.

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## 4. International Communications

### 4.3. Implementation Plan

**Table 8. Communication Channels and Media**

Stakeholders	Medium term	Long term
<b>National Secretariat in participated countries</b>	<ul style="list-style-type: none"> <li>Organize communications events (offline / online)</li> <li>Organize online meeting with other countries' national secretariats.</li> </ul>	<ul style="list-style-type: none"> <li>Share the lessons learned of EITI implementation</li> <li>Establish communication channels to discuss, share, and disseminate EITI implementation challenges, issues and knowhow regularly.</li> </ul>
<b>International Media</b>	<ul style="list-style-type: none"> <li>Organize events (offline / online)</li> </ul>	<ul style="list-style-type: none"> <li>Promote PNGEITI to other EITI implementing countries.</li> <li>Increase participation and articles of PNGEITI and outcomes of EITI implementation</li> </ul>
<b>International CSO</b>	<ul style="list-style-type: none"> <li>Organize events (offline / online)</li> </ul>	<ul style="list-style-type: none"> <li>Share different public debate feedback and collaborate to conduct awareness promotion.</li> <li>Conduct awareness promotion, outreach and workshop together.</li> <li>Corroborate to Inform EITI implementation to public and related stakeholder.</li> </ul>
<b>International Academia</b>	<ul style="list-style-type: none"> <li>Organize events (offline / online)</li> </ul>	<ul style="list-style-type: none"> <li>Conduct collaboration research on the impact of EITI.</li> <li>Provide analysis and support with academic perspective to enhance the EITI implementation.</li> </ul>
<b>Implementing countries</b>	<ul style="list-style-type: none"> <li>Visiting countries</li> <li>Inviting stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>Exchanging the ideas and experiences.</li> <li>Reflect the lessons learned to implementation.</li> <li>Publish newsletter of the occasions.</li> <li>Establish relationship between the stakeholders among EITI implementing countries.</li> <li>Improved presence of PNGEITI among EITI member countries.</li> </ul>
<b>Donors</b>	<ul style="list-style-type: none"> <li>Organize events and workshop / meeting (offline / online)</li> </ul>	<ul style="list-style-type: none"> <li>Accumulate lessons learned that was gained by project implementation.</li> <li>Publish report / newsletter of the outputs and outcomes from the EITI project.</li> </ul>
<b>Consulting Firm</b>	<ul style="list-style-type: none"> <li>Organize events and workshop / meeting (offline / online)</li> </ul>	<ul style="list-style-type: none"> <li>Obtain technical knowledge and knowhow of EITI implementation</li> <li>Establish regular information sharing session and exchange challenges and issues.</li> <li>Incorporate the obtain knowhow into document publication and disseminate them.</li> </ul>
<b>Investors</b>	<ul style="list-style-type: none"> <li>Organise events, workshops, seminars</li> </ul>	<ul style="list-style-type: none"> <li>Convince the investment to PNGEITI implementation</li> <li>Invest into PNGEITI implementation and activities.</li> </ul>

## 5. Branding and Languages











### 5.1. Branding

In accordance with the EITI Visual Identity Guidelines 2019, PNG national EITI logos in several styles (with a global EITI logo or standalone; with a slogan or without) have been produced for use in information and communication materials and activities. Using these logos will contribute to establishing a visual identity of EITI and PNGEITI activities. There is also a variety of templates available to stakeholders.

## 5. Branding and Languages

### 5.1. Branding

**Table 9. List of Branding Materials**

	Materials	Visual Identity	User		Materials	Visual Identity	User
1	EITI Logo Primary Version		Every stakeholder	7	Brochure Template		Every stakeholder
2	Logo with EITI Slogan		Every stakeholder	8	Factsheet		The PNGEITI National Secretariat
3	PNGEITI Logo		Every stakeholder	9	Poster template		Every stakeholder
4	PNGEITI Incorporated Logo		Every stakeholder	10	Magazine advert template		The PNGEITI National Secretariat
5	Letterhead Template		Every stakeholder	11	Presentation PowerPoint templates	Available at PNGEITI National Secretariat	The PNGEITI National Secretariat
6	E-mail signature style		The PNGEITI National Secretariat				



## 5. Branding and Languages

### 5.2. Languages

Delivering messages in the language most relevant to the audience is key to successful communications activities. Whilst the main medium of communication for GoPNG and international audiences will remain English, the PNGEITI will increase information accessibility by translating communication materials into Tok Pisin / Hiri Muto to reach wider audience in the communities. These materials may be translated further into other local languages, and braille for the visually impaired.

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## 6. Monitoring and Evaluation

The Strategy adopts the PDCA (Plan-Do-Check-Act) cycle as a monitoring framework as shown in Figure 5. It follows four steps: i) "plan strategy"; ii) "monitor implementation", iii) "measure achievements"; and iv) "review" of the Strategy. Each communications activity undertaken shall follow the same cycle as the Strategy's monitoring framework. Through this cycle, lessons will be learned, which will be reflected in subsequent/other communications activities and knowhow will be accumulated over time.

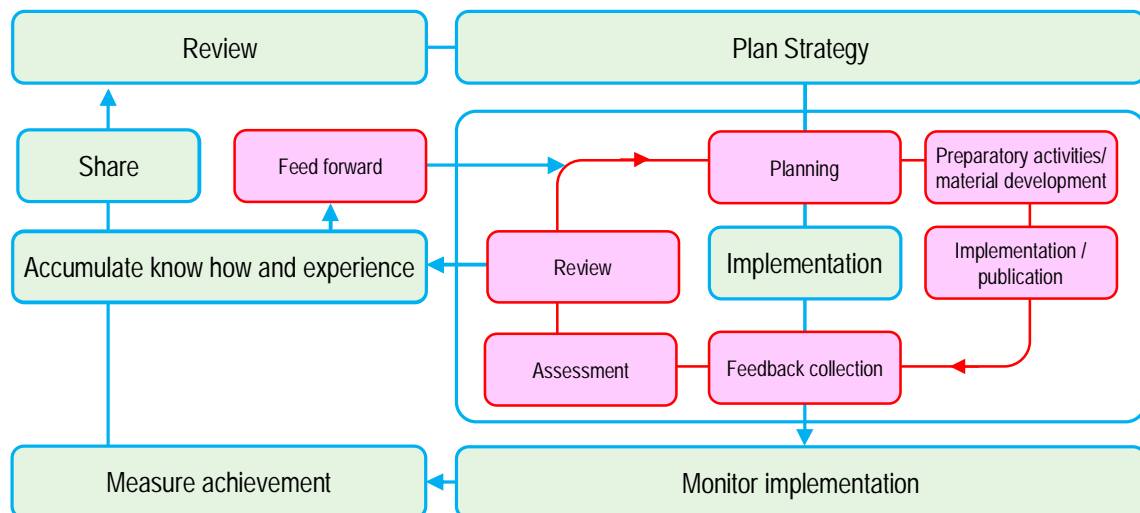


Figure 5. Monitoring and Evaluation Framework

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## 6. Monitoring and Evaluation

**Table 10. List of Tools and Tasks in Monitoring Cycle**

Cycle	Items / Tools	Tasks
<b>Planning</b>	<ul style="list-style-type: none"> <li>Annual workplan</li> <li>Detailed plan of the event/activity</li> </ul>	<ul style="list-style-type: none"> <li>Plan all annual activities for PNGEITI implementation by the secretariat.</li> </ul>
<b>Preparatory activities/ material development implementation / publication</b>	<ul style="list-style-type: none"> <li>PNGEITI communication activities and materials list</li> <li>Presentation materials</li> <li>PNGEITI annual report</li> <li>Other PNGEITI publications (annual progress report summary, newsletter, brochures)</li> </ul>	<ul style="list-style-type: none"> <li>Modify and update contents of the materials with relevant languages.</li> <li>Conduct scoping study for the events to plan details.</li> <li>Monitor contents and branding usage of the materials / items to control quality of dissemination.</li> <li>Administration / logistics arrangements.</li> </ul>
<b>Feedback collection</b>	<ul style="list-style-type: none"> <li>Questionnaire</li> <li>Online format</li> </ul>	<ul style="list-style-type: none"> <li>Develop Online format and mobile application.</li> <li>Collect feedback and analyze results/outputs to improve disseminating contents of the activities</li> </ul>
<b>Assessment</b>	<ul style="list-style-type: none"> <li>PNGEITI communication matrix</li> </ul>	<ul style="list-style-type: none"> <li>Evaluate the contents of the materials for activities, participants satisfaction, participants feedback and outputs of the activities.</li> <li>Assess with cos-benefit analysis to improve PNGEITI implementation.</li> </ul>
<b>Review</b>	<ul style="list-style-type: none"> <li>Results sheet of each / annual PNGEITI activities.</li> </ul>	<ul style="list-style-type: none"> <li>Develop results sheet with list of activities, participants for each activities, feedback from audiences and participants, and assessed by the secretariat.</li> </ul>
<b>Accumulate know how and experience</b>	<ul style="list-style-type: none"> <li>Newsletter, publications</li> </ul>	<ul style="list-style-type: none"> <li>Develop documents with the accumulated knowledge and experience from the assessment and review cycle.</li> </ul>
<b>Feed forward</b>	<ul style="list-style-type: none"> <li>Minutes of feed forward meeting with stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>Develop minutes with the insights and opinion from MSG, communication sub-group, and other relevant stakeholders to improve PNGEITI activities.</li> </ul>
<b>Monitor implementation</b>	<ul style="list-style-type: none"> <li>Branding items</li> </ul>	<ul style="list-style-type: none"> <li>Monitor accurate usage of branded items for promoting PNGEITI.</li> </ul>
<b>Planning</b>	<ul style="list-style-type: none"> <li>PNGEITI communication matrix</li> </ul>	<ul style="list-style-type: none"> <li>Develop matrix to share activities, outputs/feedback, stakeholders, improvement points and time schedule for the following year.</li> </ul>

## 6. Monitoring and Evaluation

In the short term, a monitoring and evaluation (M&E) system within the National Secretariat shall be established. This includes assigning an M&E lead at the Secretariat level who will be responsible for designing and implementing a feedback and learning mechanism for all communications activities.

Lessons learned shall be shared with the Secretariat, the MSG and Communications Advisory Group on a regular basis (at least twice a year) and incorporated into the annual work planning cycle.

See Table 11 for key tasks envisaged for each step of the M&E cycle.

## 6. Monitoring and Evaluation

**Table 11. Key Tasks of Monitoring and Evaluation Cycle**

Cycle	Organization in charge	Tasks
<b>Plan Strategy</b>	PNGEITI National Secretariat	<ul style="list-style-type: none"> <li>Plan and obtain approval from MSG</li> </ul>
<b>Implementation</b>	PNGEITI National Secretariat and MSG, CSO, consulting firm, and other related organization	<ul style="list-style-type: none"> <li>Implement and conduct PNGEITI activities and events</li> <li>Develop publications, documents, newsletters, and novelties</li> </ul>
<b>Monitor implementation</b>	PNGEITI National Secretariat and MSG	<ul style="list-style-type: none"> <li>Monitor consistency and accuracy of disseminating information, contents, and methodology.</li> <li>Check copy right of the branding items</li> <li>Develop PNGEITI communication matrix quarterly.</li> </ul>
<b>Measure achievement</b>	PNGEITI National Secretariat and communication sub-group	<ul style="list-style-type: none"> <li>Count and list up No. of participants and their affiliations.</li> <li>Collect feedback from mobile applications or questionnaire format to improve contents for effective dissemination.</li> </ul>
<b>Accumulate know how and experience</b>	PNGEITI National Secretariat and communication sub-group	<ul style="list-style-type: none"> <li>Compile materials that has used by organizers of PNGEITI activities and publications and collect feedback from each organizer to enhance contents quality for communications and implementation.</li> </ul>
<b>Share</b>	PNGEITI National Secretariat and communication sub-group	<ul style="list-style-type: none"> <li>Upload on the secretariat website, / social media, publish newsletter, and held conference / workshop / educational session / technical working group mtg when each activities have completed.</li> </ul>
<b>Review</b>	MSG, Communication sub-group	<ul style="list-style-type: none"> <li>Hold review session, workshop, or press conference twice a year.</li> </ul>
<b>Plan Strategy</b>	PNGEITI National Secretariat	<ul style="list-style-type: none"> <li>Hold internal meeting then MSG meeting to review at end of the year.</li> </ul>

## References

- (1) Department of National Planning and Monitoring (2018) "The Medium-Term Development Plan (MTDP) III (2018-2022)", 2018
- (2) EITI International National Secretariat (2018) "PNGEITI Validation Report," October 2018.
- (3) EITI International Secretariat, "The EITI Standard 2019", June 2019.
- (4) EITI International Secretariat, "EITI Outreach Strategy 2018-2019", June 2018.
- (5) Government of Papua New Guinea, "National Executive Council Decision No. 90", 2013.
- (6) Government of Papua New Guinea, "The National Policy for Transparency and Accountability in the Extractives Sector in Papua New Guinea", 2019
- (7) PNGEITI Multi-Stakeholder Group, "Memorandum of Understanding", November 2013
- (8) PNGEITI, "Papua New Guinea Open Data Policy and Framework", December 2016
- (9) PNGEITI National Secretariat, "PNGEITI Communications Strategy", July 2016

**Approval**

This strategy was approved by: PNGEITI MSG

On: 01 2022

In the presence of: Lucas Alkan, Head of PNGEITI National Secretariat

Further information and contact detail: Christopher Tabel, Deputy Head of PNGEITI National Secretariat  
Email: christopher\_tabel@treasury.gov.pg  
Tel: 3133518

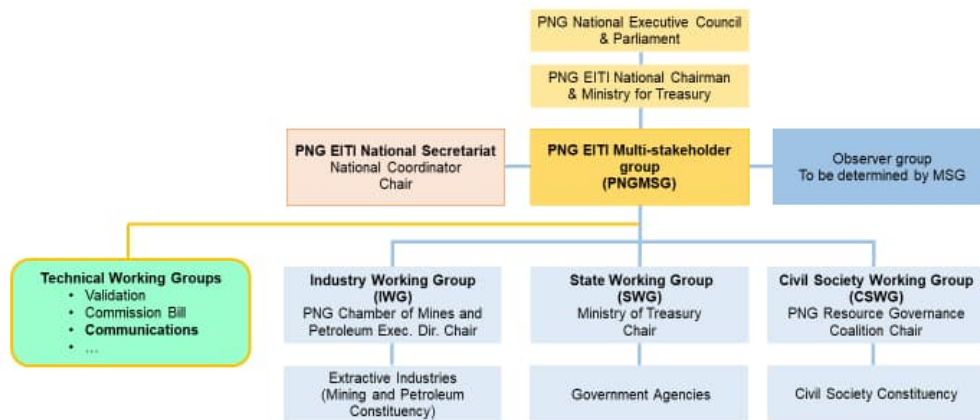
## **Annex 2: Products Produced by the Project**

### **2-5 TOR of Communications TWG**

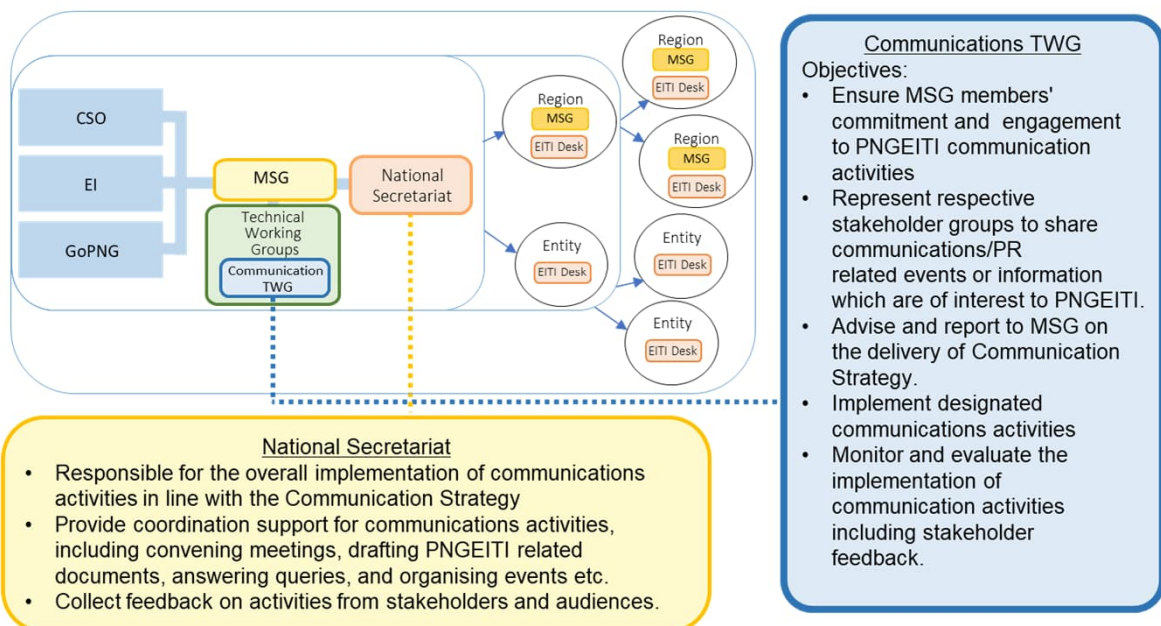
# TOR of the Communications TWG

## Technical Working Groups (TWG)

Technical Working Groups consisting of representatives from the three constituencies of the MSG: the Government of PNG (GoPNG), the Extractive Industry (EI) and Civil Society Organisations (CSOs).



## Implementation Structure of PNGEITI with Communications TWG



## Action Points of Communications TWG

Stages	Action Points	Tools
Overall Planning	Provide input to the PNGEITI Annual Work Plan and annual budget with special attention to communication activities following the Communications Strategy.	Communications Strategy, Annual Work Plan
	Develop a communications implementation plan for the year	Annual Work Plan, Event Calendar, Communications implementation plan
	Determine and assign tasks for Comms TWG members	Communications implementation plan
	Review the Communications Strategy to advise MSG (every three years)	Communications Strategy
	Consult respective stakeholder groups and share information on any key events of interest, and strategise PNGEITI's effective participation	

Stages	Action Points	Tools
Implementation	Develop and/or update contents of the communication tools.	PNGEITI communication activities and materials list
	Conduct scoping study for new/proposed communications events to plan details	PNGEITI communication activities and materials list
	Undertake or facilitate communication activities and events such as education sessions and outreach events	
	Liaise with relevant stakeholders, and solicit their cooperation for smooth execution of comms activities	Stakeholder mapping and stakeholder engagement plan
	Collaborate with MSG and stakeholders to disseminate PNGEITI information and amplify key messages	
	Provide input to PNGEITI comms materials including publications, documents, newsletters and novelties	
	Suggest MSG/NS for effective use of websites of PNGEITI and MSG members, as well as social media and newsletters etc.	
	Co-branding of PNGEITI with MSG members' communication activities	

Stages	Action Points	Tools
Monitoring and evaluation	Monitor the implementation of communications activities to review the contents, methodology and modality as well as results and outcomes.	Communications implementation plan, Social Media planning tool
	Analyse and review feedback from target comms audiences and stakeholders to measure the outcome of communications activities	
	Accumulate the know-how, experiences and lessons learned on communication activities to share among MSG.	
	Identify risks associated with communications activities and undertake mitigation measures	Risk register
	Prepare and review the report of communications activities to share with MSG.	Reporting template

## **Annex 2: Products Produced by the Project**

### **6. Education / Awareness Promotion Materials**

#### **2-6-1 Basics of EITI and PNGEITI**



JICA SEMINAR ON  
EXTRACTIVE INDUSTRIES TRANSPARENCY INITIATIVE  
FOR THE DEPARTMENT OF PETROLEUM AND ENERGY

EITI



## INTRODUCTION

### INTRODUCTION OF PARTICIPANTS

## WHAT IS EITI?

### MOVIE



## WHAT IS EITI?

### REVIEW

## QUESTION 1

EITI is a [ A. Global  
B. Regional  
C. National ] standard for promoting

[ A. efficiency  
B. sustainability  
C. transparency ] in the extractive sector.

## QUESTION 2

EITI implementing countries must comply with [ A. industry benchmark  
B. EITI Standard  
C. Country's unique standard ] to become an EITI

[ A. compliant  
B. candidate  
C. suspended ] country.

## QUESTION 3

EITI Standard sets forth requirements for [ A. all  
B. some  
C. big ]

EITI implementing countries, along with extractive industry's [ A. market.  
B. value chain.  
C. regulations. ]

#### QUESTION 4

Find correct sequence of value chain of extractive industry.

- A. Revenue Collection
- B. Social & Economic Impact
- C. Contracts & Licenses
- D. Production
- E. Revenue Allocations

#### QUESTION 5

With regard to revenue collection, EITI Standard

requires comprehensive

- A. recognition
- B. reconciliation
- C. collection

between government and companies.

#### WHAT IS PNGEITI?

MOVIE



#### WHAT IS PNGEITI?

REVIEW

#### QUESTION 6

PNG was admitted to EITI as a candidate country in

- A. 2012
- B. 2014
- C. 2016

by

- A. National Executive Council
- B. PNG Parliament
- C. EITI Board

#### QUESTION 7

PNGEITI multi stakeholder group consists of representatives from Government, companies and

- A. Politicians
- B. Civil Society Organizations
- C. Development Partners

#### QUESTION 8

PNGEITI Report is published

- A. monthly
- B. quarterly
- C. annually

Data collected from Government and companies is

reconciled by

- A. Auditor General's Office
- B. Independent Administrator
- C. PNGEITI National Secretariat

### QUESTION 9

Data to be submitted for PNGEITI Report include, licenses, production volume, and

- A. Production Cost
- B. Revenues
- C. Lifespan of Oil & Gas Field

### QUESTION 10

The first validation of PNGEITI was conducted in

- A. 2016.
  - B. 2017.
  - C. 2018.
- PNGEITI was rated as
- A. Satisfactory
  - B. Meaningful
  - C. Inadequate

progress in the first validation.

### QUESTION 11

Eight requirements were rated as "Inadequate Progress"

- A. Legal Framework
  - B. License Allocations
  - C. Beneficiary Ownership
- and
- A. Exploration Data
  - B. Production Data
  - C. Export Data

progress in the first validation.

### EITI STANDARD: LICENSE ALLOCATIONS

2.2 a) Implementing countries are required to disclose the following information related to the **award** or **transfer** of licenses pertaining to the companies covered in the EITI Report **during the accounting period** covered by the EITI Report@...

- ii. the **technical and financial criteria** used;
- iii. **information about the recipient(s)** of the license that has been transferred or awarded, including consortium members where applicable;
- iv. **any non-trivial deviations** from the applicable legal and regulatory framework governing license transfers and awards.

### EITI STANDARD: LICENSE ALLOCATIONS

It is required that the information set out above is **disclosed** for **all license awards and transfers** taking place **during the accounting year** covered by the EITI Report,...

**Any significant legal or practical barriers** preventing such comprehensive disclosure should be documented and explained in the EITI Report, including an account of government plans for seeking to overcome such barriers and the anticipated timescale for achieving them.

d) Where the requisite information set out in 2.2(a-c) is already publicly available, it is **sufficient to include a reference or link** in the EITI Report.

### EITI STANDARD: PRODUCTION DATA

3.2 Implementing countries must disclose **production data** for the **fiscal year** covered by the EITI Report, including **total production volumes** and the **value of production by commodity** and, when relevant, by state/region. This could include **sources of the production data** and information on how the production volumes and values disclosed in the EITI Report have been calculated.

### EITI STANDARD: DATA COMPREHENSIVENESS

4.1 a) In advance of the reporting process, the multi-stakeholder group is required to agree which payments and revenues are **material** and therefore must be disclosed, including appropriate **materiality definitions and thresholds**...

- b) The following revenue streams should be included:...
- iv. **Royalties**
- vii. **License fees** rental fees, entry fees and other considerations for licences and/or concessions
- viii. Any other significant payments and **material** benefit to government

### EITI STANDARD: DATA COMPREHENSIVENESS

c) Implementing countries must provide a **comprehensive reconciliation** of **government** revenues and **company** payments,.... An entity should only be exempted from reporting if it can be demonstrated that its payments and revenues are not material.

d) Unless there are significant practical barriers, the government is additionally required to provide **aggregate information** about the amount of total revenues received from each of the benefit streams agreed in the scope of the EITI Report, including revenues that fall below agreed materiality thresholds....

## QUESTION 12

Second validation of PNGEITI must be conducted by

- A. December 2019.
- B. April 2020.
- C. October 2020.

At the time of second validation,

PNGEITI Report

- A. 2018
- B. 2019
- C. 2020

will be the latest version.

## KEY CHALLENGES FOR DPE

**Data Management** and **Information Disclosure** on:

- **Database Development**
  - Petroleum Licenses → Registrar Branch
  - Production Data → Engineering Branch
  - Revenues → Finance & Accounts Branch
- **Database Storage & Backup** → IT
- **Website (petroleum.gov.pg)** → Each Branch/IT

## PROPOSED ACTIONS

Short Term

- **Preparation for PNGEITI Report 2018**
  - Process will start soon (in a couple of weeks)
  - Ensure all necessary data is readily available and validated in accordance with EITI Standards
  - Prepare website contents (optional)

Long Term

- **Efficient update of information**
  - Design & implementation of online database;

## QUESTIONS & ANSWERS, FEEDBACKS



## **Annex 2: Products Produced by the Project**

6. Education / Awareness Promotion  
Materials

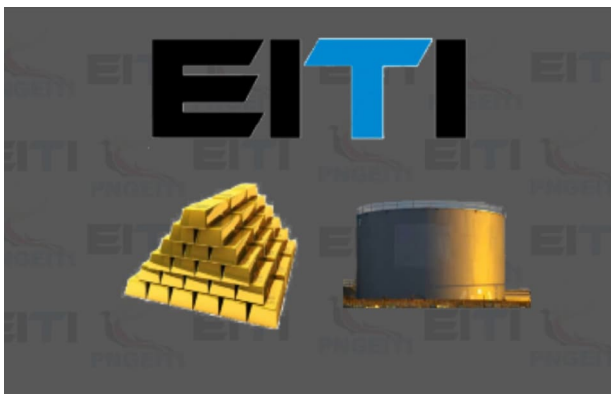
**2-6-2 Introduction of EITI**



*Produced by*  
**JICA Project**  
*for Improving Resource Related Revenue Management*

- *What is EITI?*
- *What is EITI Standard?*
- *What is EITI Validation?*

**EITI**  
*Extractive  
 Industries  
 Transparency  
 Initiative*



**EITI**  
*Global Standard for  
 Transparency & Accountability  
 in Extractive Industries*

**EITI**  
*Economic Growth  
 Human Development  
 Social Stability  
 Political Stability*

**EITI**

- *Public & Corporate Governance*
- *Natural Resource Management*
- *Data Provision*





# EITI

2006: EITI Board was established

2019: 52 EITI implementing countries

## EITI Standard

*Minimum Requirements for EITI implementing countries*

## EITI Standard

*Information disclosure along value chain of extractive industries*

*Natural Resources*

*Public Benefits*

*Natural Resources*

*Production*

*Revenue Collection*

*Revenue Allocations*

*Social & Economic Spending*

# EITI Validation

*EITI Report for timely & accurate information disclosure*

PNG EITI Report 2016

# EITI Validation

*Validation: Quality Assurance by EITI Board*

# EITI Validation

- Satisfactory Progress*
- Meaningful Progress*
- Inadequate Progress*
- No Progress*

# EITI Validation

- Satisfactory Progress*



# EITI Validation

- 1. Multi Stakeholder Group**
- 2. Legal & Institutional Framework**
- 3. Exploration & Production**
- 4. Revenue Collection**
- 5. Revenue Allocations**
- 6. Social & Economic Spending**
- 7. Outcomes & Impact**
- 8. Compliance & Deadlines**

## 1. Multi Stakeholder Group

- 1.1 Government Engagement
- 1.2 Company Engagement
- 1.3 Civil Society Engagement
- 1.4 Multi Stakeholder Group
- 1.5 Work Plan



## 2. Legal & Institutional Framework

- 2.1 Legal Framework & Fiscal Regime
- 2.2 License Allocations
- 2.3 Register of Licenses
- 2.4 Contracts
- 2.5 Beneficial Ownership
- 2.6 State Participation



## 3. Exploration & Production

- 3.1 Exploration
- 3.2 Production
- 3.3 Exports



## 4. Revenue Collection

- 4.1 Comprehensive Disclosure of Taxes & Revenues
- 4.2 Sale of the State's Share of Production
- 4.3 Infrastructure Provisions & Barter Arrangements
- 4.4 Transportation Revenues
- 4.5 Transactions related to State-Owned Enterprises
- 4.6 Subnational Payments
- 4.7 Level of Disaggregation
- 4.8 Data Timeliness
- 4.9 Data Quality & Assurance



## 5. Revenue Allocations

- 5.1 Distribution of Extractive Industry Revenues
- 5.2 Subnational Transfers
- 5.3 Revenue Management & Expenditures

## 6. Social & Economic Spending

- 6.1 Social Expenditures by Extractive Companies
- 6.2 Quasi-Fiscal Expenditures
- 6.3 Contribution of Extractive Sector to Economy



## 7. Outcomes & Impact

- 7.1 Public Debate
- 7.2 Data Accessibility
- 7.3 Discrepancies & Recommendations from EITI Reports
- 7.4 Review Outcomes & Impact of EITI Implementation



## 8. Compliance & Deadlines

- 8.1 Adapted Implementation
- 8.2 EITI Reporting Deadlines
- 8.3 EITI Validation Deadlines & Consequences
- 8.4 Annual Progress Report Deadlines
- 8.5 Extensions
- 8.6 Suspension
- 8.7 Delisting
- 8.8 Appeals

# EITI Validation



*EITI Standard*



*EITI Report*

*EITI is a global standard for transparent & accountable resource management.*

*EITI requires information disclosure throughout the value chain of extractive industries.*

*EITI implementing countries have to meet all requirements through validation by EITI Board.*

*Produced by*

*ICA Project for Improving Resource Related Revenue*

*Yoshiaki Okamoto, 2019*

## **Annex 2: Products Produced by the Project**

6. Education / Awareness Promotion  
Materials

**2-6-3 Introduction of PNGEITI**

- 1. Profile of PNGEITI
- 2. PNGEITI Reports
- 3. PNGEITI Validation

GDP  
**29%**

GDP Growth  
**63%**

Exports  
**86%**

Government Revenue  
**7%**



**2013** NEC approved EITI admission.

**2014** EITI Board approved PNGEITI.

**Companies**

**Civil Societies**

**Multi Stakeholder Group**

**Government**



11 Government Organizations

4 State Owned Enterprises

7 Companies

8 Civil Society Organizations

**Multi Stakeholder Meeting**



**PNGEITI National Secretariat**

- Established in 2015 under DOT

- Provide technical & administrative support to MSG





## PNGEITI Report



Government

Companies

**Independent Administrator**




### Data Collection from Government & Companies

Government

Companies

**Independent Administrator**




- License & Contracts
- Production Volume
- Revenues

Government

Companies

**Independent Administrator**



### Data Reconciliation by Independent Administrator



## PNGEITI Report

- Published by the end of next financial year
- PNGEITI Report 2017 published in December 2018
- Data collection started in August 2018.

### Response by Government & Companies for Data Collection

	2017 (2016 Report)	2018 (2017 Report)
Mining Companies	<b>75 %</b>	<b>42 %</b>
Oil & Gas Companies	<b>100 %</b>	<b>80 %</b>
SOE & Trustees	<b>86 %</b>	<b>40 %</b>
Government Entities	<b>86 %</b>	<b>61 %</b>

**Admission**


↓

**Reporting**

↓

**Validation**

- First validation within 2.5 years of admission
- PNGEITI First Validation in April 2018.
- PNGEITI was rated as "Meaningful Progress".
- PNG remained as an EITI candidate country.



- Second Validation should be conducted after 3 to 18 months of First Validation result.
- PNGEITI Second Validation is due on April 2020.
- All EITI implementing countries must achieve "Satisfactory Progress" within a certain period after admission.



# EITI

**Satisfactory Progress (Compliant Country - 8)**



**Meaningful Progress (Candidate Country - 24)**

Categories	Requirements	No progress	Inadequate	Meaningful	Satisfactory	Beyond
#1. MSG oversight	#1.1 Government engagement					
	#1.2 Industry engagement					
	#1.3 Civil society engagement					
	#1.4 MSG governance					
	#1.5 Work plan					
#2. Licenses and contracts	#2.1 Legal framework					
	#2.2 License allocations					
	#2.3 License register					
	#2.4 Policy on contract disclosure					
	#2.5 Beneficial ownership					
	#2.6 State participation					
#3. Monitoring production	#3.1 Exploration data					
	#3.2 Production data					
	#3.3 Export data					
	#4.1 Comprehensiveness					
	#4.2 In-kind revenues					
	#4.3 Barter agreements					
	#4.4 Transparency revenues					

## Inadequate Progress

- 2.2 License Allocations
- 3.2 Production Data
- 4.1 Comprehensiveness
- 4.6 Direct Subnational Payments
- 4.9 Data Quality
- 5.1 Distribution of Revenues
- 5.2 Subnational Transfers
- 6.2 SOE Quasi-Fiscal Expenditure


## Meaningful Progress

- 2.3 License Register
- 2.6 State Participations
- 3.3 Export Data
- 4.5 SOE Transactions
- 6.1 Mandatory Social Expenditure
- 7.4 Outcomes & Impact of Implementation



## Inadequate Progress

- 2.2 License Allocations
- 3.2 Production Data
- 4.1 Comprehensiveness
- 4.6 Direct Subnational Payments
- 4.9 Data Quality
- 5.1 Distribution of Revenues
- 5.2 Subnational Transfers
- 6.2 SOE Quasi-Fiscal Expenditure



## 2.2 License Allocations

Some information not specified in PNGEITI Report:

- Name of Licenses Awarded or Transferred
- Technical & Financial Criteria in the Selection Process
- Deviation of Timeframe for Processing Oil & Gas Applications

Recommendations for Information Disclosure on:

- Licenses Awarded or Transferred
- Description of Award or Transfer Procedures
- Non-Trivial Deviation from Statutory Procedures in Practice.

## 3.2 Production Data

Some information not specified in PNGEITI Report:

- Production Values of Minerals, Oil & Gas in Year 2016
- Discrepancies of Production Volumes between Government & Companies
- Incomplete Reporting from Department of Petroleum

Recommendations for Information Disclosure on:

- Complete Production Volume for Oil & Gas, with publicly Accessible, Disaggregated by Commodities.

## 4.1 Comprehensiveness

Problems on PNGEITI Report:

- Concerns on materiality thresholds for selecting companies & revenue streams.
- High value of unreconciled discrepancies of revenues between Government & Companies

Recommendations:

- Review current materiality thresholds;
- Develop action plans for addressing discrepancies;

## PNGEITI Second Validation

- Due in April 2020
- Conducted validation based on PNGEITI Report 2018, which will be compiled in 2019.
- Immediate action is needed.



- PNGEITI is governed by multi stakeholder group consisting of government, companies, and civil societies.
- PNGEITI report is compiled annually for the previous financial year.
- PNGEITI was rated as meaningful progress in the first validation.
- The second validation will be conducted by April 2020.
- By that time, PNGEITI must implement improvement measures for some requirements, including:
  - license allocations
  - production data
  - data comprehensiveness

*Produced by*

***JICA Project for Improving Resource Related Revenue***

*Yoshio Okamoto, 2019*

## **Annex 2: Products Produced by the Project**

6. Education / Awareness Promotion  
Materials

**2-6-4 EITI Reporting**



This video is produced by



JICA Project

for Improving Resource Related Revenue Management

## Opening Remark



Naomi

## What You Learn

1. Why Is EITI Report Needed?
2. Who Produces It?
3. By When Is It to Be Produced?
4. What Does It Provide?
5. What Is Mainstreaming?

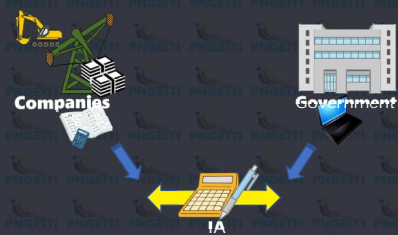
## Why Is EITI Report Needed?



## Why Is EITI Report Needed?

- ✓ Requested, timely information
  - ✓ Shorthand
  - ✓ EITI Report
- or
- ✓ publicly available information and data

## Why Is EITI Report Needed?



1. Why Is EITI Report Needed?
2. Who Produces It?
3. By When Is It to Be Produced?
4. What Does It Provide?
5. What Is Mainstreaming?

## Who Produces It?

- ✓ Independent Administrator (IA)
- ✓ reconciliation of company payments and government revenues
- ✓ international professional standards

CREDIBLE

TRUSTWORTHY



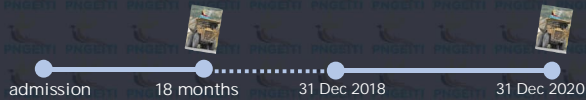
### Who Produces It?

- ✓Expertise and experience in the oil, gas and mining sectors in PNG
- ✓Expertise in accounting, auditing and financial analysis
- ✓A track record in similar work

1. Why Is EITI Report Needed?
2. Who Produces It?
3. By When Is It to Be Produced?
4. What Does It Provide?
5. What Is Mainstreaming?

### By When Is It to Be Produced?

- ✓18 months of being admitted as EITI country
- ✓Second to last complete accounting period



### By When Is It to Be Produced?

- ✓18 months of being admitted as EITI country
- ✓Second to last complete accounting period
- ✓Suspended if not meeting the deadline
- ✓Suspension can be lifted within 6 months of the deadline
- ✓Delisted if suspension continued for more than 1 year

### By When Is It to Be Produced?



1. Why Is EITI Report Needed?
2. Who Produces It?
3. By When Is It to Be Produced?
4. What Does It Provide?
5. What Is Mainstreaming?

### What Does It Provide?



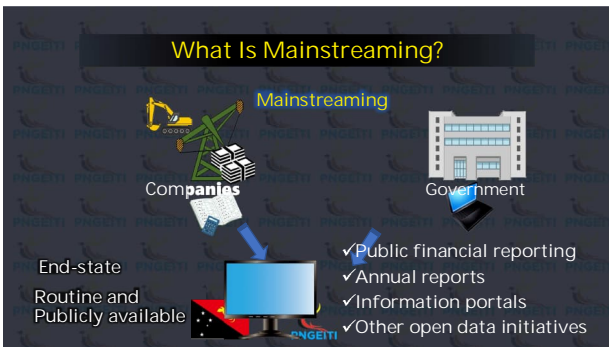
### What Does It Provide?

- ✓Methodology adopted for the reconciliation
- ✓Application of international professional standards
- ✓Revenue streams, related materiality definitions and thresholds
- ✓Assessment on the comprehensiveness and reliability
- ✓Coverage of the reconciliation
- ✓Assessment of participation status
- ✓Documentation on financial statement auditing
- ✓Progress of recommended corrective actions and reforms

1. Why Is EITI Report Needed?
2. Who Produces It?
3. By When Is It to Be Produced?
4. What Does It Provide?
5. What Is Mainstreaming?

### What Is Mainstreaming?

Mainstreaming = Systematic disclosure



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JICA Project  
for Improving Resource Related Revenue Management  
Kenji Otsuka, 2019

## **Annex 2: Products Produced by the Project**

6. Education / Awareness Promotion  
Materials

**2-6-5 Comprehensiveness and Data Quality**

This video is produced by



JICA Project  
for Improving Resource Related Revenue Management

Opening Remark



Ken

EITI Requirements	Requirements	Level of Progress				
		No Progress	Inadequate	Meaningful	Satisfactory	Report
Licenses and contracts	Legal framework (#2.1) (*)					
	License allocations (#2.2) (*)					
	License register (#2.3) (*)					
	Policy on contract disclosure (#2.4) (*)					
Monitoring production	Beneficial ownership (#2.5) (*)					
	State participation (#2.6) (*)					
	Exploration data (#3.1) (*)					
	Production data (#3.2) (*)					
Revenue collection	Revenue rules (#3.3) (*)					
	Comprehensiveness (#4.1) (*)					
	In-kind revenues (#4.2) (*)					
	Barter agreements (#4.3) (*)					
	Transportation revenues (#4.4) (*)					
	SOE transactions (#4.5) (*)					
	Direct operational payments (#4.6) (*)					
Revenue allocation	Disaggregation (#4.7) (*)					
	Data timeliness (#4.8) (*)					
	Transparency (#4.9) (*)					
	Distribution of extractive industry revenues (#5.1) (*)					
	Subnational transfers (#5.2) (*)					

What You Learn

Comprehensiveness (#4.1)

Data quality (#4.9)

Comprehensiveness

4.1 Comprehensiveness

Comprehensiveness

Materiality definitions and thresholds

MSG should:

- ✓ Consider the size of the revenue streams and
- ✓ Document the options considered and the rationale for establishing the definitions and thresholds.

Comprehensiveness

- ✓ The host government's production entitlement
- ✓ National state-owned company production entitlement
- ✓ Profits taxes
- ✓ Royalties
- ✓ Dividends
- ✓ Bonuses
- ✓ License fees, rental fees, entry fees and other considerations for licences or concessions
- ✓ Any other significant payments and material benefit to government

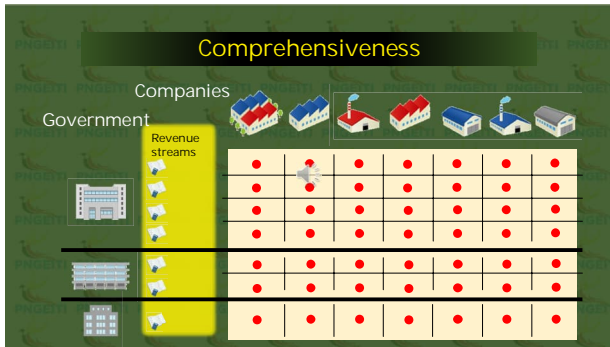
Comprehensiveness

Government

Companies








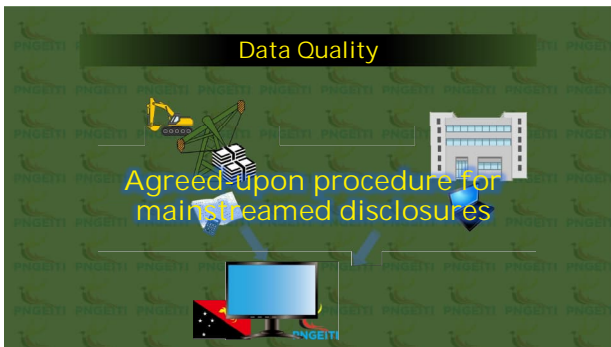
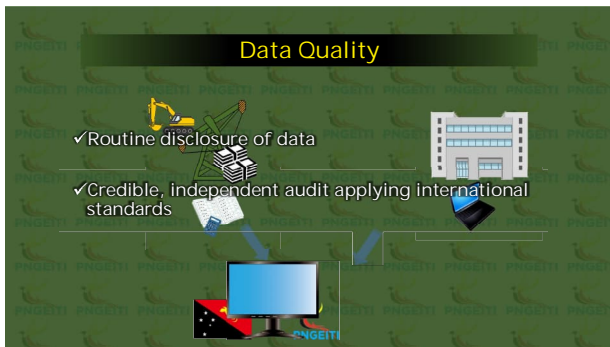
### Data Quality

## 4.9 Data quality

### Data Quality

Assess whether the payments and revenues are subject to credible, independent audit, with applying international auditing standards.

- ### Data Quality
- Reconciliation
- ✓Credible, independent administrator
  - ✓International auditing standards
  - ✓Administrator's opinion
- MSG should:
- ✓Perceive IA to be credible, trustworthy and technically competent
  - ✓Endorse the appointment of IA
- EITI Report should be based on:
- ✓Standard Terms of Reference
  - ✓Agreed-upon procedure for EITI Reports
- 



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for Improving Resource Related Revenue Management  
Kenji Otsuka, 2019

## **Annex 2: Products Produced by the Project**

6. Education / Awareness Promotion  
Materials

**2-6-6 Transparency is King**

This video is produced by



JICA Project  
for Improving Resource Related Revenue Management

**Wok Wantaim EITI**

# Transparency is king

Learning video based on information provided by EITI to weather COVID-19









### What you learn

1. What are the main factors in COVID-19 limiting transparency in extractive sector?
2. Why is the role of civil society important in countering COVID-19?
3. What is meaningful for PNGEITI facing COVID-19?

### Three limiting factors

-  Fuel a sharp decline in extractive revenues
-  Accelerate remote working
-  Turn policy priority away from transparency

### COVID-19 darkens outlook, dropping price






### A fall in price adversely affects transparency

- ✓ Price falls
- ✓ Project ceases
- ✓ Data lacks

→


- ✓ Governmental revenue shrinks
- ✓ Activity/initiative for transparency weakens

### COVID-19 prompts remote working

-  Online MSG
-  Internet-based cooperation with overseas bodies
-  Activities to outreach to communities

### Difficulties may exist

- ✓ Limited internet access






Source: World Bank website


- ✓ Governance structures and protocols too immature to adapt to virtual environment



### COVID-19 deprioritises transparency


Government takes more care of  Health  Economy


than  Transparency

Corruption grows 

- ✓ Less check of public spending
- ✓ Reduced accountability
- ✓ Delay in publishing data/information

### Community impacted significantly

-  Loss of Jobs
-  Decreased subnational financial allocation from national government



1. What are the main factors in COVID-19 limiting transparency in extractive sector?
2. Why is the role of civil society important in countering COVID-19?
3. What is meaningful for PNGEITI facing COVID-19?

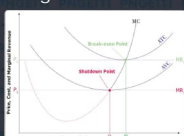

### Three important roles of civil society




-  Utilise insight
-  Represent/show sentiment from local people
-  Facilitate knowledge-sharing across community



### Good practices in other countries

- ✓ Local campaigns in Zimbabwe, informing a rural council of fees paid to the council 
- ✓ Civil body in Columbia, timely updating to publish the influence of Covid-19 on small mining sector 
- ✓ NPO in Mozambique, presenting an analysis to help government understand the situation 

### Analysis by Mozambiquan NPO

- ✓ Suggest a BEP analysis by the government on extractive industry companies to prevent too much grants 
- ✓ Invite attention to severely corona-infected countries related to Mozambiquan extractive industry 

Supply side: UK  South Africa  China 

Demand side: Netherlands  South Korea 

### Civil society organisation as litmus test



Government  Needs  Policymaker 

Civil society 

0 1 2 3 4 5 6 7 8 9 10 11 12 13 14

acidic neutral alkaline

### Voices collected by South-African NPO

-  I am currently working what feels like 23.5 hours a day at the hospital ...
-  My company requires me to market myself on the mines and power stations ...
-  This is probably the most uncertain I've ever been in my life but ...
-  My family and I don't know what this thing is ...



### Civil society as a cornerstone

- ✓ Disseminate information to communities
- ✓ Support for balanced governmental approaches

Public trust   Cooperation   Acceptance of measures   Confidence of int'l partners

1. What are the main factors in COVID-19 limiting transparency in extractive sector?
2. Why is the role of civil society important in countering COVID-19?
3. What is meaningful for PNGEITI facing COVID-19?

### Four viewpoints meaningful for PNGEITI

- Improve data availability relevant to the current context of the government
- Consider steps toward mainstreaming, seizing the opportunity of digitalisation for remote working
- Monitor the actions/tendency to COVID-19 unduly hurt transparency of extractive sector
- Champion the virtue of MSG, the tri-party initiative by varied stakeholders

### Improve data availability

Data to be used timely in the counter pandemic context may include:

- Subnational payment
- Social payment
- Project performance

### Consider steps toward mainstreaming

Mainstreaming = Systematic disclosure

### Consider steps toward mainstreaming

End-state  
Routine and Publicly available

- ✓ Public financial reporting
- ✓ Annual reports
- ✓ Information portals
- ✓ Other open data initiatives

### Consider steps toward mainstreaming

- ✓ Provide additional context
- ✓ Collate the sources
- ✓ Address gaps and concerns

### Possibilities to hurt transparency

- ✓ Actions taken by the government without scientific approaches
- ✓ Unlawful supervisory controls on expression or behaviour
- ✓ Excessive finger-pointing for assembling or outing
- ✓ SNS posts or violence to unfairly discriminate someone



### Advice to MSG stakeholders



### Advice to MSG stakeholders

- ✓ Endorse freedom of expression
- ✓ Disseminate data
- ✓ Check facts
- ✓ Promote fact-based discussion
- ✓ Disclose influence of and response to COVID-19
- ✓ Present decisions and projections
- ✓ Manage stakeholders' anxieties



### Homework

1. Specify and explain what has changed in your work at the office since COVID-19.
2. Consider and explain whether or not transparency can be maintained in your domain since COVID-19. If not, present an idea to better the situation.

Tenk yu tru!

どうもありがとうございました！

Produced by



JICA Project

for Improving Resource Related Revenue Management  
Kenji Otsuka, 2020

## **Annex 2: Products Produced by the Project**

6. Education / Awareness Promotion  
Materials



**2-6-7 Gender requirements of EITI 2019  
Standard**

PNGEITI Gender Requirements Workshop

JICA Project Team in collaboration with PNGEITI National Secretariat




Project for Improving Resource related Revenue Management in PNG (2018-2021)

**Project Purpose**  
Improving Extractive Resources related revenue management and reporting in PNG in accordance with EITI International Standard

**Output 1**  
Data management at DPE is improved to comply with EITI Requirements.

**Output 2**  
EITI reporting mechanism among extractive companies and government agencies is enhanced.

**Output 3**  
Awareness and implementation structure for EITI is enhanced.

**Project Team**

- Shiro Otomo (Team Leader/PFM)
- Yoshio Chikamatsu (Deputy Team Leader/Information Management)
- Kenji Otsuka (Accounting and Auditing)
- Harumi Toyama (Gender & Communications)
- Toyohiko Yogo (Communications)

Page 2

Importance of Gender Issues Recognised by EITI

*"By promoting women's participation and leadership in the extractive sector, EITI can improve governance and transparency and empower women to ensure their rights are respected. Participation of women in activities and programmes at an international, regional and community level with due awareness of the local context can increase gender equality and have spill-over effects in society as a whole."*

The EITI International Secretariat

[How gender relates to the EITI's mission \(Nov 2018\)](#)



Page 3

EITI Policy Brief on Gender Equality

[EITI Policy Brief on Gender Equality](#) was published in February 2018

- Women should play a leading role in the consultation and decision making processes in EITI implementation.
- EITI implementation work plans should consider how the extractive industries can contribute towards achieving gender equality.
- EITI MSGs should ensure that EITI communication activities are widely accessible and they promote gender equality.
- EITI MSGs are encouraged to increase training for women's rights organizations on how to track payments made to governments from extractive operations.
- EITI MSGs are encouraged to document activities aimed at gender equality.
- EITI Validation should consider the impact of the EITI on gender equality.
- The International Secretariat should continue to raise awareness on gender equality, and document case studies and impact stories.

Source: EITI Secretariat website <https://eiti.org/files/documents/gender2.pdf> accessed on 06 August 2020

Page 4

EITI Standard 2019: Requirements related to gender

Page 5

EITI Standard 2019

EITI Requirement 1 - Oversight by the multi-stakeholder group.

- Government engagement.
- Company engagement.
- Civil society engagement.
- Multi-stakeholder group.
- Work plan.

EITI REQUIREMENT 2 - Legal and institutional framework, including allocation of contracts and licenses.

- Legal framework and fiscal regime.
- Contract and license allocations.
- Register of licenses.
- Contracts.
- Beneficial ownership.
- State participation.

EITI REQUIREMENT 3 - Exploration and production.

- Exploration
- Production
- Exports

EITI REQUIREMENT 4 - Revenue collection.

- Comprehensive disclosure of taxes and revenues.
- Sale of the state's share of production or other revenues collected in kind.

- Infrastructure provisions and barter arrangements.
- Transportation revenues.
- Transactions related to state-owned enterprises.
- Subnational payments.
- Level of disaggregation.
- Data timeliness.
- Data quality and assurance.

EITI REQUIREMENT 5 - Revenue allocations.

- Distribution of extractive industry revenues.
- Subnational transfers.
- Revenue management and expenditures.

EITI REQUIREMENT 6 - Social and economic spending.

- Social and environmental expenditures by extractive companies.
- Quasi-fiscal expenditures.
- The contribution of the extractive sector to the economy.
- Environmental impact of extractive activities.

EITI REQUIREMENT 7 - Outcomes and impact.

- Public debate.
- Data accessibility and open data.
- Recommendations from EITI implementation.
- Review the outcomes and impact of EITI implementation

Page 6

Presentation title

Gender Requirement: 1.4 Multi-stakeholder group

Changes introduced to [EITI Reporting Standard \(2019\)](#) to promote gender equality.

<p>Requirement 1 - Oversight by the MSG</p> <p><b>1.4 Multi-stakeholder group</b></p> <p>MSGs are required to consider <b>gender balance</b> in their representation</p>	<p>Requirement 6 - Social and economic spending</p> <p><b>6.3 The contribution of the extractive sector to the economy</b></p> <p>Gender-sensitive data disclosures</p> <p>Reporting requires employment figures <b>disaggregated by gender</b>, project and role, where available</p>
<p>Requirement 7 - Outcomes and impact</p> <p><b>7.1 Public debate</b></p> <p>MSGs are required to consider access challenges and information needs of different genders and sub-groups</p>	<p><b>7.4 Review the outcomes and impact of EITI implementation</b></p> <p>MSGs are encouraged to document how they <b>improved gender equality and social inclusion</b></p>

Page 7

Gender Requirement: 6.3 The contribution of the extractive sector to the economy

Changes introduced to [EITI Reporting Standard \(2019\)](#) to promote gender equality.

<p>Requirement 1 - Oversight by the MSG</p> <p><b>1.4 Multi-stakeholder group</b></p> <p>MSGs are required to consider <b>gender balance</b> in their representation</p>	<p>Requirement 6 - Social and economic spending</p> <p><b>6.3 The contribution of the extractive sector to the economy</b></p> <p>Gender-sensitive data disclosures</p> <p>Reporting requires employment figures <b>disaggregated by gender</b>, project and role, where available</p>
<p>Requirement 7 - Outcomes and impact</p> <p><b>7.1 Public debate</b></p> <p>MSGs are required to consider access challenges and information needs of different genders and sub-groups</p>	<p><b>7.4 Review the outcomes and impact of EITI implementation</b></p> <p>MSGs are encouraged to document how they <b>improved gender equality and social inclusion</b></p>

Page 8

## Gender Requirement: 7.1 Public debate

Changes introduced to [EITI Reporting Standard \(2019\)](#) to promote gender equality.

<p>Requirement 1 – Oversight by the MSG</p> <p><b>1.4 Multi-stakeholder group</b></p> <p>MSGs are <b>required</b> to consider <b>gender balance</b> in their representation</p>	<p>Requirement 6 – Social and economic spending</p> <p><b>6.3 The contribution of the extractive sector to the economy</b></p> <p><b>Gender-sensitive</b> data disclosures</p> <p>Reporting <b>requires</b> employment <b>figures disaggregated by gender</b>, project and role, where available</p>
<p>Requirement 7 – Outcomes and Impact</p> <p><b>7.1 Public debate</b></p> <p>MSGs are <b>required</b> to consider access challenges and information needs of different genders and sub-groups</p>	<p><b>7.4 Review the outcomes and impact of EITI implementation</b></p> <p>MSGs are <b>encouraged</b> to document how they <b>improved gender equality and social inclusion</b></p>

## Gender Requirement: 7.4 Review the outcomes and impact of EITI implementation

Changes introduced to [EITI Reporting Standard \(2019\)](#) to promote gender equality.

<p>Requirement 1 – Oversight by the MSG</p> <p><b>1.4 Multi-stakeholder group</b></p> <p>MSGs are <b>required</b> to consider <b>gender balance</b> in their representation</p>	<p>Requirement 6 – Social and economic spending</p> <p><b>6.3 The contribution of the extractive sector to the economy</b></p> <p><b>Gender-sensitive</b> data disclosures</p> <p>Reporting <b>requires</b> employment <b>figures disaggregated by gender</b>, project and role, where available</p>
<p>Requirement 7 – Outcomes and Impact</p> <p><b>7.1 Public debate</b></p> <p>MSGs are <b>required</b> to consider access challenges and information needs of different genders and sub-groups</p>	<p><b>7.4 Review the outcomes and impact of EITI implementation</b></p> <p>MSGs are <b>encouraged</b> to document how they <b>improved gender equality and social inclusion</b></p>

## **Annex 2: Products Produced by the Project**

6. Education / Awareness Promotion  
Materials

**2-6-8 Summary of 2019 Report**




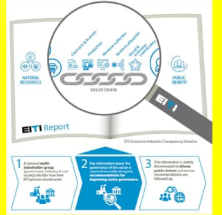
### What is EITI (Extractive Industries Transparency Initiative)?



- What is EITI (Extractive Industries Transparency Initiative)?**
  - EITI is a global coalition of governments, companies and civil society working together to improve openness and accountable management of revenue from natural resources.
  - EITI implements the **global standard** to promote the open and accountable management of oil, gas and mineral resources.
- What is EITI Standard?**
  - The EITI Standard requires the disclosure of information along the extractive industry value chain.
- Why is EITI important?**
  - EITI seeks to strengthen public and corporate governance, promote understanding of natural resource management, and provide the data to inform reforms for greater transparency and accountability in the extractives sector.
- What is EITI Implementing country?**
  - Every EITI Implementing country must have a Multi-Stakeholder Group (MSG), composed of the government, companies and civil society that will support implementation of the EITI Standard.
  - EITI Implementing countries are required to disclose information along the extractive industry value chain – from how extraction rights are awarded, to how revenues make their way through the government and how they benefit the public.



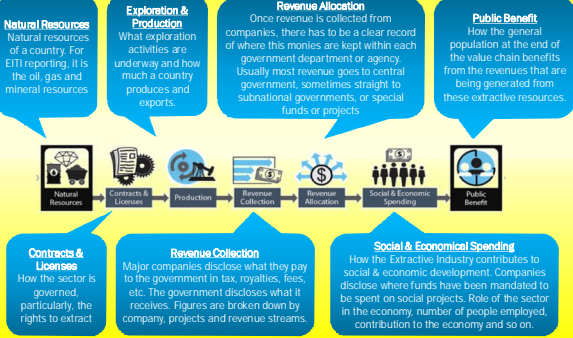
### What is PNG EITI?

- What is PNG EITI?**
  - The PNG EITI was approved by the Government of PNG (GoPNG) through NEC Decision No.90/2013, "promoting revenue transparency and accountability in the country's mining and petroleum sectors".
  - GoPNG in collaboration with Civil Society and Industry members established with the PNG EITI MSG in 2013.
- Who is promoting PNG EITI in the country?**
  - PNG EITI MSG, chaired by the Minister for Treasury, is the primary body responsible to oversee and coordinate the successful and effective implementation of the global EITI standards in PNG.
  - The body will provide and establish a framework to promote collaboration and consensus for enhanced dialogue and building trust between the State, Industry and Citizens.
- How PNG EITI is progressing?**
  - PNG EITI has published the PNG EITI Reports for every financial year since 2013.
  - PNG EITI underwent the validation process by the EITI International Secretariat in 2018, which assessed whether the implementation was consistent with the requirements of the EITI Standard.
  - The validation result demonstrated "Meaningful progress" with recommendations for further improvement to be fully compliant with the EITI Standard.

### What is the Resource Value Chain?

The EITI Standard requires countries and companies to disclose information on the key steps in the governance of oil, gas and mining revenues.

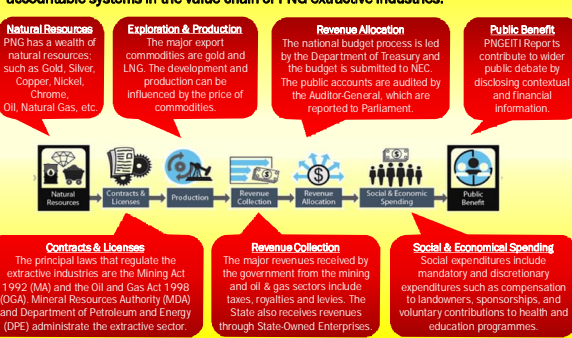


The diagram shows a flow from Natural Resources to Public Benefit, with intermediate steps: Contracts & Licenses, Production, Revenue Collection, Revenue Allocation, and Social & Economic Spending.

- Natural Resources:** Natural resources of a country. For EITI reporting, it is the oil, gas and mineral resources.
- Contracts & Licenses:** How the sector is governed, particularly, the rights to extract.
- Production:** What exploration activities are underway and how much a country produces and exports.
- Revenue Collection:** Major companies disclose what they pay to the government in tax, royalties, fees, etc. The government discloses what it receives. Figures are broken down by company, projects and revenue streams.
- Revenue Allocation:** Once revenue is collected from companies, there has to be a clear record of where this monies are kept within each government department or agency. Usually most revenue goes to central government, sometimes straight to subnational governments, or special funds or projects.
- Social & Economic Spending:** How the Extractive Industry contributes to social & economic development. Companies disclose where funds have been mandated to be spent on social projects. Role of the sector in the economy, number of people employed, contribution to the economy and so on.
- Public Benefit:** How the general population at the end of the value chain benefits from the revenues that are being generated from these extractive resources.

### Value Chain of PNG Extractive Industries

The PNG EITI Reports provide an opportunity to all stakeholders in the Government, Industry and Civil Society to come together to promote open, transparent and accountable systems in the value-chain of PNG extractive industries.




The diagram shows a flow from Natural Resources to Public Benefit, with intermediate steps: Contracts & Licenses, Production, Revenue Collection, Revenue Allocation, and Social & Economic Spending.

- Natural Resources:** PNG has a wealth of natural resources: such as Gold, Silver, Copper, Nickel, Chrome, Oil, Natural Gas, etc.
- Contracts & Licenses:** The principal laws that regulate the extractive industries are the Mining Act 1992 (MA) and the Oil and Gas Act 1998 (OGA). Mineral Resources Authority (MDA) and Department of Petroleum and Energy (DPE) administer the extractive sector.
- Production:** The major export commodities are gold and LNG. The development and production can be influenced by the price of commodities.
- Revenue Collection:** The major revenues received by the government from the mining and oil & gas sectors include taxes, royalties and levies. The State also receives revenues through State-Owned Enterprises.
- Revenue Allocation:** The national budget process is led by the Department of Treasury and the budget is submitted to NEC. The public accounts are audited by the Auditor-General, which are reported to Parliament.
- Social & Economic Spending:** Social expenditures include mandatory and discretionary expenditures such as compensation to landowners, sponsorships, and voluntary contributions to health and education programmes.
- Public Benefit:** PNG EITI Reports contribute to wider public debate by disclosing contextual and financial information.

### 2019 PNG EITI Report contents

The 7<sup>th</sup> Report for the financial year of 2019 contains the following chapters with contextual and financial information on the implementation of EITI in PNG.

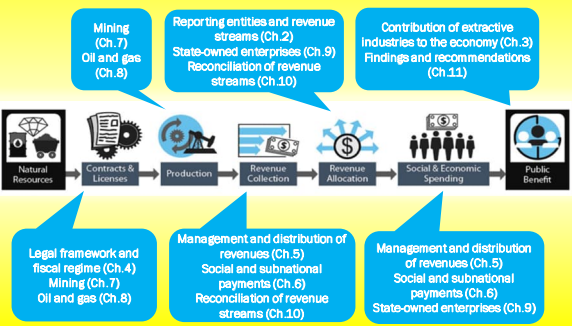


- Executive Summary
- Ch. 1. Introduction
- Ch. 2. Reporting entities and revenue streams
- Ch. 3. Contribution of extractive industries to the economy
- Ch. 4. Legal framework and fiscal regime
- Ch. 5. Management and distribution of revenues
- Ch. 6. Social and subnational payments
- Ch. 7. Mining
- Ch. 8. Oil and gas
- Ch. 9. State-owned enterprises
- Ch. 10. Reconciliation of revenue streams
- Ch. 11. Findings and recommendation

Full contents of the report are available at [PNG EITI website \(https://www.pngeti.org.pg/\)](https://www.pngeti.org.pg/)

### 2019 PNG EITI Report contents

The Report is an important source of information on how the State's natural resources are managed in accordance with the extractive industry value chain.



The diagram shows a flow from Natural Resources to Public Benefit, with intermediate steps: Contracts & Licenses, Production, Revenue Collection, Revenue Allocation, and Social & Economic Spending.

- Mining (Ch. 7) Oil and gas (Ch. 8):** Reporting entities and revenue streams (Ch. 2), State-owned enterprises (Ch. 9), Reconciliation of revenue streams (Ch. 10).
- Contribution of extractive industries to the economy (Ch. 3):** Findings and recommendations (Ch. 11).
- Legal framework and fiscal regime (Ch. 4):** Mining (Ch. 7) Oil and gas (Ch. 8).
- Management and distribution of revenues (Ch. 5):** Social and subnational payments (Ch. 6), Reconciliation of revenue streams (Ch. 10).
- Management and distribution of revenues (Ch. 5):** Social and subnational payments (Ch. 6), State-owned enterprises (Ch. 9).

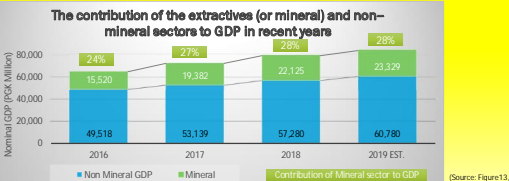
### Highlights of PNG 2019 EITI Report data

#### (1) Gross Domestic Products (GDP)

Extractive industry contributions to the economy and society in Papua New Guinea

**What is GDP and why is it important to us?**

Gross domestic product (GDP) is used to estimate the size of economy. It is calculated as the value of all goods and services produced in the country. It is driven mainly by consumer spending on goods and services, business investments, government spending, and trade. GDP growth is a helpful tool to evaluate the health of the economy.



The chart shows that the contribution of the extractives sector to GDP has been increasing over years, rising from 24% in 2016 to 28% in 2019 EST. The total nominal GDP also shows a steady increase from 49,518 million PNG K in 2016 to 60,780 million PNG K in 2019 EST.

- The contribution of the extractive sector has been increasing over years.
- The increase in growth is driven primarily by the resource sector, particularly the stronger than expected growth in gas and condensate output reported by ExxonMobil, supported by an uptick in mining output.

### Highlights of PNG 2019 EITI Report data

#### (1) Gross Domestic Products (GDP)

Extractive industry contributions to the economy and society in Papua New Guinea

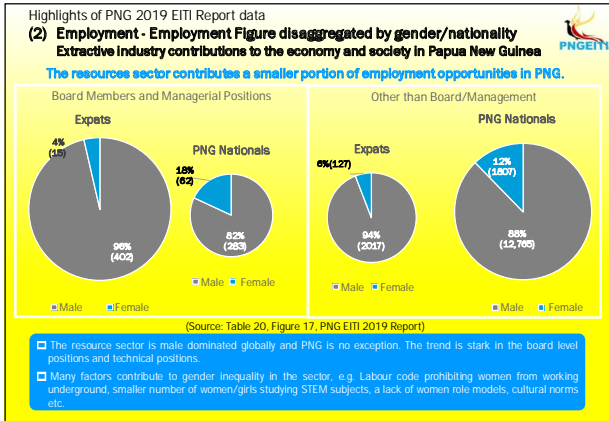
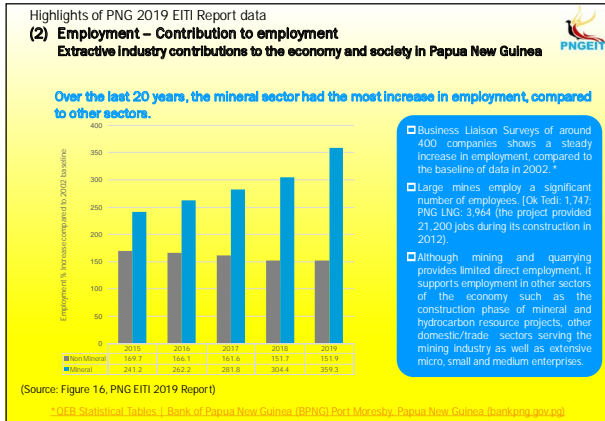
**How much does extractive sector (mineral) contribute to GDP in PNG?**

	2014	2015	2016	2017	2018	2019 Est.
<b>Oil and gas extraction</b>	9.5%	12.5%	1.4%	0.9%	-3.3%	3.7%
<b>Mining and quarrying</b>	0.5%	0.2%	1.6%	1.6%	0.3%	0.5%
<b>Others</b>	1.6%	-2.9%	1.7%	1.0%	2.4%	1.0%
<b>Total</b>	11.6%	9.8%	4.7%	3.5%	-0.6%	5.2%

(Source: Table 17, PNG EITI 2019 Report)

- Since LNG production commenced in 2014, it has been the primary driver of GDP growth in recent years. Higher production volumes in the extractive industries in 2019, including significant growth in silver and nickel, contributed significantly to nominal GDP growth in 2019.
- The percentage dropped in 2018 due to a large earthquake in PNG.





Highlights of PNG 2019 EITI Report data

**(3) Legal and institutional framework - Contracts and licenses**  
**How the extractive sector is managed and the public available register is maintained**

- Contracts, licenses and associated agreements are crucial part of the legal framework which establishes many of the commitments between government and companies.
- The EITI requires disclosure on how the extractive sector is managed, enabling stakeholders to understand the laws and procedures for the award of exploration and production rights, the legal, regulatory and contractual frameworks.
- The EITI Standard requires that any contracts and licenses that are granted, entered into or amended after 1 January 2021 to be made public (Requirement #2.4.a).
- On the other hand, the details of contracts 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.

**Legal and institutional framework**

- Regulation of the mining industry**
  - The principal laws that regulate mining activities in PNG are: "Mining Act 1992", "Mining (Safety) Act 1977", "Mining (Ok Tedi Agreement) Acts", and "Mining (Bougainville Copper Agreement) Act 1967".
  - Mineral Resources Authority (MRA) is responsible for oversight, administration and enforcement of these acts.
- Regulation of the petroleum industry**
  - The petroleum industry in PNG is governed by the Oil and Gas Act 1998 (OGA) with amendments stated in the Oil and Gas (Amendment) Act 2016 and the Oil and Gas Regulation 2002.
  - Department of Petroleum (DPE), headed by the Minister for Petroleum and Energy, is responsible for the administration and management of these acts and regulations.

Highlights of PNG 2019 EITI Report data

**(3) Legal and institutional framework - Contracts and licenses**  
**Mining industry**

- Mining tenements are administered by the appointed registrar, the Tenement Administration Branch of the MRA's Regulatory Operations Division.
- Special Mining Leases (for large-scale operations) are issued by the Head of State, acting on advice from the NEC, whilst other tenements are issued by the Minister for Mining on recommendation from the Mining Advisory Council under the MA.
- Types of mining and exploration tenements stipulated in the Mining Act 1992 (MA) are as follows:

License type	Provision of MA	Explanation
Exploration License (EL)	Division 1 Section 20-32	The holder of an exploration license is entitled to the exclusive occupancy for exploration purposes of the land in respect of which the exploration license was granted.
Special Mining Lease	Division 2 Section 23-37	Special Mining Lease is generally issued to the EL holder for large scale mining operations. The EL holder must also be a party to a Mining Development Contract with the State.
Mining Lease	Division 3 Section 38-47	Mining lease is generally issued for small to medium scale alluvial and hard rock mining operations.
Alluvial Mining Lease (AML)	Division 4 Section 48-64	AML may be granted to a natural person who is a citizen or a land group in respect of land owned by that natural person or land group.
Lease for Mining Purpose (LMP)	Division 5, Section 65-79	LMP may be granted in connection with mining operations conducted or to be conducted by the applicant for one or more of the purposes such as construction of buildings, housing, road, etc. The term of a mining easement shall be identical to the term of the tenement in relation to which the mining easement was granted.
Mining Easement	Division 6 Section 80-95	Mining Easement may be granted in connection with mining conducted by the applicant or some other person for the purpose of constructing and operating facilities such as a road, bridge, tunnel, etc.

Highlights of PNG 2019 EITI Report data

**(3) Legal and institutional framework - Contracts and licenses**  
**Petroleum Industry**

- Oil and gas licenses are allocated by DPE.
- The legislation for exploration and production licensing for unconventional hydrocarbons such as shale oil and gas that were previously excluded from the OGA is outlined in the Unconventional Hydrocarbons Act 2015 (UHA).
- Five types of license are defined in the Oil and Gas Act 1998 (OGA). The number of licenses by types are as follows:

License type	Provision of OGA	Explanation	Quantity As of Dec 2019
Petroleum Prospecting License (PPL)	OGA Division 2 (Section 21-31)	PPL confers on the licensee the exclusive right to explore for petroleum and carry out appraisal of a petroleum discovery in the license area.	61
Petroleum Retention License (PRL)	OGA Division 4 (Section 37-46)	PRL confers on the licensee the exclusive rights to carry on field studies to obtain information to ensure timely economic development of the gas field and carry out drill stem tests or extended production tests for appraisal of a petroleum pool in the license area.	14
Petroleum Development License (PDL)	OGA Division 7 (Section 53-67)	PDL confers on the licensee the exclusive rights to sell or otherwise dispose of the petroleum so recovered in the license area.	9
Petroleum Pipeline License (PL)	OGA Division 9 (Section 70-84)	PL confers on the licensee to construct and operate a pipeline along the route specified in the license.	7
Petroleum Processing Facility License (PPFL)	OGA Division 10 (Section 85-95)	PPFL confers on the licensee the exclusive right to construct a petroleum processing facility and conduct operations for petroleum processing through the petroleum processing facility.	3

(Source: Table 101, PNG EITI 2019 Report)

Highlights of PNG 2019 EITI Report data

**(3) Legal and institutional framework - Contracts and licenses**  
**How the extractive sector is managed and the public available register is maintained**

For further information on the licenses

- Mining Industry**
  - MRA provides a complete list of active tenements through the Mining Cadastre Portal. <https://portal.mra.gov.pg>
- Petroleum industry**
  - DPE provides "Petroleum License Map" at DPE website. <https://petroleum.gov.pg/downloads/>

Highlights of PNG 2019 EITI Report data

**(4) Exploration and production – Production and exports**  
**The production volume and value, and the export volume and value for 2019.**

**Mining:**

Commodity	Production		Export	
	Volume	Value (PGK mil.)	Volume	Value (PGK mil.)
Gold	2,168,265 oz	10,265	2,214,471 oz	10,486
Silver	5,003,839 oz	268	5,295,381 oz	283
Copper	99,399 tonnes	1,938	107,859 tonnes	2,103
Nickel	32,720 tonnes	1,231	40,757 tonnes	1,533
Cobalt	2,916 tonnes	217	3,670 tonnes	274
Chromite	115,573 tonnes	41	136,736 tonnes	50
	<b>Total</b>	<b>13,960</b>	<b>Total</b>	<b>14,728</b>

(Source: Table 84, PNG EITI 2019 Report)

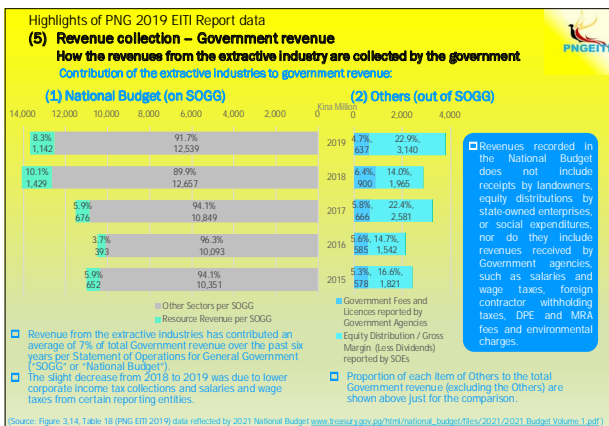
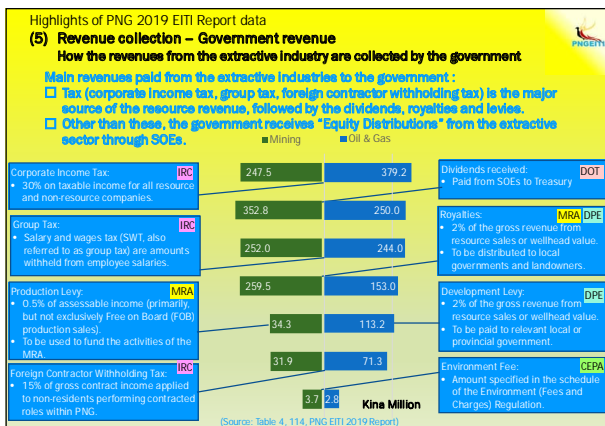
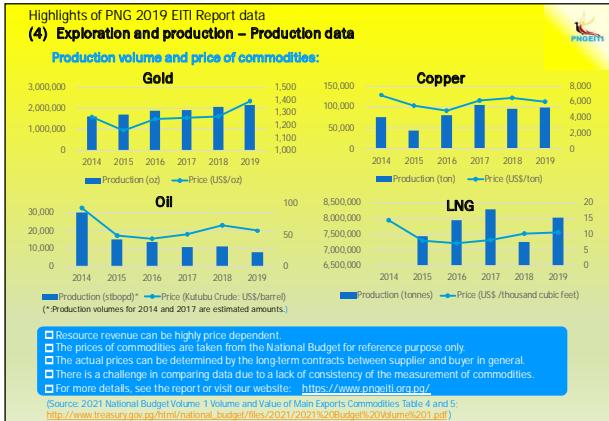
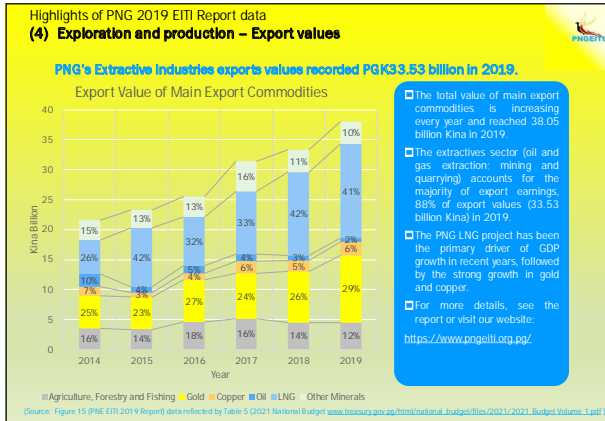
Highlights of PNG 2019 EITI Report data

**(4) Exploration and production – Production and exports**  
**The production volume and value, and the export volume and value for 2019.**

**Oil and Gas:**

Commodity	Production		Export	
	Volume	Value (PGK)	Volume	Value (PGK)
Oil	7,892 stbopd		1,612,328 stbopd	
Hides – Liquids	20,536 stbopd		973 stbopd	
PNG LNG – Liquids	29,761 stbopd	18,250.7 mil	8,514,787 stbopd	18,262.7 mil
Hides – Gas	374,585 MMscf/d		4,963 MMscf/d	
PNG LNG – LNG	8,031,445 tonnes		7,299,637 tonnes	

(Source: Table 2, Table 99, PNG EITI 2019 Report)



### Highlights of PNG 2019 EITI Report data

#### (6) Beneficial Ownership (BO) - Importance of Disclosing beneficial ownership

- Transparency about government revenues from the extractive sector is important for accountability, but says little about who owns and ultimately profits from the activities of the oil, gas and mining companies.
- The identity of the real owners (beneficial owners) of the companies that have obtained rights to extract oil, gas and minerals is often unknown, hidden by a chain of unaccountable corporate entities.
- This problem affects other sectors and often helps to feed corruption and tax evasion. People who live in resource rich countries are at risk of losing out as extractive assets are too often misallocated for corrupt reasons.

**Importance of Disclosing beneficial ownership**

- To ensure that extractive companies' beneficial owners and related information is disclosed through the EITI reporting process, Scoping Study on Beneficial Ownership (BO) was undertaken in 2016 and a Roadmap was developed.

- The collection and subsequent disclosure of BO information is important because it can raise the level of transparency and good governance from Civil Society as well as from multilateral institutions and investors.

### Highlights of PNG 2019 EITI Report data

#### (6) Beneficial Ownership (BO) - Definition and requirements under EITI Standard

**Definition (Requirement 2.5)**

- A beneficial owner in respect of a company means the natural person(s) who directly or indirectly ultimately owns or controls the corporate entity.

**Requirements (EITI Requirement 2.5)**

- Implementing countries request, and companies publicly disclose, beneficial ownership information. (2.5(c))
- Information about the identity of the beneficial owner should include the name of the beneficial owner, the nationality, and the country of residence, as well as identifying any politically exposed persons. (2.5(d))
- Implementing countries are recommended to maintain a publicly available register of the beneficial owners of the corporate entity(ies) (2.5(a)).

**Who are politically exposed person (PEP)?**

- A PEP is an individual who is or has been entrusted with prominent public function, that could include close family members and associates.

**Identifying and defining PEPs: Why is it important?**

- Many PEPs are in positions that potentially can be abused for the purpose of offense and related to corruption and bribery.
- Lack of transparency with regards to politically exposed persons and their assets held in the extractive sector poses corruption risks.
- This does not mean that PEPs should not be refused to conduct business within the extractive industry, but that such business relationships should be made transparent to prevent misuse.

### Highlights of PNG 2019 EITI Report data

#### (6) Beneficial Ownership (BO) – BO Reporting in PNG

- The PNG 2019 EITI report includes information on beneficial owners of material entities, as far as possible through direct enquiry, voluntary reporting, reference to corporate websites and annual reports, and the PNG Mining Cadastre Portal database hosted by the MRA website.
- Most interests are held by listed companies and/or state-owned enterprises.

**Legal Framework and Fiscal Regime for extractive industry**

- The extractive industries in Papua New Guinea are governed primarily by three Acts of Parliament. There are a number of executive regulations and supplementary Acts of Parliament which deal with issues such as operational safety and reporting. These three items of legislation are the:
  - Mining Act 1992
  - Oil & Gas Act 1998
  - Unconventional Hydrocarbons Act 2015
- The PNG Government does not require companies to disclose the beneficial owners of companies producing oil and gas or minerals and does not have a publicly available register of the beneficial owners of the corporate entities in the sector.

A template has been developed to capture BO information at the point where companies are registered with the Investment Promotion Authority (IPA), and this will be piloted with future company registrations.

A pilot project was recently undertaken to make beneficial ownership maps searchable on an online portal open to the public.

### Highlights of PNG 2019 EITI Report data

#### (6) Beneficial Ownership (BO) – Beneficial Ownership Report

- PNGEITI published its first BO report in 2020.
- The report describes the approach, definitions and scope of the BO data collection and provides recommendations.
- According to the BO report, BO data was collected from the extractive companies as follows:

Sector	Total number of license holders	BO declaration submitted	% of declaration submitted companies
Mining	108	3	2.8 %
Oil and Gas	32	18	56.3 %
SOE	5	-	- %
<b>Total</b>	<b>145</b>	<b>21</b>	<b>14.5 %</b>

(Source: 3.1. Analysis of BO data submission, Beneficial Ownership Final Report 2020)

- The reporting entities that have submitted a BO declaration (reporting template) represent more than 29% of the extractive revenues collected by PNG Government.
- Of the 21 companies that submitted their declaration, 20 companies are more than 95% owned subsidiaries of publicly listed companies and only 2 companies have declared the existence of Beneficial Owners according to the definition agreed by the MSG.

✓ PNGEITI Beneficial Ownership Report is available on the PNGEITI website. <http://www.pngeiti.org.pg/wp-content/uploads/2021/06/PNGEITI-BO-Report.pdf>

Highlights of PNG 2019 EITI Report data  
**(7) Social expenditures and the subnational payments/transfers – Classification**

Classification of the social expenditures and the subnational payments / transfers

- Subnational Payments
  - Direct payments from companies to subnational government entities.
  - Typical benefit streams may include royalties, taxes on properties, surface/land fees, and fees for usage of water or other resources.
- Subnational Transfers (Provincial and local-level govt)
  - Transfers between national and subnational government entities which are related to revenues generated by the extractive industries and are mandated by a national constitution, statute or other revenue-sharing mechanism.
- Landowners
  - It is required either by legislation or by the contract with the government that governs the extractive investment.
  - Mandatory social expenditure is generally agreed between the State or landowners and operators on a case-by-case basis.
- Beneficiary
  - It may include, for example, sponsorships and voluntary contributions to health and education programs.
  - Donations, grants or other types of cash transfers, the transfer of assets such as the construction of roads or schools, or the provision of services like training and health care.

Highlights of PNG 2019 EITI Report data  
**(7) Social expenditures and the subnational payments/transfers – Subnational payments**

Subnational reporting (subnational payments and subnational transfers)  
 Subnational payments

Subnational payments include royalties, dividends, compensation payments, development levies, Special Support Grants, and other benefits as agreed through memoranda of agreement.

Reporting entity	Subnational Payment (PGK)
<b>Mining</b>	
Barrick (Niugini) Ltd (Porgera mine)	57,154,155 Royalties
K92 Mining Ltd (Kainantu)	436,600 Royalties
Lihir Gold Ltd (Lihir/Lulus Caldera mine)	83,894,476 Royalties
MCC Ramu NiCo Ltd (Kurumbukari mine, Ramu)	2,619,935
Morobe Consolidated Goldfields Ltd (Hidden Valley mine)	11,629,791
Simberi Gold Company Ltd (Simberi Mine)	1,135,359 Royalties
<b>Total</b>	<b>156,870,316</b>

(Source: Table 29, 32, 35, 38, 41, 43. PNG EITI 2019 Report)

Highlights of PNG 2019 EITI Report data  
**(7) Social expenditures and the subnational payments/transfers – Subnational transfers**

Subnational reporting (subnational payments and subnational transfers)  
 Subnational transfers

Subnational transfers by MRDC

Subsidiary/trust entity	Recipient	Amount (PGK)
Mineral Resource Enga Ltd (MRE)	Enga Provincial Government (Dividends)	8,000,000
Mineral Resource Ok Tedi No. 2 Ltd (MRO2)	Fly River Provincial Government	5,675,102
<b>Total</b>		<b>13,675,102</b>

(Source: Table 55, PNG EITI 2019 Report)

Subnational transfer by Ok Tedi Mining Ltd

Recipient	Type	Amount (PGK)
Mine Villages Royalty	Cash	30,660,301
CMCA Villages Compo	Cash	43,983,510
Western Provincial Government	Cash Royalty	24,570,347
<b>Total</b>		<b>99,214,158</b>

(Source: Table 57, PNG EITI 2019 Report)

Highlights of PNG 2019 EITI Report data  
**(7) Social expenditures and the subnational payments/transfers – Social expenditure**

Social expenditure  
 Mandatory / discretionary social expenditure

Reporting entity	Mandatory social expenditure (PGK)	Discretionary social expenditure (PGK)
<b>Mining</b>		
Barrick (Niugini) Ltd (Porgera mine)	21,869,701	12,031,556
K92 Mining Ltd (Kainantu)	23,815,221	628,653
Lihir Gold Ltd (Lihir/Lulus Caldera mine)	44,583,997	50,996,306
MCC Ramu NiCo Ltd (Kurumbukari mine, Ramu)	11,216,334	14,107,259
Morobe Consolidated Goldfields Ltd (Hidden Valley mine)	577,996	11,594,001
Simberi Gold Company Ltd (Simberi Mine)	-	2,672,726
<b>Oil and gas</b>		
EnronMobi (operator PNG LNG – total PNG LNG figure)	2,215,001	61,487,349
Santos Ltd and Subsidiaries (PNG LNG Contribution)	-	42,000
<b>Total PNG Ltd</b>	<b>907,312</b>	<b>1,313,774</b>
<b>Oil Search (operator oil projects – total oil project figure)</b>	<b>3,404,000</b>	<b>68,315,000</b>
<b>State-owned enterprises</b>		
Kumul Petroleum Holdings Ltd (KPH)	-	30,904,166
Mineral Resources Development Company Ltd (MRDC)	-	31,352,088
Ok Tedi Mining Ltd (Mt Fubilan mine)	-	49,882,538
<b>Total</b>	<b>108,589,562</b>	<b>335,329,415</b>

(Source: Table 24, PNG EITI 2019 Report)

Highlights of PNG 2019 EITI Report data  
**(8) State-Owned Enterprises (SOEs) – Significance of SOEs in EITI reporting**

What is State-Owned Enterprise (SOE)?

- The EITI Standard 2019 (Requirement 2.6.a.i) defines a state-owned enterprise (SOE) as: "For the purpose of EITI implementation, a state-owned enterprise (SOE) is a wholly or majority government-owned company that is engaged in extractive activities on behalf of the government."

Why SOEs are important for implementing EITI?

- SOEs play important roles in exploiting natural resources and managing the extractive sector.
- SOEs undertake Quasi-fiscal expenditures (QFEs) or off-budget expenditures on behalf of the state such as payments for social services, public infrastructure, fuel subsidies and national debt servicing. These QFEs are not recorded on the national budget, but can have a significant impact on the local and national economy.

What is required to be disclosed for EITI?

- Information on the financial relationship between the government and the state-owned enterprise (Requirement 2.6)
- Material company payments to SOEs, SOE transfers to government agencies and government transfers to SOEs (Requirement 4.5)
- QFEs by SOEs (Requirement 6.2)

Highlights of PNG 2019 EITI Report data  
**(8) State-Owned Enterprises (SOEs) - EITI Reporting entities**

PNG EITI Report covers the following organisations as SOEs or as trustees:

Name of SOE	Profile of SOE	Revenue SOE will receive	Payment SOE will make
<b>SOEs</b>			
Kumul Petroleum Holdings Ltd (KPH)	A 100% state-owned company. The state nominee for all commercial matters relating to oil and gas projects.	Equity Distribution from PNG LNG Global Company LDC (GloCo)	Dividends (Treasury), Taxes (IRC), Return of capital (Treasury), State support
Ok Tedi Mining Ltd (OTML)	A 100% PNG owned entity with 67% direct shareholding by the State and the people of Western Province holding a 33% interest.	Sales revenue from Ok Tedi mine	Dividends (Treasury), Taxes (IRC), Production levy (MRA)
Kumul Minerals Holdings Limited (KMHL)	A 100% state-owned company, mandated as the exclusive nominee to hold and manage investment in mining assets on behalf of PNG.	-	Taxes (IRC)
<b>Trustees</b>			
Mineral Resources Development Company Ltd (MRDC)	A 100% state-owned company, mandated by the Oil and Gas Act to manage project benefits which are held in trusts by corporate trustees which are subsidiaries of MRDC.	Management fees from trusts managed on behalf of subsidiary landowner companies.	Taxes (IRC)
Ok Tedi Development Foundation	A non-profit subsidiary of Ok Tedi Mining Limited that aims to improve self-sustainability & the quality of life of Western Province communities.	Funding from OTML, CMCA Trusts and Western Province Peoples Dividend Trust Fund, various trusts and partnerships with donors and aid agencies.	Local and regional economic development projects to communities.

Highlights of PNG 2019 EITI Report data  
**(8) State-Owned Enterprises (SOEs) – Revenue streams through SOEs**

Following diagram illustrates the main revenue flows through SOEs excerpted from the Report.

Highlights of PNG 2019 EITI Report data  
**(8) State-Owned Enterprises (SOEs) – PNGEITI SOE Scoping Study**

PNG EITI SOE Scoping study has been conducted.

- PNG EITI commissioned a consultant to conduct the Scoping Study on the Operations of State-Owned Entities (SOEs) and Trustees in the Extractive Sector in 2020.
- The main objective of the study was to provide a comprehensive explanation of how the requirements of 2019 EITI Standard apply to the PNG context with regard to SOEs and Quasi-Fiscal Expenditures (QFEs).
- The study report provides the recommendations on:
  - Definition of SOE
  - Definition of QFE
  - Reporting template for SOEs
- The extractive sector SOEs are expected to take a proactive approach to information disclosure and enhancing transparency of their activities in collaboration with PNGEITI towards mainstreaming EITI reporting.
- In this connection, the Independent Administrator (IA) recommends "Timely audits of SOEs (#14)" in the Report.
- According to the EITI Standard, SOEs are also expected to publicly disclose their audited financial statements (#2.6).

SOE Scoping Study Report is available on the PNGEITI website: <https://www.pngeiti.org/pg/soe-scoping-study/>

Highlights of PNG 2019 EITI Report data  
**(9) Results of Reconciliation**

**What is Reconciliation? – Accuracy and reliability**

- ✓ The Independent Administrator (IA) compares the amounts reported as paid by the extractive industries to government entities against the receipts reported by government.
- ✓ The IA, with the assistance of the PNG EITI National Secretariat and the MSG, subsequently engaged with both paying and receiving entities to ensure reported data is accurate and properly reconciled.

**Why is it important? – Transparency and accountability**

- ✓ The EITI has its agreed principles to increase transparency over payments and revenues in the extractive sector.
- ✓ It highlights the importance of transparency by governments and companies in the extractive industries and the need to enhance public financial management and accountability (Principle 5)
- ✓ Therefore, reconciliation is important to increase transparency and accountability.

Highlights of PNG 2019 EITI Report data  
**(9) Results of Reconciliation**

The following graph shows the size of each of the revenue streams received by the State in 2019 and the amount of reconciled and not reconciled revenue.

(Source: Figure 65, PNG EITI 2019 Report)

	Total amount reported paid (PGK)	Total amount reported received* (PGK)	Sum of variance (PGK)	Sum of variance (absolute value) (PGK)	Proportion of Sum of absolute variance to Total amount reported received
Reconciled	4,452,694,306	4,458,599,462	5,904,754	67,008,930	1.50%
Unilateral	443,918,977	122,019,661			

(Source: Table 114, PNG EITI 2019 Report) (\* Total amount reported received are the revised amounts from initially reported amount during the reconciliation.)

Highlights of PNG 2019 EITI Report data  
**(9) Results of Reconciliation – Variance of amounts reported**

**Corporate income tax**

- Overall corporate income taxes were substantially reconciled, although the percentage of variance in 2019 was higher than that of 2018.
- Some amount of variance was due to the foreign currency translation.
- Other variances were a result of classification of corporate income tax to additional profits taxes.

(Source: Table 115, PNG EITI 2019 Report; Table 80, PNG EITI 2018 Report)

Highlights of PNG 2019 EITI Report data  
**(9) Results of Reconciliation – Variance of amounts reported**

**Salary and Wages tax (Group tax)**

- Overall Salary and Wages Taxes (SWT) were substantially reconciled, although the percentage of variance in 2019 was higher than that of 2018.
- The significant variances initially recognized were decreased with reconciliation by considering Goods & Services Tax (GST) offsets lodged by the company and approved by IRC, and GST refunds applied on SWT liability by the company and confirmed by IRC.

(Source: Table 116, PNG EITI 2019 Report; Table 80, PNG EITI 2018 Report)

**PNG 2019 EITI Report Chapter 11: Findings and recommendation**

The Independent Administrator presented the recommendations based on the following observations to enable the MSG to improve its EITI process across PNG for further reporting periods.

#	Observations	Responsible
1	Address findings of Independent Validation	All entities
2	Data collection	All entities
3	Presentation of government revenue	MSG
4	Reconcile mandatory and social expenditures	MSG
5	Increase data availability through PNG government web portals for licence allocation	DPE, MRA
6	Assurance and compliance reviews over royalties and levies	DPE, MRA
7	Improve comprehensiveness of data	All entities
8	Improve consistency of data reported	DPE, MRA
9	Include import and excise taxes as reporting revenue streams	MSG
10	Co-ordinated reconciliation of sub-national payments and transfers	MSG
11	Address findings of the PNG Beneficial Ownership Report 2020	MSG
12	Availability of Financial Reports	All entities

- PNG 2019 EITI Report Chapter 11: Findings and recommendation**
- What recommendations are relevant to your entity?
  - How are they relevant to your entity / work?
  - What kind of measures are needed to address them?

**PNG 2019 EITI Report Chapter 11: Findings and recommendation**

Following recommendations were made for all reporting entities to take immediate measures for the general issues.

Observations	Recommendations	Notes
1 Address findings of Independent Validation	MSG continuously address the findings made in the first Validation.	Any recommendation from the first Validation?
2 Data collection	<ul style="list-style-type: none"> <li>Earlier commencement</li> <li>Mandatory participation of representatives</li> <li>Reporting entities should raise earlier known issues</li> </ul>	Suggested to start earlier and communicate any challenges arise.

**PNG 2019 EITI Report Chapter 11: Findings and recommendation**

Particularly for DPE and MRA, following recommendations were made.

Observations	Recommendations	Notes
5 Increase data availability through PNG government web portals for licence allocation	<ul style="list-style-type: none"> <li>MRA to keep up to date the information within web portals.</li> <li>DPE to be more engaged in creating a licence portal accessible by the public.</li> </ul>	Are the information accessible and updated?
6 Assurance and compliance reviews over royalties and levies	<ul style="list-style-type: none"> <li>MRA and DPE to perform regular inspection of amounts reported by extractive companies</li> <li>MRA and DPE should have access to relevant government data to support its financial close process and reconcile companies' remittances against receipts.</li> </ul>	What are the areas of improvement?
8 Improve consistency of data reported	<ul style="list-style-type: none"> <li>DPE to have regular production data update published on its web portal.</li> <li>Data should uniformly report the type, amount, commodity and measurement used.</li> </ul>	What are the areas of improvement?



**PNG 2019 EITI Report**  
**Chapter 11: Findings and recommendation**

- ▶ Following recommendations were made for MSG to decide the direction.

	Observations	Recommendations	Notes
3	Presentation of government revenue	MSG to define the Government Revenue	What is relevant to your entity?
4	Reconcile mandatory and social expenditures	MSG to create a mechanism where social expenditures are reported and reconciled.	Are there any such expenditures in your entity?
9	Include import and excise taxes as reporting revenue streams	• Import and excise taxes will be included as part of material reporting revenue streams which are required to be reconciled.	What is relevant to your entity?

**PNG 2019 EITI Report**  
**Chapter 11: Findings and recommendation**

- ▶ Following recommendations were made for MSG to decide the direction by paying more attention.

	Observations	Recommendations	Notes
10	Co-ordinated reconciliation of sub-national payments and transfers	• MSG and the NS devise a work-plan • NS should work with NEFC to improve subnational reporting	What is relevant to your entity?
11	Address findings of the PNG Beneficial Ownership Report 2020	• MSG and NS address the observations in the PNG Beneficial Ownership Report	What observations are relevant to your entity?

**PNG 2019 EITI Report**  
**Chapter 11: Findings and recommendation**

- ▶ Following recommendations were made for all reporting entities to consider the measures, in line with the context of mainstreaming EITI in the country.

	Observations	Recommendations	Notes
7	Improve comprehensiveness of data	• Auditing the receipts of government agencies and SOE's • Reporting entities provide more accurate and reliable information. • All SOEs financial statements should be published	How the accuracy of the information is ensured?
12	Availability of Financial Reports	• Financial information should be disclosed in the PNG EITI report.	Are audit financial reports disclosed?

**PNG 2019 EITI Report**  
**Chapter 11: Findings and recommendation**

- ▶ What recommendations are relevant to your entity?
- ▶ How are they relevant to your entity / work?
- ▶ What kind of measures are needed to address them?

1	Address findings of Independent Validation
2	Data collection
3	Presentation of government revenue
4	Reconcile mandatory and social expenditures
5	Increase data availability through PNG government web portals for licence allocation
6	Assurance and compliance reviews over royalties and levies
7	Improve comprehensiveness of data
8	Improve consistency of data reported
9	Include import and excise taxes as reporting revenue streams
10	Co-ordinated reconciliation of sub-national payments and transfers
11	Address findings of the PNG Beneficial Ownership Report 2020
12	Availability of Financial Reports

**Review of EITI reporting process in the entity**  
**Areas of improvement for the next EITI reporting**

- ▶ Let us review the reporting process in your entity.
  - ▶ Criteria
    - ▶ Timely submission
    - ▶ Comprehensiveness / completeness
    - ▶ Accuracy
  - ▶ Stages of reporting
    - ▶ Data collection
    - ▶ Filling in the template
    - ▶ Compiling information from respective officers
    - ▶ Sign-off the template by Senior Management
    - ▶ Submission of the template
    - ▶ Review of the draft report
  - ▶ Coordinating
    - ▶ Within the relevant officers in your entity
    - ▶ With Independent Administrator
    - ▶ With National Secretariat / MSG

**Review of EITI reporting process in the entity**  
**Areas of improvement for the next EITI reporting**


- ▶ Are there any improvements from the previous years reporting process?
  - **Successful example to be replicated within your entity**
  - **Good practices to be applicable to other entities**
- ▶ Are there any weakness to be addressed for the next year's reporting process?
  - **Matters to be handed over**
  - **Lessons learned**
- ▶ Are there any recommendations relevant to your entity?
  - **Anything to consider by the time of reporting**
  - **Any suggestions to MSG, NS or IA**

## **Annex 2: Products Produced by the Project**

6. Education / Awareness Promotion  
Materials

**2-6-9 Understanding Gender Based  
Violence**

Please do not alter the contents without seeking permission by PNGETI




**- Learning Module -  
Understanding  
Gender Based Violence  
and Its Impact on Extractive Community**

Photo Courtesy of Mineral Resource Authority (MRA)/GoPNG Women Land Owners Consultation - Siribari Mining Project-

Click

## Welcome!

Last updated: 2021.06.25 

**Background**  
The extractive industries have the potential to bring significant economic growth and social development. However, women are often excluded from their benefits, while being disproportionately vulnerable to many of the risks associated with the industry such as **Gender Based Violence (GBV)**.

The Government of PNG (GoPNG) joined the **Extractive Industries Transparency Initiative (EITI)** in 2013. Through its Multi-Stakeholder Group (MSG) represented by GoPNG, Extractive Industry and Civil Society Organisations (CSOs), PNGETI implements various training and awareness raising activities to promote an **inclusive, transparent and accountable extractive industry**. This learning module was developed by PNGETI with an aim to enhance CSO's capacity to respond to the needs of women and community impacted by extractive projects.

**Who is this module for?**  
This module is suitable for community leaders, CSO workers and those who work with women in the community impacted by the extractives industry. You can complete the module as an individual "self learner" or as a group with your colleagues.


**Objectives of this module**  
Upon completion, you will be able to:

- Understand the underlying causes, the nature and types of GBV and its impact on extractives communities; and
- Identify and/or undertake some of the key activities to help prevent or deal with GBV in the extractive community.

This module should take about 40-50 minutes to complete. Click on the button to begin!

Start

## Module Structure



- Part 1: The Situation in PNG**
  - Introduction
  - Definition of Gender Based Violence (GBV)
  - Facts about GBV in PNG
  - GBV and Extractives Community
  - GoPNG's Commitments to Combatting GBV
- Part 2: Learning about GBV**
  - Common Types of GBV in PNG
    1. Trafficking in Person
    2. Sexual Harassment
    3. Intimate Partner Violence
    4. Sexual Assaults/Rape
  - Impact of GBV
- Part 3: Actions to Combat GBV**
  - Suggested Activities for CSO Community Organisations to Combat GBV in the extractive community
  - Message for Women as Individuals
- Part 4: Consolidate Your Learning**
  - Learning Quiz
  - Key Takeaways

## Part 1 The Situation in PNG

- Introduction
- Definition of Gender Based Violence (GBV)
- Stats and Facts about GBV in PNG
- GBV and Extractives Community
- GoPNG's Commitments to Combatting GBV

Introduction

**Introduction** 1/3 of woman globally have been beaten, coerced into sex, or abused in her lifetime. Most often the abuser is a member of her own family.

Click the video below to watch a short clip by UN Women - the UN agency working to combat GBV - about violence against women and girls.



Source: UN Women

Introduction

**What is Gender-Based Violence (GBV)?**

Physical, emotional, psychological and sexual abuse directed against a person because of his or her **gender** in a society or culture including, but not limited to, acts committed with force, manipulation or coercion and without the informed consent of the person, to gain control and power over them.

Common forms of GBV include rape/penetration, sexual assault, physical assault, trafficking/ abduction, sorcery-related violence, forced and/or early marriage, denial of resources, opportunities and services, psychological/emotional abuse, and removal or damage of property.

(Source: Papua New Guinea National Strategy to Prevent and Respond to Gender Based Violence 2016-2025)

**Gender and Sex. What's the difference?**

**Sex**  
It refers to physiological attributes that identify a person as male or female: e.g...  

- Genital organs
- Type of predominant hormones
- Ability to produce sperm or ovaries
- Ability to give birth and breastfeed (women)

**Gender**  
It refers to the characteristics of women and men that are socially : includes ideas about "typically" feminine/female and masculine/male characteristics, abilities and behaviours.

Introduction

**Some Stats and Facts about GBV in PNG**  
Click each number to see the detail

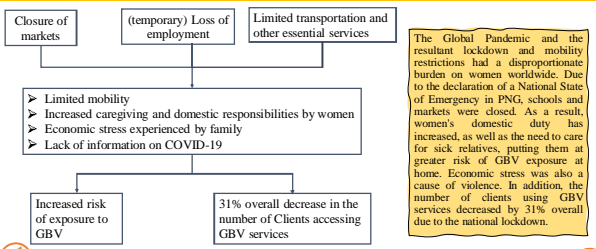
- Fact 1:** 90% of women in prison are serving time for murder. They acted in self-defence to family violence.
- Fact 2:** 62% of sexual abuse cases in the National Capital District involved children.
- Fact 3:** 56% of women aged 15-49 in PNG have experienced physical violence since age 15 and 28% have experienced sexual violence.
- Fact 4:** 80% of men reported committing violence (including sexual violence) against their partners.
- Fact 5:** 41% of men in PNG admit to having raped someone and 7.7% of men admit to having perpetrated male rape.
- Fact 6:** 15% of girls between the ages of 15-19 are already married or engaged. Young girls are often given in marriage to pay familial debts, and they thereby find themselves exploited.

Both men and women can be the victims of GBV!

Source: The Demographic and Health Survey in PNG 2016-2018, OED Gender Violence in Papua New Guinea

Introduction

**Impact of COVID-19 on GBV in PNG**



The Global Pandemic and the resultant lockdown and mobility restrictions had a disproportionate burden on women worldwide. Due to the declaration of a National State of Emergency in PNG, schools and markets were closed. As a result, women's domestic duty has increased, as well as the need to care for sick relatives, putting them at greater risk of GBV exposure at home. Economic stress was also a cause of violence. In addition, the number of clients using GBV services decreased by 31% overall due to the national lockdown.

Source: UN Women (2020) Gender Alert on COVID-19 in Papua New Guinea

**GBV and Extractive Community in PNG**

Despite local development, communities impacted by the extractive industry are particularly vulnerable to GBV risks because:

- Extractive activity could trigger local tribal fights over land dispute, in which women are often targeted for revenge murders.
- Influx of male workers, with ready access to cash results in an increase in violence such as rape and sexual harassment.
- Criminal behaviors such as drug use and prostitution, which is often accompanied by the spread of HIV/AIDS and other Sexually Transmitted Diseases (STD), are at risk of increase.

Following this incident, the extractive company has set the mechanism to prevent such cases and acted on dealing with GBV in the community.

GBV incidents in Porgera Gold Mine shocked the nation (2015)

Porgera has become home to issues such as environmental destruction, increased alcohol and drug use and increased levels of domestic and sexual violence towards women:

- Over 200 women and girls have experienced rape and sexual assault by guards and security personnel employed by the Porgera gold mine.
- Many women in the area have also been arrested, beaten, raped and then imprisoned for "illegal mining" while panning for gold.

The Porgera incident is explained more in a case study later.

Source: MEF (2012) *Gender-Based Violence in the Highland of Papua New Guinea: A Literature Review*. Each Rights International (2016) FACTSHEET: Abuse by British G4S Corporation. SMH/2012-2013 and crime records are 11 of them are from the same data from the world's largest gold mine.

**PNG Government's Commitments to Combatting GBV**

Convention on the Elimination of All Forms of Discrimination against Women (CEDAW) - CEDAW was ratified by Papua New Guinea on 12 January 1995.

The Royal PNG Constabulary (RPNPC) pilot of FSV desks in stations - 15 Family and Sexual Violence Units (FSVUs) were established throughout the country.

National Policy for Women and Gender Equality 2011-2015 - the policy identifies eight strategies for implementation aiming to create an enabling environment within which GBV issues are addressed.

PNG National Policy on Social Protection 2015-2020 - women and girls, including victims of GBV must be recognized as vulnerable and disadvantaged groups, requiring full protection and adequate assistance from government and society at large to improve their health, livelihood and wellbeing.

National Summit on Ending Gender-Based Violence entitled "Now is the Time - United for Equality" resulted in the National Capital District's Commission 2020 to 2022. Strategy to End GBV - recommendations were compiled and synthesized into an Outcome Statement.

The National Department of Health (NDH) Family Support Centres (FSC) - the rollout of FSCs commenced in 2008.

National Health Plan 2010-2020 - the Plan recognizes the need to improve the health sector response to prevention of injuries, trauma and violence that impact families and community.

Government of PNG Public Service Gender Equality and Social Inclusion (GESI) Policy 2013 - the Policy sets up GESI Desk in each Government Department.

The 2013 Family Protection Act & the Village Courts Act enacted - the Act criminalises domestic violence and allows victims to receive proper legal protection through an Injunctive Protection Order.

The National Strategy to Prevent and Respond to Gender Based Violence (2016-2025) - a roadmap to an inclusive government-led approach in implementing all legislative, policies and programs to address GBV and Family and Sexual Violence (FSV).

Timeline: 1995, 2003, 2008, 2010, 2011, 2013, 2015, 2016, 2022

**Part 2 Learning about GBV**

- Common Types of GBV in PNG (1. Trafficking in Person, 2. Sexual Harassment, 3. Intimate Partner Violence, 4. Sexual Assaults/Rape)
- Impact of GBV

**GBV Tree**

Examples of GBV: Verbal Emotional Abuse, Trafficking in Person, Rape, FGM, Domestic Violence, Sexual Abuse, Marital Rape, Verbal, Emotional Abuse based on Gender, Dowry Abuse.

Contributing Factors: Poverty, Lack of Education, Conflict, Sexual, Physical, Emotional/Mental, Economic, Alcohol/drug abuse, Lack of Police Protection, Gender Inequality.

Root Causes: Disrespect for Human Rights, Abuse of Power.

**Common Types of GBV in PNG**

A survey of criminal offences committed in three provinces/region in 2011

Province/Region	Sexual Assault/Rape	Sexual Harassment	Intimate Partner Violence	Trafficking in Person	Domestic Violence
Bougainville	37	15	15	52	31
West Sepik	32	26	11	50	38
Western Province	34	21	19	44	18

The results from surveys in Bougainville, West Sepik Province and Western Province (see graph left) give us some insight into common GBV cases in PNG. Many offences committed are related to GBV. The most frequent offence is drug and alcohol related crime, which can fuel violence against women and girls.

In the following slides, the details of common types of GBV in PNG will be explained.

1. Trafficking in Person
2. Sexual Harassment
3. Intimate Partner Violence
4. Sexual Assaults/Rape

Source: KOM-DIAG (2012) People Smuggling and Human Trafficking Baseline and Training Needs Assessment Survey

**1. Trafficking in Person (TIP) (1/4)**

Now, watch a video clip about Trafficking in Person.

UNODC - United Nations Office on Drugs and Crime

**1. Trafficking in Person (TIP) (2/4)**

Human Trafficking is the recruitment, transportation, transfer, harbouring or receipt of people through force, fraud or deception, with the aim of exploiting them for profit. Men, women and children of all ages and from all backgrounds can become victims of this crime, which occurs in every region of the world. The traffickers often use violence or fraudulent employment agencies and fake promises of education and job opportunities to trick and coerce their victims. (UNODC)

A survey of TIP reported in three provinces/region in 2011

Province/Region	Sex Trafficking	Labour Trafficking	Child Trafficking	Domestic Servitude Trafficking
Bougainville	55	50	28	39

Globally, human trafficking is a highly under-reported offence. In PNG, under-reporting of human trafficking cases is compounded with the very low awareness of human trafficking amongst the public. Therefore, this chart, while confirming that human trafficking occurs in PNG, may not show its full extent.

Source: KOM-DIAG (2012) People Smuggling and Human Trafficking Baseline and Training Needs Assessment Survey

**1. Trafficking in Person (TIP) (3/4)**

Demographics vulnerable to become victims of trafficking in PNG according to survey respondents

Demographic	Male	Female
Adults	29	34
Young Persons	46	37
Children	12	20
Regular Migrants	4	17
Irregular Migrants	12	17

Women are more likely to become victims of TIP. Sexual exploitation is one of the common purposes (forced undressing and/or nakedness, coerced marriage, forced childbearing, engagement in pornography or prostitution, etc).

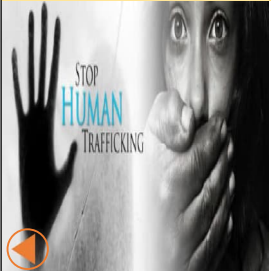
Young men are also at highest risk to become a victim to trafficking. Like young women, young men represent a vulnerable group of society as they are in search of income generating opportunities which makes them vulnerable to deception and coercion.

Extractive industries at risk of TIP  
"Trafficking is particularly common in the extractive industries, such as logging, mining and fishing, far away from government reach. Women are subjected to sex trafficking, domestic servitude and forced begging, while men are forced to work in dangerous environments." Paul Barker, PNG Institute for National Affairs  
Source: Radio New Zealand (2016) & United States Government Report on human trafficking (2016)



Part 1 Common Types of GBV in PNG Trafficking in Person Sexual Harassment Intimate Partner Violence Sexual Assault/Rape Impact of GBV Part 3 Part 4

## 1. Trafficking in Person (TIP) (4/4) – Case Study



Bride price is a notable Melanesian tradition that has been passed from one generation to another. Traditionally, bride price was a form/gesture of appreciation towards the parents and relatives of the family for raising a woman with traditional moral values. However, bride price is no longer about showing appreciation to the bride's family. Today, rather it has become a stage for men to show off their status and standing in their communities. With the large amount of money being paid to the family of the wife, the husbands become arrogant and treat women as their property, because they paid them off.

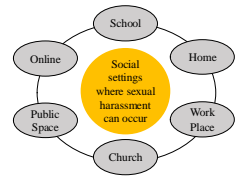
Especially in culture where polygamy is practised, women are often at risk of trafficking or traded as "commodity" when considered a burden for the family. Sadly, there are many cases of women and girls being trafficked for prostitution or domestic servants in PNG today. (PNG National News Updates 2021)

Part 1 Common Types of GBV in PNG Trafficking in Person Sexual Harassment Intimate Partner Violence Sexual Assault/Rape Impact of GBV Part 3 Part 4

## 2. Sexual Harassment (1/3)

Any unwelcome, usually repeated and unreciprocated sexual advance, unsolicited sexual attention, demand for sexual access or favours, sexual innuendo or other verbal or physical conduct of a sexual nature, display or pornographic material, when it interferes with work, is made a condition of employment or creates an intimidating, hostile or offensive work environment.

(Source: Papua New Guinea National Strategy to Prevent and Respond to Gender Based Violence 2016-2025)



**Street Harassment: What is catcalling?**  
Catcalling is a form of sexual harassment which usually happens on the street. It includes unwanted flirtatious comments, provocative gestures, honking, wolf-whistlings, indecent exposures, stalking, persistent sexual advances, and touching by strangers, in public areas such as streets, shopping malls and public transportation.

Part 1 Common Types of GBV in PNG Trafficking in Person Sexual Harassment Intimate Partner Violence Sexual Assault/Rape Impact of GBV Part 3 Part 4


## 2. Sexual Harassment (2/3)

Physical	Visual	Verbal
<ul style="list-style-type: none"> <li>Inappropriately touching</li> <li>Unwelcome behavior</li> <li>Using intimidating gestures</li> <li>Blocking another employee movements</li> <li>Etc...</li> </ul>	<ul style="list-style-type: none"> <li>Sending sexual images or videos</li> <li>Unwelcome gestures to another person</li> <li>Staring at someone else's body offensively</li> <li>Etc...</li> </ul>	<ul style="list-style-type: none"> <li>Making inappropriate jokes, remarks, teasing, or asking sexually related questions</li> <li>Catcalling</li> <li>Embarrassing someone in front of people</li> <li>Gossiping about someone and spreading lies</li> <li>Etc...</li> </ul>

**Examples of Government's Policy/Programme to Combat Sexual Harassment**  
**Gender Equity in Education Policy (2002) (Reprinted 2009)**  
This policy makes a commitment to creating a learning environment free from all forms of violence and sexual harassment.  
**Safe Public Transport for Women and Children Programme (2016) - Meri Seif Bus**  
It is a bus exclusively for women and children which provides the tracking systems and three uniformed bus crews, a safe space where women and girls can travel safely and discuss issues affecting their safety and mobility.

Part 1 Common Types of GBV in PNG Trafficking in Person Sexual Harassment Intimate Partner Violence Sexual Assault/Rape Impact of GBV Part 3 Part 4

## 2. Sexual Harassment (3/3) – Case Study



D is in prison charged with the murder of Lucas, a young man who was D's husband's nephew. Lucas lived with D and her family, but constantly took drugs and home-brew and sexually harassed D when intoxicated, including by attacking her on one occasion with a knife. Although D's husband intervened and kicked Lucas out of the house, he continued to harass D, whose husband was often away. On one occasion Lucas broke into her house and tried to burn down her room. Her neighbours came to her assistance and called the police, but Lucas fled before the police arrived. After the incident, D's husband suggested that she should go with the children to her family's home. However, on her way there Lucas reappeared, clearly intoxicated, and attacked her with a knife in front of the children. While her older son ran to fetch D's husband, she struggled with Lucas and stabbed him in self-defence. When help arrived he was rushed to the hospital but he did not survive. D was sentenced to 16 years in prison.

(Source: UN (2013) Report of the Special Rapporteur on Violence against Women, its Causes and Consequences)

Part 1 Common Types of GBV in PNG Trafficking in Person Sexual Harassment Intimate Partner Violence Sexual Assault/Rape Impact of GBV Part 3 Part 4

## 3. Intimate Partner Violence (IPV) (1/5)

In PNG, 2 out of 3 women are victims of domestic violence

**2 in 3 Women**  
Surveyed in 4 PNG Provinces have reported experiencing domestic violence


Intimate Partner Violence (IPV) is also called domestic abuse or domestic violence. IPV is the most prevalent form of GBV across countries and defined as behaviour within an intimate relationship that causes physical, sexual or psychological harm. This includes acts of physical aggression, sexual coercion, psychological abuse and controlling behaviours.

Physical Sexual Economic Emotional Psychological Threats

(Source: Papua New Guinea National Strategy to Prevent and Respond to Gender Based Violence 2016-2025)

Part 1 Common Types of GBV in PNG Trafficking in Person Sexual Harassment Intimate Partner Violence Sexual Assault/Rape Impact of GBV Part 3 Part 4

## 3. Intimate Partner Violence (IPV) (2/5)



Incident is "forgotten" no abuse is taking place. The "honeymoon" phase

Tensions increase, breakdown of communication, victim becomes fearful and feels the need to placate the abuser

Abuser apologises, gives excuses, blames the victim, denies the abuse occurred, or says that it wasn't as bad as the victim claims

Verbal, emotional and/or physical abuse. Anger, blaming, arguing, Threats, Intimidation.

Cycle of Violence

Part 1 Common Types of GBV in PNG Trafficking in Person Sexual Harassment Intimate Partner Violence Sexual Assault/Rape Impact of GBV Part 3 Part 4

## 3. Intimate Partner Violence (IPV) (3/5)

Proportion of ever-partnered women and girls aged 15 years and older subjected to physical, sexual or psychological violence by a current or former intimate partner in the previous 12 months.

54.3%

44.4% Physical Violence  
24.2% Sexual Violence  
43.7% Psychological Violence

According to The 2016-18 Papua New Guinea Demographic and Health Survey (2016-18 PNG DHS), 54.3% of women have experienced physical, sexual, or emotional Violence by current or former partner. The most common type of violence is physical violence (44.4%), followed by emotional violence (43.7%). 24.2% of women have experienced sexual violence.

Part 1 Common Types of GBV in PNG Trafficking in Person Sexual Harassment Intimate Partner Violence Sexual Assault/Rape Impact of GBV Part 3 Part 4

## 3. Intimate Partner Violence (IPV) (4/5)

Earliest moment for prevention of intimate partner violence

Child experiencing maltreatment and/or witnessing violence between parents during childhood/adolescence

Intergenerational transmission

Negative externalised behavior: bullying in school, aggression/antisocial behavior; dating violence, either as perpetrator or survivor, during childhood/adolescence

Perpetrating or experiencing IPV, perpetrating child maltreatment during adulthood


Intergenerational effects of spousal violence are evident in PNG. Women who report that their fathers beat their mothers are much more likely (70%) to have themselves experienced spousal violence than women who report that their fathers did not beat their mothers (57%).

Anti-social, aggressive behavior, dating and intimate partner (and sexual) violence, as perpetrator or survivor, during adolescence/young adulthood.

(Source: The 2016-18 Papua New Guinea Demographic and Health Survey (2016-18 PNG DHS) Case International: Addressing the Intergenerational Transmission of Gender-Based Violence: Focus on Educational Settings)

Part 1 Common Types of GBV in PNG Trafficking in Person Sexual Harassment Intimate Partner Violence Sexual Assault/Rape Impact of GBV Part 3 Part 4

### 3. Intimate Partner Violence (IPV) (5/5) – Case Study



The case involves Debbie Kaore, an international rugby player, boxer and Pacific Games Gold Medalist. On the evening of 4 June 2020, Kaore was brutally beaten in an attack filmed by a friend on a mobile phone. The video, later posted by Kaore on Facebook, shows her being headbutted twice before being struck with a hot clothes iron. The video, as well as images of Kaore's injuries, were widely shared by Facebook users.

The alleged perpetrator of Kaore's abuse is PNG Army Lieutenant Murray Oa, who has been charged over the attack and released on a court bail of K1,200 by the Waigani Committal Court. (Development Policy Centre, Australian National University, 2020)

Part 1 Common Types of GBV in PNG Trafficking in Person Sexual Harassment Intimate Partner Violence Sexual Assault/Rape Impact of GBV Part 3 Part 4

### 4. Sexual Assaults/Rape (1/2)

**Sexual Assault** - A person is guilty of the crime of sexual assault if, without another person's consent, he or she touches, with any part of his or her body, the sexual parts of the other person; or compels another person to touch, with any part of his or her body, the sexual parts of the accused person's own body.


**Rape** - A person who sexually penetrates another person without his or her consent is guilty of the crime of rape

**Incest** - The crime of sexual relations or marriage taking place between a male and female who are so closely linked by blood or affinity that such activity is prohibited by law and custom. For the purpose of this section, a close blood relative means a parent, son, daughter, sibling (including a half-brother or half-sister), grandparent, grandchild, aunt, uncle, niece, nephew or first cousin, who are family members from birth and not from marriage or adoption.

(Source: Papua New Guinea National Strategy to Prevent and Respond to Gender Based Violence 2016-2025)

Part 1 Common Types of GBV in PNG Trafficking in Person Sexual Harassment Intimate Partner Violence Sexual Assault/Rape Impact of GBV Part 3 Part 4

### 4. Sexual Assaults/Rape (2/2) - Case Study



Jane Doe 10, as she is known to protect her identity, was raped in 2010 when she was 14 years old and attending school in Porgera in the country's northern Enga province. Her class had made string bags for police officers who had been brought to the region to boost security around the Porgera mine. One day several officers approached her and offered to pay for their bags. They said they would take her to an ATM to withdraw the money. Instead Jane Doe 10 said she was taken into the mine site where she alleges one of the armed policemen raped her.

"Because of the rape I am now suffering. I would have been somebody if I completed my education," she told the ABC's Pacific Beat program before the settlement was reached. "I was the best student in my class. Because of the rape my future is ruined." (ABC News, 2015)

Part 1 Common Types of GBV in PNG Trafficking in Person Sexual Harassment Intimate Partner Violence Sexual Assault/Rape Impact of GBV Part 3 Part 4

### Negative Impact of GBV includes...

Health	Psychosocial	Economic
<ul style="list-style-type: none"> <li>• Suicide</li> <li>• Maternal Mortality</li> <li>• HIV/AIDS related</li> <li>• Disease</li> <li>• Injury</li> <li>• Disability</li> <li>• Eating Disorder</li> <li>• Alcohol/Drug abuse</li> <li>• Miscarriage</li> <li>• Abortion</li> <li>• Menstrual disorder</li> <li>• PTSD</li> <li>• Depression</li> </ul>	<ul style="list-style-type: none"> <li>• PTSD</li> <li>• Anxiety, Fear</li> <li>• Suicidal thoughts/ behavior</li> <li>• Self-hate</li> <li>• Insecurities</li> <li>• Loss of role function in society</li> <li>• (earn income, care for children)</li> <li>• Social stigma</li> <li>• Social rejection and isolation</li> </ul>	<p>The economic costs of lost productivity due to domestic violence conservatively range from 1.2 to 2 percent of GDP - about most governments' spending on primary education in developing countries.</p>

## Part 3

### Actions to Combat GBV

- Suggested Activities for CSO/Community Organisations to Combat GBV in the extractive community
- Message for Women as Individuals

Part 1 Part 2 Suggested actions Measures to combat GBV Message for women Part 4

### Suggested actions – how to prevent/minimise GBV in communities

What can you do as a community organisation?

**Engage and sensitise community and conduct GBV prevention and response activities**

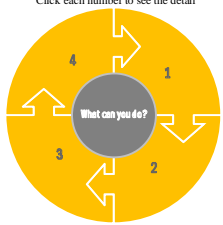
- Raise the awareness among women, girls, men and boys about GBV. (Engaging with men and boys to promote a culture of non-violence is critical)
- Conduct special training for community CSO members on GBV so they are well equipped to deal with GBV.
- Initiate and promote community-based services to prevent and respond to GBV cases and protect the victims of GBV appropriately (hotline and shelter services, initiatives to promote women leadership, economic empowerment of women etc)

Learn about GBV	Obtain relevant information	Create and promote referral system
Be familiar with GBV issues in PNG and in your community. (Utilise this GBV training material)	Find out from Sub National Government's Department about its policy and mechanism to prevent and deal with GBV in the community.  (eg. The 2013 Family Protection Act & the Village Courts Act, Family and Sexual Violence Units (FSVUs) by R/PNGC, Family Support Centre by NDOH)	Establish well functioning GBV support referral system :  Formal: health facilities, police, social welfare resources, shelters Informal: social network, community group, trustable community leaders, churches

Part 1 Part 2 Suggested actions Measures to combat GBV Message for women Part 4

### Measures to combat GBV specific to the Extractive Sector

Click each number to see the detail



Advocate for social payments and expenditures from extractive projects to be utilised for GBV prevention and response activities. (e.g. Women's leadership training, Infrastructure to promote well-lit and safe community environment, increased community policing etc)

Engage with the extractive project company to confirm they have robust policy and practice to prevent GBV, and in the event of GBV incidence perpetrated by its employee, deal with GBV cases appropriately.

Engage in the Development Forum process to ensure that Memorandum of Agreement has gender issues and GBV risks addressed. Nominate community representatives who can participate in decision making and voice women's concerns to DF.

Engage with Landowner Association/ Landowner Business and raise the awareness of GBV risks and impact. Ensure women's voices are represented at the decision making platform.

Part 1 Part 2 Suggested actions Measures to combat GBV Message for women Part 4

### Lastly.... Messgae for Women as Individuals

- Be aware of your surroundings when you walk alone
- Avoid dark areas (try not to go out alone when it gets dark)
- Do not hesitate to consult a trusted person about GBV issues you may have at home/work
- Do not hesitate or feel ashamed to report GBV incidents to the Police, trusted organisation, or someone you trust.

If you need help, do not hesitate to call for help. Call the number below.

**Hotline Number**

+675 7150 8000  
The 1-Tok Kaunselin Helpim Lain  
Open 24/7!

# Part 4

## Consolidate Your Learning

- Learning Quiz
- Key Takeaways

Part 1 Part 2 Part 3 Learning Quiz Key Takeaways

### Learning Quiz (1/3)

#### Is this about Gender or Sex?

Click the one you think is right

a) Women can breastfeed but men cant ~~Gender~~ Sex

b) Women should stay home and do all the household chores ~~Gender~~ ~~Sex~~

c) Men are more likely to be good at math and science ~~Gender~~ Sex

d) Women can get pregnant but men cannot ~~Gender~~ Sex

e) Women are more emotional then men ~~Gender~~ ~~Sex~~

**Point**

Sex is biological, while gender is socially constructed. Therefore, a and d are about sex

Part 1 Part 2 Part 3 Learning Quiz Key Takeaways

### Learning Quiz (2/3)

#### True or False?

Sexual Harassment is usually physical act which makes someone uncomfortable. As long as it is not physical, it is not considered as sexual harassment. ~~True~~ False

Click here to read the content Sexual Harassment includes physical, verbal and visual act. ~~True~~ False

Young people who are exposed to the violence at home, either as witnesses or survivors are likely to have negative behavior later in life, such as dating violence during adolescence or intimate partner violence as adults True ~~False~~

Click here to read the content The flow of violence from parents to children and the resulting expressions of violence by the next generation continue, negatively impacting all involved. ~~True~~ False

You can do anything to your spouse as long as you are married even if it is unwelcomed ~~True~~ False

Click here to read the content Even if you are married or in the committed relationships, any unwelcomed behaviour should not be allowed ~~True~~ False

Part 1 Part 2 Part 3 Learning Quiz Key Takeaways

### Learning Quiz (3/3)

#### True or False?

It is ok that women are excluded from (extractive) community consultations and decisions on resettlement and compensation. ~~True~~ False

Click here to read the content Women living near extractive sites should be an important stakeholder as well as men ~~True~~ False

GBV is a private matter. Nobody should not involve in someone's business at any situation. ~~True~~ False

Click here to read the content Gender based violence is a life-threatening, global health and human rights issue that violates international human rights law and principles of gender equality. ~~True~~ False


It is only women who can be affected by GBV ~~True~~ False

Click here to read the content Anyone can be a victim of GBV, regardless of age, race, gender, sexual orientation, faith or class ~~True~~ False

Part 1 Part 2 Part 3 Learning Quiz Key Takeaways

### Key Takeaways

- > Gender based violence (GBV) is a phenomenon deeply rooted in gender inequality in society/culture, and continues to be one of the most notable human rights violations within all societies. GBV is violence directed against a person because of their gender.
- > Women and girls near extractive sites are at a higher risk of GBV.
- > Common types of GBV in PNG include Rape, Sexual Harassment, Intimate Partner Violence and Trafficking in Person.
- > The impact of GBV includes Health, Psychosocial and Economic.
- > Suggested actions:
  - Equip yourself and your colleagues with relevant information and knowledge on GBV and raise awareness by engaging with local community members.
  - Before and during extractive projects, engage in the Development Forum process and with the Landowner Association to minimise GBV risks and promote gender responsive extractive sector.

 If you know someone who needs help, do not hesitate to consult a trusted organisation with a safe and victim centred support mechanism.

Part 1 Part 2 Part 3 Learning Quiz Key Takeaways

### Further Reading


For further reading:

- [Papua New Guinea SIGI Country Report - OECD](#)
- [Human Rights Watch: World Report 2021 Papua New Guinea](#)
- [Gender Alert on COVID-19 in Papua New Guinea](#)
- [UN Women in Papua New Guinea](#)

Completed!

# Congratulations!

You have now completed learning module on Understanding Gender Based Violence and Impact on Extractive Community!



Papua New Guinea Extractive Industries Transparency Initiative (PNGEITI) is supported by Japan International Cooperation Agency (JICA) Technical Cooperation Project "Resource Related Revenue Management Improvement Project for Papua New Guinea"

## **Annex 2: Products Produced by the Project**

6. Education / Awareness Promotion  
Materials

**2-6-10 Learning about Women's  
Empowerment Principles**

Promoting Women's Economic Empowerment in the Extractive Industry in Papua New Guinea - Introductory Training based on Women Empowerment Principles

### 1. Training Objectives

- Understand the importance of promoting gender equality and women's economic empowerment in the extractive industry
- Understand the constraints and systemic barriers women face in entering the extractive sector labour force
- Learn about Women's Empowerment Principles and how they could be applied to the extractive sector
- Learn about actions you can take as an extractive company

### Training Contents

1. Why Women in Extractives?
2. The Global situation on Gender Equality
3. The Situation in PNG
4. Case Studies based on Women Empowerment Principles (WEPs)
5. Activity
6. Key takeaways

### 1. Why Women in Extractives?

### Gender equality and women's economic empowerment

**Sustainable Development Goal 5:**  
Achieve gender equality and empower all women and girls

- 5.1 End all forms of discrimination against all women and girls everywhere
- 5.2 Eliminate all forms of violence against all women and girls in the public and private spheres, including trafficking and sexual and other types of exploitation
- 5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life

Gender Equality is a crosscutting theme as well as a goal on its own. All the SDGs are based on the principle of gender equality.

### Why should EITI be promoting gender equality/women empowerment?

### Impact of the Extractive Industry on Women

The Extractive Industry can significantly contribute to social and economic development.

However ...

The industry's social, economic and environmental impacts are often differently experienced by men and women.

- ◆ Women are more vulnerable to the negative impacts of extractive activities.
- ◆ Women also have limited access to job opportunities in the male dominated sector.
- ◆ Furthermore, women may be excluded from community consultations and decisions on the allocation of extractive revenues.

### Global Snapshot of Gender Inequality in the Extractive Sector

- Low Female Employment rate**
  - ◆ 2.5 million people are employed by the mining sector globally
  - ◆ Women make up only 10% of the workforce
- Unequal power relations in decision-making at all levels**
  - ◆ Of the top 500 mining companies, only 5% are female board members.
  - ◆ Only 6% hold executive positions
- Discriminatory laws and customary practices against women**
  - ◆ There are 104 economies with labour laws that restrict the types of jobs women can take. It is estimated that this affects the employment choices of 2.7 billion women. EI is included in the restricted sector.

## Why should EITI be promoting gender equality/women empowerment?

EITI Policy Brief on Gender Equality was published in February 2018

- Women should play a leading role in the consultation and decision making processes in EITI implementation.
- EITI implementation work plans should consider how the extractive industries can contribute towards achieving gender equality.
- MSGs should ensure that EITI communication activities are widely accessible and they promote gender equality.
- MSGs are encouraged to increase training for women's rights organizations on how to track payments made to governments from extractive operations.
- MSGs are encouraged to document activities aimed at gender equality.

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Source: EITI Secretariat website: <https://www.eiti.org/Portals/0/Documents/Gender%20Policy%20Brief%20en.pdf>, accessed on 09 August 2020



## 2. Global Situation on Gender Equality

### Global situation

Gender equality is a human right, and an economic imperative...

- ◆ The global labour force participation rate for women is 49% while that for men is 75%.
- ◆ In low- and lower-middle income countries, women account for 1/3 or less of human capital wealth.
- ◆ Globally, gender inequality results in the loss in human capital wealth estimated at \$160.2 trillion.
- ◆ 75 % of women in developing regions are in the informal economy.
- ◆ The pay gap between women and men is 24%.



(Source: ILO 2021, World Bank 2018, Oxfam 2020)

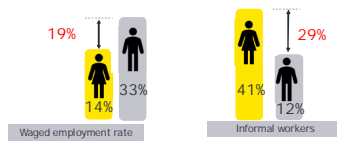
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## 3. Situation on Gender Equality in PNG

### Inequal Economic Participation by Women and Men

#### Facts

- Informal Economy  
Women are more likely to be informally employed with irregular pay.
- Pay-gap  
Average earnings for women are lower than those for men in similar forms of employment.



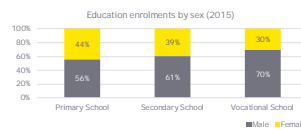
Source: World Bank & [Pacific Economic Inclusion Programme \(2020\)](#) Power Women's and girls' access and Agency Assessment: Papua New Guinea

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### Educational Gains not translated into Economic Gains

#### Some of the Causes

- Lower education and literacy levels for women and girls, despite near-universal enrolments at primary levels
- Cultural norms and expectations for girls and women
- Disproportionate burden of housework and care duties
- Work environment, which doesn't meet the needs of women ....



Source: World Bank & [Pacific Economic Inclusion Programme \(2020\)](#) Power Women's and girls' access and Agency Assessment: Papua New Guinea

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## 5. Gender Equality in the Extractive Industry in PNG

### Quiz Time!

1

In PNG, gender equality is enshrined in the Constitution. However, women are legally not permitted to work underground in the mines.

Is it True or False?

15

16

**Quiz Time!**

2 At the board and managerial levels, what percentage of workforce are represented by PNG women in the extractive sector?

A. 8%  
B. 18%  
C. 28%

17

**Quiz Time!**

3 What percentage of non managerial workforce do PNG women occupy in the extractive sector?

A. 12%  
B. 22%  
C. 44%

18

**Quiz Time!**

4 What are the numbers of employment for men and women in technical positions as reported in PNGEITI Report 2019?

A. 14,123 men and 10,242 women  
B. 629 men and 3,688 women  
C. 4,029 men and 349 women

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**Quiz Time!**

5 A woman who was walking alone at night near a mining site got sexually assaulted. What would you say to her?

A. You should not have walked alone at night – you should know it's risky for women.  
B. It's not your fault. (It is the perpetrator of violence to blame.)  
C. It is the responsibility of the extractive company to ensure safety in and around the project site.

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6. Promoting Women's Participation in the EI:  
Women Empowerment Principles (WEPs)

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Women Empowerment Principles (WEPs)


The Women's Empowerment Principles (WEPs) are a set of Principles offering guidance to business on how to promote gender equality and women's empowerment in the workplace, marketplace and community.

7 Principles

- 1. High-Level Corporate Leadership
- 2. Treat all Women and Men Fairly at Work without discrimination
- 3. Employee Health, Well-Being and Safety
- 4. Education and training for career advancement
- 5. Enterprise development, supply chain and marketing practices
- 6. Community initiatives and advocacy
- 7. Measurement and Reporting

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Women Empowerment Principles (WEPs)



[Women's Empowerment Principles \(WEPs\) | Animation Film](#)

UN Women - Women Empowerment Principles

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Principle 1

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Principle 1: Establish high-level corporate leadership for gender equality

- Affirm high-level support and direct top-level policies for gender equality and human rights
- Establish company-wide goals and targets for gender equality and include progress as a factor in managers' performance reviews
- Engage internal and external stakeholders in the development of company policies, programmes and implementation plans that advance equality
- Ensure that all policies are gender-sensitive – identifying factors that impact women and men differently – and that corporate culture advances equality and inclusion

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Case Study 1 – Exxon Mobil's commitment to gender equality

Exxon Mobil's effort to develop female talent pipeline and improve gender balance form a key part of ExxonMobil's wider activities on inclusion and diversity. Exxon Mobile Companies in UK have made some great achievements.

- ✓ Reduced gender pay gap to 3.9% in UK (average is 17.9%)
- ✓ 41% of Exxon's graduate recruits in 2018 were female
- ✓ 30% of ExxonMobil UK female workforce are in leadership and senior technical positions



Source: ExxonMobil [Report](#), 2018)

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Principle 2

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Principle 2: Treat all women and men fairly at work- respect and support human rights and nondiscrimination


- Pay equal remuneration, including benefits, for work of equal value and strive to pay a living wage to all women and men
- Ensure that workplace policies and practices are free from gender-based discrimination
- Implement gender-sensitive recruitment and retention practices and proactively recruit and appoint women to managerial and executive positions and to the corporate board of directors
- Assure sufficient participation of women – 30% or greater – in decision-making and governance at all levels and across all business areas
- Offer flexible work options, leave and re-entry opportunities to positions of equal pay and status
- Support access to child and dependent care by providing services, resources and information to both women and men

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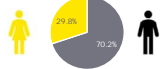
Case Study 2 - BHP's Ambitious Target to Achieve Gender Balance\* by 2025  
\* At least 40% women and 40% men.

BHP is an Australian mining company with global operations. Women represent 29.8% of employee workforce. BHP developed Inclusion & Diversity policy and delivered a number of initiatives including:

- ◆ Enhancing workforce development and retention through coaching and support materials for leaders for both women and men
- ◆ Positive and attractive image of company and profession communicated to target groups of people not actively looking to work for the industry
- ◆ Flexible working policy
- ◆ Mentoring and support networks for women



Employment rate at BHP disaggregated by sex



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Principle 3

30

Principle 3: Ensure the health, safety and well-being of all women and men workers

- Taking into account differential impacts on women and men, provide safe working conditions and protection from exposure to hazardous materials and disclose potential risks, including to reproductive health
- Establish a zero-tolerance policy towards all forms of violence at work, including verbal and/or physical abuse and prevent sexual harassment
- Strive to offer health insurance or other needed services - including for survivors of domestic violence - and ensure equal access for all employees
- Respect women and men workers rights to time off for medical care and counselling for themselves and their dependents
- In consultation with employees, identify and address security issues, including the safety of women traveling to and from work on company-related business
- Train security staff and managers to recognize signs of violence against women and understand laws and company policies on human trafficking, labour and sexual exploitation


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Case Study 3 - St Barbara built a safer workplace for women

With support from Business Coalition for Women, three safety audits were conducted in Simberi Gold Mine between 2016-2018. The audits identified risks and hazards faced by women in the workplace.

As a result of the audits, St Barbara undertook the following activities:

- ◆ Fixed nightshift signs allowing female housekeepers to identify which rooms were occupied by men.
- ◆ Female employees given the option to wear trousers instead of skirts at work.
- ◆ Appointed and trained Gender-Smart Contact Officers for providing advice and a secure point of contact to report harassment.
- ◆ Addressed harmful gossip as an interruption to team work and productivity.
- ◆ Dedicated seats for females or families in the company transportation to and from work.
- ◆ Introduced a Women's Internal Network to connect women working across the company.



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## Principle 4

### Principle 4: Promote education, training and professional development for women

- Invest in workplace policies and programmes that open avenues for advancement of women at all levels and across all business areas, and encourage women to enter non-traditional job fields
- Ensure equal access to all company-supported education and training programmes, including literacy classes, vocational and information technology training
- Provide equal opportunities for formal and informal networking and mentoring
- Articulate the company's business case for women's empowerment and the positive impact of inclusion for men as well as women



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### Case Study 4 - Kinross promotes Women's Professional Development through Networking and Outreach Programmes

Kinross, a Canadian gold mining company with global operations, launched Women in Mining Peer Networking Programme in November 2000. the Programme:

- ◆ connected over 40 women at Kinross across its global operations through shared experiences and mentorship.
- ◆ matched participants over a six months period to gain holistic insight into the Company's diverse functions and the mining industry in various parts of the world.

Kinross Brazil, on the other hand, partnered with a professional learning service, SENAI, to implement the Industrial Learning Program.

- ◆ A one-year course is dedicated to developing the technical and professional qualifications of young women in the community
- ◆ The Course encourages their interest in the mining industry.

*"The Peer Networking Program has taught me to find allies in the workplace, and to surround myself with people who can motivate me, and support my career development"*

Corporate Assets Manager



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## Principle 5

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### Principle 5: Implement enterprise development, supply chain and marketing practices that empower women



- Expand business relationships with women-owned enterprises, including small businesses, and women entrepreneurs
- Support gender-sensitive solutions to credit and lending barriers
- Ask business partners and peers to respect the company's commitment to advancing equality and inclusion
- Respect the dignity of women in all marketing and other company materials
- Ensure that company products, services and facilities are not used for human trafficking and/or labour or sexual exploitation

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### Case Study 6 - TanzaniteOne Mining Limited: Supporting women's entrepreneurship opportunities

TanzaniteOne is committed to engaging with local communities through a variety of initiatives.

- ◆ The Company offers training to women entrepreneurs on how to make jewellery.
- ◆ Women are supported with access to markets for selling the products.



Source: UN Women (2016) Promoting Women's Participation in the Extractive Industries Sector

### Case Study 7 - ExxonMobil: Proactively Promoting Supply Chain Diversity



ExxonMobil aims to increase the number of women-owned businesses in its global supply chain.

- ◆ ExxonMobil partners with WECConnect International, a global network that connects women-owned businesses to qualified buyers around the world.
- ◆ Goods and services are procured from local women business owners.

### Case Study 5 - BP America proactively promotes women and minority owned businesses

As a part of the US Diversity and Inclusion Framework for Action, BP America has a clear ambition to increase supplier diversity.

- ◆ One of the first major corporations to create a formal program to increase purchases with minority- and women-owned businesses.
- ◆ The company has spent more than \$12.8 billion with over 1,100 diverse and small business enterprises since 2010
- ◆ In 2018 and 2019, bp America was named one of America's Top Corporations for Women's Business Enterprises (WBE)

Qualified suppliers for bp America must be certified by one of the third party entities such as the National Minority Supplier Development Council (NMSDC), Women Business Enterprise National Council (WBENC) and National Gay and Lesbian Chamber of Commerce (NGLCC)

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## Principle 6

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Principle 6: Promote equality through community initiatives and advocacy. 

- Lead by example – showcase company commitment to gender equality and women's empowerment
- Leverage influence, alone or in partnership, to advocate for gender equality and collaborate with business partners, suppliers and community leaders to promote inclusion
- Work with community stakeholders, officials and others to eliminate discrimination and exploitation and open opportunities for women and girls
- Promote and recognize women's leadership in, and contributions to, their communities and ensure sufficient representation of women in any community consultation
- Use philanthropy and grants programmes to support company commitment to inclusion, equality and human rights



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Case Study 8 Women's active participation in negotiation for Ok Tedi Mining Project

During the negotiations for mine benefit streams for communities affected by the operations of Ok Tedi Mining Limited (OTML), women were represented at the negotiations table.

The women were able to negotiate for 10 % of funds from the mine operations to be dedicated to women and children's programs. PGK 101 million (USD 45 million).

The Memorandum of Agreement (MoA) included women representatives on Village Planning Committees (VPC), the The Community Mine Continuation Agreement (CMCA) Association, and the Board of the Ok Tedi Development Foundation (OTDF). The results are seen as a benchmark case for women's involvement.




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[Source: UN Women (2016) Promoting Women's Participation in the Extractive Industries Sector. (OTML Company Website)]

Case Study 9 - PNG K92: Communication Initiative to promote the roles of Women in Mining

To commemorate International Women's Day in 2021, PNGEITI launched a photo campaign on various social media sites in collaboration with K92 Mining Inc, CSOs and other stakeholders.

- ◆ The campaign aimed to increase the understanding towards gender equality in extractive industry and remove gender bias.
- ◆ It highlighted women's contribution to the extractive industry in PNG.
- ◆ Women featured in the Campaign included K92 colleagues in a wide range of roles such as cataloguing officer, HR officer, security coordinator and policy officer.



Joylyn Yaryari is the only female Policy Officer for the Goroka Policy Unit engaged at K92 Mine. She is part of the first batch of female officers in the history of policing to be on active duty at a mine site.

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Principle 7


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Principle 7: Measure and publicly report on progress.

- Make public the company policies and implementation plan for promoting gender equality
- Establish benchmarks that quantify inclusion of women at all levels
- Measure and report on progress, both internally and externally, using data disaggregated by sex
- Incorporate gender markers into ongoing reporting obligations

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PNG EITI Report and EITI Standard's Gender Requirement



EITI Standard requirements on Gender are as follows:

- ◆ MSGs are required to consider gender balance (# 1.4).
- ◆ EITI reporting should provide employment figures by project, role and gender where available (# 6.3).
- ◆ MSGs should consider information access challenges by gender and sub-groups (# 7.1).
- ◆ MSGs are encouraged to document efforts to improve gender equality and social inclusion (# 7.4).

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7. Activity: Let's discuss!

Based on the Principles and Case Studies shown today, what actions would you (your company) take?

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8. Key Takeaways

- ☐ Women's economic empowerment is central to realising women's rights and gender equality.
- ☐ When more women work, economies grow. Women's economic empowerment boosts productivity, increases economic diversification and income equality.
- ☐ Increasing women's and girls' educational attainment contributes to women's economic empowerment and more inclusive economic growth.
- ☐ Involving women's voice at community and workplace can reduce the risk of GBV, which potentially can improve community attitudes towards the extractive activities and improve workplace productivity.



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### 8. Key Takeaways - WEPS

Women Empowerment Principles (WEPS): WEPS are a set of Principles offering guidance to business on how to promote gender equality and women's empowerment in the workplace, marketplace and community. 7 principals provide policy framework to guide your company to join the important movement for sustainable development.



Tenkyu Tru

## **Annex 2: Products Produced by the Project**

6. Education / Awareness Promotion  
Materials

**2-6-11 Extractive Industry Value Chain**

# Extractive Industry Value Chain

## Outline

- I. Introduction
- II. Value Chain
- III. Summary

### I. Introduction

#### Understanding EITI through the Value Chain Framework

- What is an Extractive Industry Value Chain?
- What are the benefits of the Extractive Industry Value Chain?

#### Understanding EITI through the Value Chain Framework



##### What is a value chain?

- ✓ A value chain is a way of describing the stages by which the full value of a product is managed and ultimately realised.

##### What is an Extractive Industry Value Chain?

- ✓ When applied to the extractive industries (EI), the framework describes the steps from the extraction of natural resources, to their processing and sale, all the way through to the ultimate use of the revenues.

EITI believes that a country's natural resources belong to its citizens. That's why the EI Value Chain starts with "Natural Resources" and ends with "Public Benefit".

In this presentation, we will walk you through what's involved in each step. A slide describing each step in general is followed by another that explains the context of PNG Extractive Industries.

#### Understanding EITI through the Value Chain Framework



##### How is the Extractive Industry (EI) Value Chain utilised?

- ✓ The EI Value Chain can help policy makers and other stakeholders to identify potential conflict and corruption risks and mitigation activities.
- ✓ The EI Value Chain will help resource-rich countries to avoid violent conflict or corruption, and thereby enhance the economic possibilities of their natural resources, for the benefit of present and future generations.

##### What are the benefits of the EITI and its implementation?

- ✓ The EITI Standard requires countries and countries to disclosure of information along the EI Value Chain.
- ✓ The EITI seeks to strengthen public and corporate governance, promote understanding of natural resource management, and provide data to inform reforms for greater transparency and accountability in the extractive sector.
- ✓ In this presentation, we will also learn how we will benefit by implementing EITI with increasing transparency and accountability in terms of mitigating the risks of conflicts and corruption.

## II. Value Chain

Let's take a look at each step in the Value Chain.

1. Natural resources
2. Contracts & licenses
3. Exploration & production
4. Revenue collection
5. Revenue allocation
6. Social & economic spending
7. Public benefit

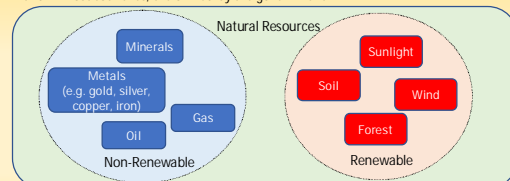
### 1. Natural Resources



#### 1. Natural Resources

##### What is natural resource and to whom does it belong?

- ✓ Natural resources include both renewable and non-renewable resources we have on earth - either in or on the ground or off shore.
- ✓ Natural resources such as minerals, metals, gas and oil belong to a country's citizens, and in most countries, are owned by the government.



Extraction of natural resources can lead to economic and social development. However, its mismanagement can lead to corruption and even conflict.

Openness and transparency around how natural resources and revenues from these resources are managed is essential in ensuring they benefit all citizens.

## 1. Natural Resources

### What are PNG's major natural resources?

- ✓ PNG's major export commodities are gold and LNG, together comprising, over 80% of total oil and gas and mineral export value (70% of total export value including non-mineral).
- ✓ Copper, Oil, Nickel, Refined Petroleum, and Cobalt are also produced, though their contribution to export value is much smaller than that of gold and LNG.



**The Mining Act 1992 (MA), Section 5:**  
All minerals existing on, in or below the surface of any land in PNG, including any minerals contained in any water lying on any land in PNG, are the property of the State.

**The Oil and Gas Act 1998 (OGA), Section 6:**  
Subject to this Act, but notwithstanding anything contained in any other law or in any grant, instrument of title or other document, all petroleum and helium at or below the surface of any land is, and shall be deemed at all times to have been, the property of the State.

For the purposes of EITI reporting, the Multi Stakeholder Group (MSG) of PNG agreed that the extractive industries include mining, oil and gas, i.e. non-renewable natural resources. Quarrying, forestry and fisheries have been excluded.

## 1. Natural Resources

How will the EITI Standard and its implementation bring any advantages in this stage?

- ☆ Disclosure of information of an overview of EI is required (EITI Standard, Requirement #3.1 Exploration) to enable the stakeholders to understand the potential of the sector.
- ☆ MSG is required to ensure that EITI disclosures are made publicly available and widely accessible to spread awareness of and facilitate dialogue about governance of extractive resources (#7.1 Public debate and #7.2 Data accessibility and open data)

### EITI Standard and its implementation

- ★ Lack of clear, adequate information
- ★ Unrealistic expectations
- ★ Insufficient resources and information to assess the country's reserves



- ⚙ Improved information for all stakeholders.
- ⚙ Use of more effective communication channels.
- ⚙ Realistic assessments of potential benefits
- ⚙ Make geological and geographic information publicly and freely available to provide investors and other interested parties with information about location of exploration and extraction rights.

⚠ Potential risks

⊕ Potential mitigation measures

## 2. Contracts & Licenses



## 2. Contracts and Licenses

### What are contracts and licenses in the extractive industries?

- ✓ Contracts, licenses and associated agreements are important parts of legal framework.
- ✓ They explain the rights and obligations of all parties involved in the exploration and production of oil, gas and minerals.
- ✓ Specific legislation and regulations set out how and on what conditions companies are granted rights.
- ✓ Most countries have registry databases to help them manage their extractive industry licensing systems. Publication of license registers and related information on extractive rights enable citizens to see which companies have been awarded rights to exploit their natural resources.
- ✓ Keeping an accurate registry system is also essential to encourage investment, to optimise the sector's contribution to the country, to clarify property rights, and to avoid conflicts over the ownership and location of tenements.

The EITI requires that implementing countries disclose information about license awards and transfers that take place during the accounting period covered in the EITI Report.

## 2. Contracts and Licenses

### What kinds of contracts and licenses exist in PNG's extractive industries?

Mineral resource licenses are allocated by the Mineral Resources Authority (MRA), governed by the Mining Act (MA).			Oil and gas licenses are allocated by Department of Petroleum and Energy (DPE), governed by Oil & Gas Act (OGA).		
Main leases granted by the Mining Minister	Purpose	License/Lease Period (extension)	Main leases granted by the Minister for Petroleum	Purpose	License/Lease Period (extension)
Exploration License (EL)	Granted to companies to identify deposits, pre production	2 years (2 years)	Petroleum Processing License (PPL)	Granted to companies for exploration	6 years (5 years)
Mining Lease (ML)	Small to medium scale alluvial and hard rock mining operations	10 years (10 years)	Petroleum Development License (PDL)	Granted to companies for petroleum developments	25 years (20 years)
Special Mining Lease (SML)	Issued to EL holder for large scale mining operations	40 years (20 years)	Petroleum Retention License (PRL)	For gas reserves considered sub-economic	5 years (5 years x 2)
Alluvial Mining Lease (AML)	Granted for alluvial mining purposes.	5 years (5 years)	Pipeline License (PL)		25 years (20 years)
			Petroleum Processing Facility License (PPFL)		Til cancelled by the Minister

Currently, the details of contracts and licenses are confidential and not made public in PNG, but the EITI process has prompted efforts to understand whether some contracts, particularly in the mining sector, might be publicly disclosed in future.

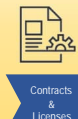
## 2. Contracts and Licenses

How will the EITI Standard and its implementation bring any advantages in this stage?

- ☆ The EITI requires to disclose a description of the legal framework and fiscal regime governing the EI and the information related to all contract and license awards and transfers taking place, and to maintain a publicly available register or cadastre systems. (#2 Legal and institutional framework, including allocation of contracts and licenses)

### EITI Standard and its implementation

- ★ Lack of agreement to the extractive industry project by community
- ★ Perception of or real corruption in awards process
- ★ Non-transparent and asymmetric negotiation and contracts



- ⚙ Inclusion of traditionally marginalized social groups (such as women)
- ⚙ Increased and improved notification
- ⚙ Improved public capacity and information for public monitoring
- ⚙ Foster access by all parties involved in the negotiations to critical data such as geological potential.
- ⚙ Require that contracts and licenses with details are fully disclosed in publicly available registries and open to scrutiny, with any exceptions or limitations defined by law.

⚠ Potential risks

⊕ Potential mitigation measures

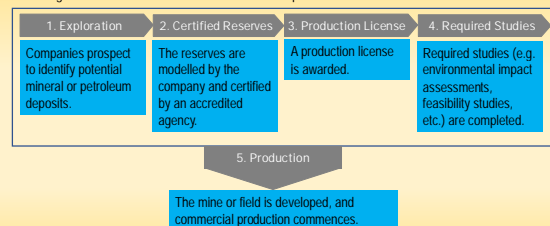
## 3. Exploration & Production



## 3. Exploration & Production

### What's involved in the exploration and production stage?

Mineral and petroleum production is the process of extracting these resources from the ground. This Stage involves some discrete activities as explained below.



EITI countries disclose figures on volumes of production, exports and their market value.

### 3. Exploration & Production

Which mining operations are ongoing or at an advanced stage in PNG?

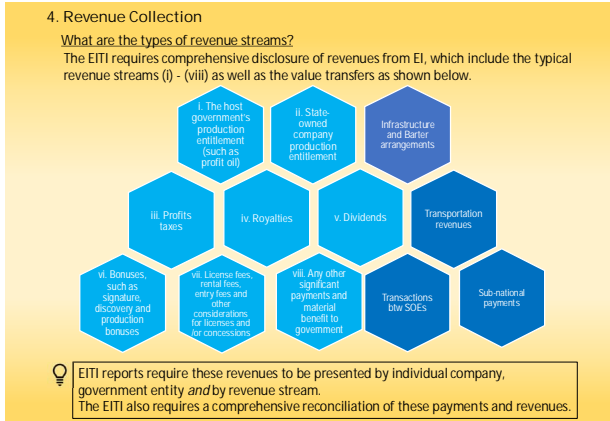
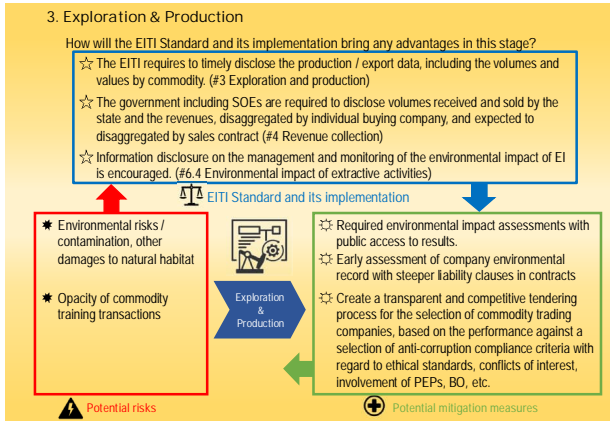
Reporting entity (mine – licence)	Mining operator and Joint Venture (JV) partners	Notes
<b>Material companies</b>		
Barrick (Niugini) Ltd (Porgera mine – SML 1 (P))	Barrick Niugini Ltd (operator) - 50% owned by Barrick Gold Corporation and 50% by Zijin Mining Group MRDC (managing funds for Mineral Resources Enga Ltd (MREL 5%)) K92 Mining Inc.	Tenement expired
K92 Mining Ltd (Kainantu – ML 150)	K92 Mining Inc.	Producing in 2019
Lihir Gold Ltd (Lihir/Luise Caldera mine – SML 6)	Lihir Gold Ltd is 100% owned by Newcrest Mining Ltd	Producing in 2019
MCC Ramu NiCo Ltd (Kurumbukari mine, Ramu – SML 8)	MCC Ramu NiCo Ltd (operator) Highlands Pacific Limited Mineral Resources Madang Ltd Mineral Resources Ramu Ltd	Producing in 2019
Morobe Consolidated Goldfields Ltd (Hidden Valley mine – ML 151)	Hidden Valley JV (operator) 100% owned by Morobe Consolidated Goldfields Ltd	Producing in 2019
Ok Tedi Mining Ltd (M Fubilan) SML 1 (O)	Ok Tedi Mining Ltd (operator)	Producing in 2019
Simberi Gold Company Ltd	Simberi Gold Co. Ltd (operator) is 100% owned by St Barbara	Producing in 2019
<b>Companies included for completeness</b>		
Anomaly Ltd	Anomaly Ltd (Crater Gold)	Expiry date 4 Nov 2019
Frieda River Ltd	PanAust and Highlands Pacific JV for 2018. 100% owned by PanAust from May 2019	(SML Application lodged)
Newcrest PNG 2 and Wafi Mining Ltd	Newcrest and Harmony JV	(SML Application lodged)
Niumnico Eddie Creek Ltd	Niumnico Eddie Creek Ltd	Producing in 2019
Woodlark Mining Ltd	Geopacific Resources Ltd	Not producing in 2019

### 3. Exploration & Production

Which oil and gas operations are ongoing or at an advanced stage in PNG?

Reporting entity (mine – licence)	Mining operator and Joint Venture (JV) partners	Notes
<b>Projects</b>		
PNG LNG project (PDL)	ExxonMobil PNG Ltd	Producing in 2019
Producing oil fields (PDL)	Oil Search	Producing in 2019
<b>Companies with interests in the above PDLs</b>		
ExxonMobil PNG Ltd (and affiliates) Oil Search (PNG) Ltd Sanitos Ltd (and subsidiaries) JX Nippon Oil and Gas Exploration Corporation (and subsidiaries)		
<b>Reporting entity (mine – licence)</b>		
<b>Projects</b>		
Stanley Joint Venture (PDL)	Repsol (Talisman Energy Niugini Ltd) (since sold to Arran Energy) Horizon Oil Papua Ltd (since sold to Arran Energy) Osaka Gas Niugini Pty Ltd Mitsubishi Corporation (Diamond Gas Niugini B.V.)	In the development/pre-development state in 2019
Papua LNG project (PDL)	Total E&P PNG Limited (operator) ExxonMobil Oil Search State	Progressing but not started development in 2019
<b>Companies holding petroleum retention licences</b>		
ExxonMobil PNG Ltd Total E&P PNG Ltd Horizon Oil Papua Ltd InterOil SP E & P Ltd Oil Search (PNG) Ltd (4) Repsol Oil and Gas Niugini Asian Oil & Gas (PNG) Ltd		

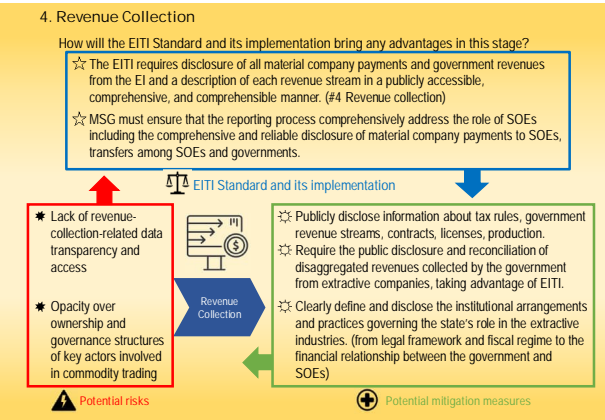
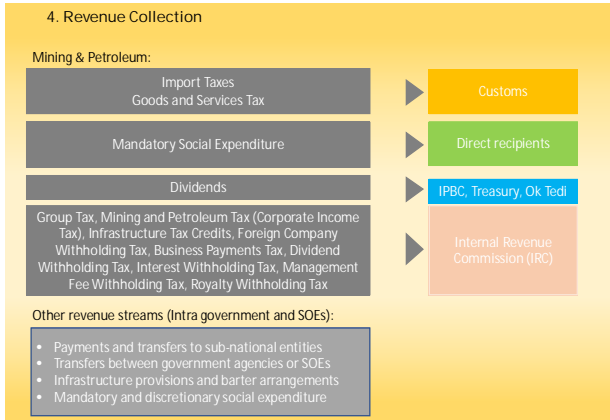
There are also a large number of companies that hold a PPL conducting exploration activities during the reporting period.



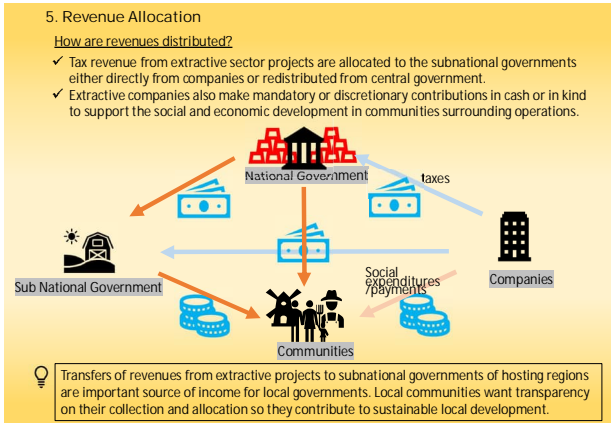
### 4. Revenue Collection

Which agency/department in PNG is responsible for revenue collection?

Mining:	Agency/Department
Mine closure bond	Conservation and Environment Protection Agency (CEPA)
Production levy	Mineral Resources Authority (MRA)
Petroleum:	Agency/Department
Decommissioning bond	Conservation and Environment Protection Agency (CEPA)
Development levy	Department of Petroleum and Energy (DPE)
License/Sundry Fees Royalties	Department of Petroleum and Energy (DPE)
Additional Profits Tax	Internal Revenue Commission (IRC)
Equity Distributions	MRDC, Petromin
Share of Sales	State Partners in PNG LNG



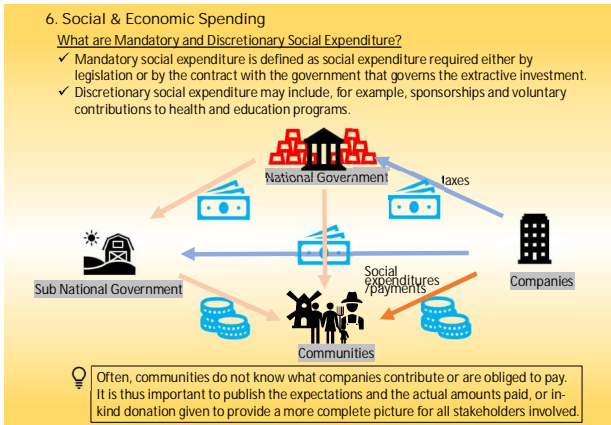
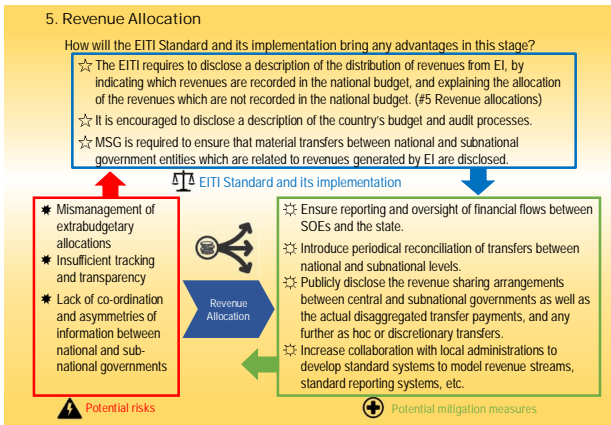




### 5. Revenue Allocation

What is the annual budget process in the government of PNG where revenues from EI are recorded?

January		
February	Policy submission from public	Agencies provide information on cash flow needs for following year.
March	Treasury undertakes economic forecasts to determine the level of funds available for the upcoming year.	Treasury communicates to relevant agencies via Budget Circular and informs budget submission
April		
June	Release Mid-Year Economic and Fiscal Outlook (MYEFO) report	Agencies make a single budget to submit
July		
August	Release Budget Strategy Paper	
September	Hold Budget Screening Committee meetings with agencies	
October		Submit a proposed budget to NEC for endorsement
November	Present the proposed budget to Parliament for approval	
December	Publish comprehensive budget documents	
January		
February		
March	Release Final Budget Outcome report	



### 6. Social & Economic Spending

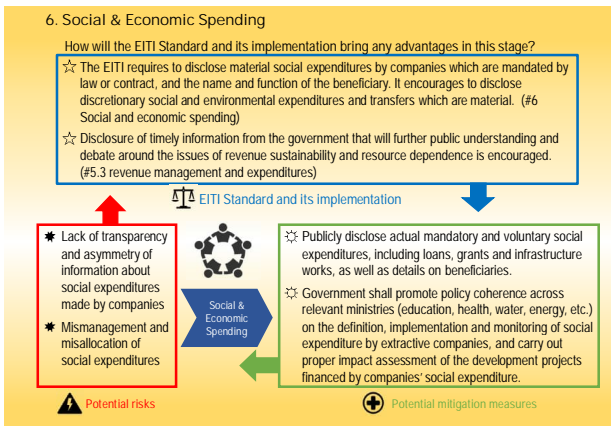
Do companies report on Social Expenditures in PNG?

- ✓ In PNG, requirements to compensate landowners are set out in the MA (s. 154) and OGA (s. 118), but neither makes specific reference to other social payments.

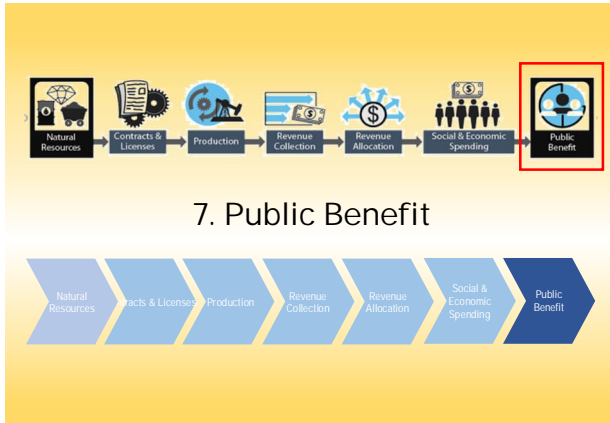
According to the original PNG EITI Scoping Study, Social Expenditures are categorised as:

1. Compensation to landowners
  - General compensation
  - Environmental compensation
  - Community asset and relocation compensation
  - Lease fees
2. Education
  - Scholarship
  - University sponsorship
  - Other training cost
3. Infrastructure Development
  - Other infrastructure development programs (as per MOA)
4. Community development programs
5. Business development programs
6. Health programs
7. Township development

- ✓ Despite disclosure of discretionary payments being optional, many operators choose to disclose these payments and/or activities through their corporate responsibility or sustainability reporting, as well as through the EITI reporting template.
- ✓ Some reporters disclosed aggregate amounts, arguing that disclosure of the name of recipient organisations and amounts could expose those organisations to unwelcome pressure or extortion by the community.







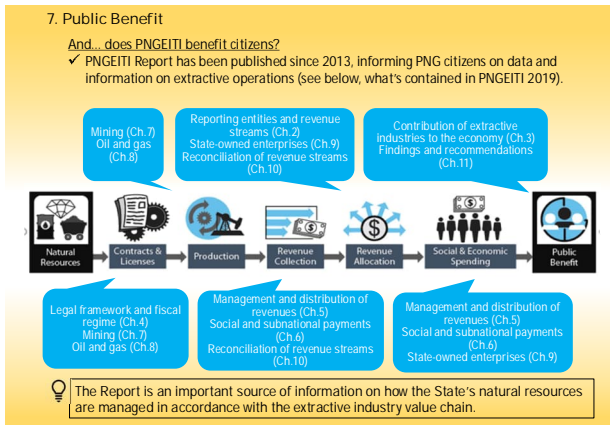
### 7. Public Benefit

So... how does EITI benefit citizens?

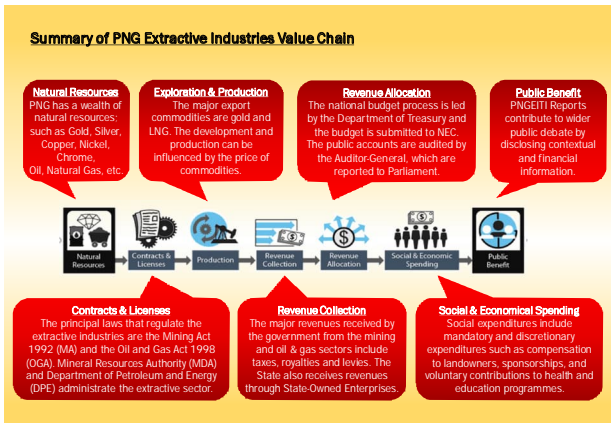
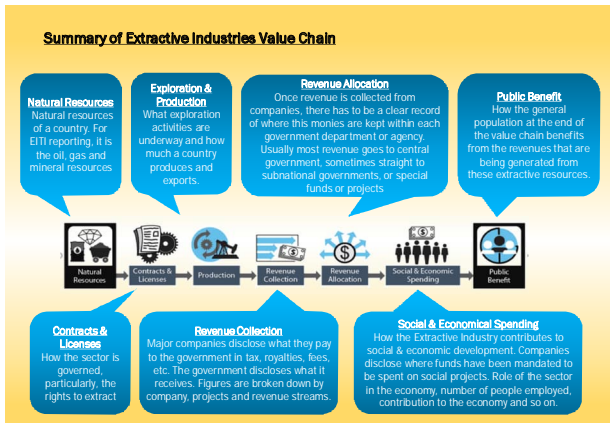
- ✓ At the end of extractive industries value chain is public benefit.
- ✓ Through revenue redistribution and other payments/expenditures, the citizens should ultimately benefit from natural resources projects.
- ✓ EITI process emphasises on a transparent and accurate information collection and disclosure system so the benefits from the industry are understood by the general public and are truly utilised for sustainable social and economic development of the country.

Communities

💡 Countries that implement the EITI share a common belief the prudent use of natural resource wealth should be an important engine for sustainable economic growth that contributes to sustainable development and poverty reduction



### III. Summary



## **Annex 2: Products Produced by the Project**

6. Education / Awareness Promotion  
Materials

**2-6-12 Summary of 2019 Report (booklet)**

## Brief Summary of PNG 2019 EITI Report



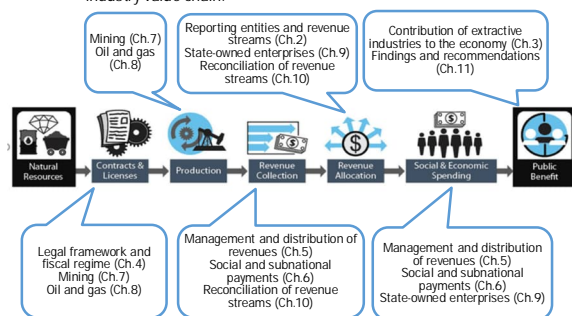
Highlights of PNG 2019 EITI Report data

### 2019 PNGEITI Report contents

The 7<sup>th</sup> Report for the financial year of 2019 contains the chapters (shown in the diagram on the right) with contextual and financial information on the implementation of EITI in PNG.

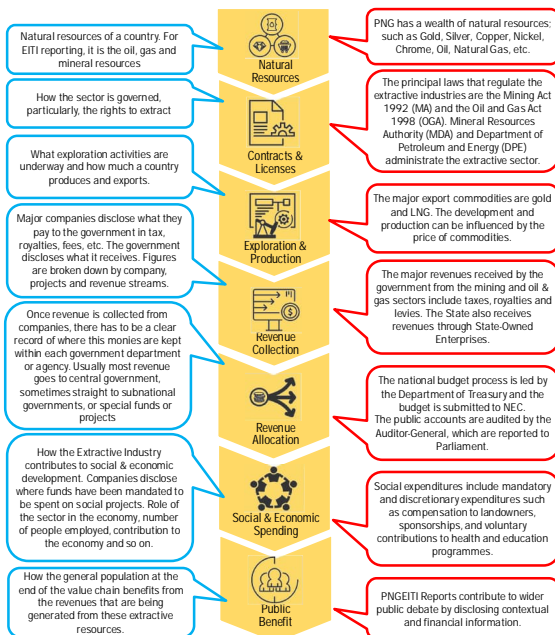
- Executive Summary
  - Ch. 1 Introduction
  - Ch. 2 Reporting entities and revenue streams
  - Ch. 3 Contribution of extractive industries to the economy
  - Ch. 4 Legal framework and fiscal regime
  - Ch. 5 Management and distribution of revenues
  - Ch. 6 Social and subnational payments
  - Ch. 7 Mining
  - Ch. 8 Oil and gas
  - Ch. 9 State-owned enterprises
  - Ch.10 Reconciliation of revenue streams
  - Ch.11 Findings and recommendation
- Full contents of the report are available at PNGEITI website (<https://www.pngeiti.org.pg/>)

The Report is an important source of information on how the State's natural resources are managed in accordance with the extractive industry value chain.



### What is the Extractive Industry Value Chain?

The EITI Standard requires countries and companies to disclose information on the key steps in the governance of oil, gas and mining revenues.



### Highlights of PNG 2019 EITI Report data

#### (1) Gross Domestic Products (GDP)

#### Extractive industry contributions to the economy and society in Papua New Guinea

##### What is GDP and why is it important to us?

- Gross domestic product (GDP) is used to estimate the size of economy.
- It is calculated as the value of all goods and services produced in the country.
- It is driven mainly by consumer spending on goods and services, business investments, government spending, and trade.
- GDP growth is a helpful tool to evaluate the health of the economy.



- The contribution of the extractive sector has been increasing over years.
- The increase in growth is driven primarily by the resource sector, particularly the stronger than expected growth in gas and condensate output reported by ExxonMobil, supported by an uptick in mining output.

##### How much does extractive sector (mineral) contribute to GDP in PNG?

	2014	2015	2016	2017	2018	2019 Est.
<b>Oil and gas extraction</b>	9.5%	12.5%	1.4%	0.9%	-3.3%	3.7%
<b>Mining and quarrying</b>	0.5%	0.2%	1.6%	1.6%	0.3%	0.5%
<b>Others</b>	1.6%	-2.9%	1.7%	1.0%	2.4%	1.0%
<b>Total</b>	<b>11.6%</b>	<b>9.8%</b>	<b>4.7%</b>	<b>3.5%</b>	<b>-0.6%</b>	<b>5.2%</b>

(Source: Table 17, PNG EITI 2019 Report)

- Since LNG production commenced in 2014, it has been the primary driver of GDP growth in recent years. Higher production volumes in the extractive industries in 2019, including significant growth in silver and nickel, contributed significantly to nominal GDP growth in 2019.
- The percentage dropped in 2018 due to a large earthquake in PNG.

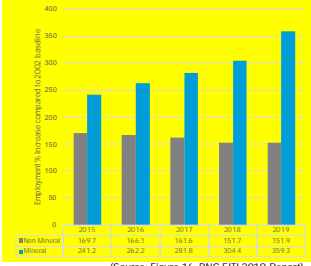
Highlights of PNG 2019 EITI Report data

**(2) Employment – Contribution to employment**

**Extractive industry contributions to the economy and society in Papua New Guinea**

**Growth in Employment in PNG**

Over the last 20 years, the mineral sector had the most increase in employment, compared to other sectors.

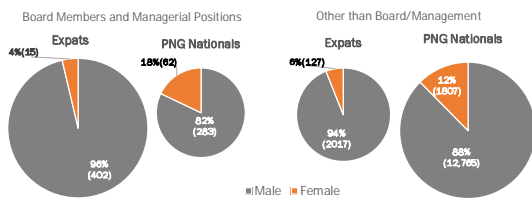


(Source: Figure 16, PNG EITI 2019 Report)

- Business Liaison Surveys of around 400 companies shows a steady increase in employment, compared to the baseline of data in 2002.\*
- \*OEI Statistical Tables | Bank of Papua New Guinea (BPNG) Port Moresby, Papua New Guinea (bankpng.gov.pg)
- Large mines employ a significant number of employees. (Ok Tedi: 1,747; PNG LNG: 3,964 (the project provided 21,200 jobs during its construction in 2012).)
- Although mining and quarrying provides limited direct employment, it supports employment in other sectors of the economy such as the construction phase of mineral and hydrocarbon resource projects, other domestic/trade sectors serving the mining industry as well as extensive micro, small and medium enterprises.

**Employment Figures disaggregated by Gender**

The resources sector contributes a smaller portion of employment opportunities in PNG.



(Source: Table 20, Figure 17, PNG EITI 2019 Report)

- The resource sector is male dominated globally and PNG is no exception. The trend is stark in the board level positions and technical positions.
- Many factors contribute to gender inequality in the sector, e.g. Labour code prohibiting women from working underground, smaller number of women/girls studying STEM subjects, a lack of women role models, cultural norms etc.

Highlights of PNG 2019 EITI Report data

**(3) Legal and institutional framework - Contracts and licenses**

How the extractive sector is managed and the public available register is maintained

- Contracts, licenses and associated agreements are crucial part of the legal framework which establishes many of the commitments between government and companies.
- The EITI requires disclosure on how the extractive sector is managed, enabling stakeholders to understand the laws and procedures for the award of exploration and production rights, the legal, regulatory and contractual frameworks.
- The EITI Standard requires that any contracts and licenses that are granted, entered into or amended after 1 January 2021 to be made public (Requirement #2.4.a).
- On the other hand, the details of contracts 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.

**Legal and institutional framework**

**Regulation of the mining industry**

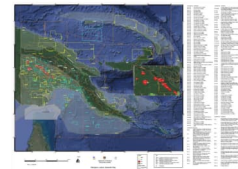
- The principal laws that regulate mining activities in PNG are, "Mining Act 1992", "Mining (Safety) Act 1977", "Mining (Ok Tedi Agreement) Acts", and "Mining (Bougainville Copper Agreement) Act 1997".
- Mineral Resources Authority (MRA) is responsible for oversight, administration and enforcement of these acts.

**Regulation of the petroleum industry**

- The petroleum industry in PNG is governed by the Oil and Gas Act 1998 (OGA) with amendments stated in the Oil and Gas (Amendment) Act 2016 and the Oil and Gas Regulation 2002.
- Department of Petroleum (DPE), headed by the Minister for Petroleum and Energy, is responsible for the administration and management of these acts and regulations.

**License Register Information Disclosure**

- Mining industry
- MRA provides a complete list of active tenements through the Mining Cadastre Portal. <https://portal.mra.gov.pg>



- Petroleum industry
- DPE provides "Petroleum License Map" at DPE website. <https://petroleum.gov.pg/downloads/>

**How the extractive sector is managed and the public available register is maintained**

**Mining industry**

- Mining tenements are administered by the appointed registrar, the Tenement Administration Branch of the MRA's Regulatory Operations Division.
- Special Mining Leases (for large-scale operations) are issued by the Head of State, acting on advice from the NEC, whilst other tenements are issued by the Minister for Mining on recommendation from the Mining Advisory Council under the MA.
- Types of mining and exploration tenements stipulated in the Mining Act 1992 (MA) are as follows:

License type	Provision of MA	Explanation
Exploration License (EL)	Division 1 Section 20-32	The holder of an exploration license is entitled to the exclusive occupancy for exploration purposes of the land in respect of which the exploration license was granted.
Special Mining Lease	Division 2 Section 23-37	Special Mining Lease is generally issued to the EL holder for large scale mining operations. The EL holder must also be a party to a Mining Development Contract with the state.
Mining Lease	Division 3 Section 38-47	Mining lease is generally issued for small to medium scale alluvial and hard rock mining operations.
Alluvial Mining Lease (AML)	Division 4 Section 48-64	AML may be granted to a natural person who is a citizen or a land group in respect of land owned by that natural person or land group.
Lease for Mining Purpose (LMP)	Division 5 Section 65-79	LMP may be granted in connection with mining operations conducted or to be conducted by the applicant for one or more of the purposes such as construction of buildings, housing, road, etc.
Mining Easement	Division 6 Section 80-95	The term of a mining easement shall be identical to the term of the tenement in relation to which the mining easement was granted. Mining Easement may be granted in connection with mining conducted by the applicant or some other person for the purpose of constructing and operating facilities such as a road, bridge, tunnel, etc.

(Source: Table 97, PNE EITI 2019 Report)

**Petroleum industry**

- Oil and gas licenses are allocated by DPE.
- The legislation for exploration and production licensing for unconventional hydrocarbons such as shale oil and gas that were previously excluded from the OGA is outlined in the Unconventional Hydrocarbons Act 2015 (UHA).
- Five types of license are defined in the Oil and Gas Act 1998 (OGA). The number of licenses by types are as follows:

License type	Provision of OGA	Explanation	Quantity As of Dec 2019
Petroleum Prospecting License (PPL)	OGA Division 2 (Section 21-31)	PPL confers on the licensee the exclusive right to explore for petroleum and carry out appraisal of a petroleum discovery in the license area.	61
Petroleum Retention License (PRL)	OGA Division 4 (Section 37-46)	PRL confers on the licensee the exclusive rights to carry on field studies to obtain information to ensure timely economic development of the gas field and carry out drill stem tests or extended production tests for appraisal of a petroleum pool in the license area.	14
Petroleum Development License (PDL)	OGA Division 7 (Section 53-67)	PDL confers on the licensee the exclusive rights to sell or otherwise dispose of the petroleum so recovered in the license area.	9
Petroleum Pipeline License (PL)	OGA Division 9 (Section 70-84)	PL confers on the licensee to construct and operate a pipeline along the route specified in the license.	7
Petroleum Processing Facility License (PPFL)	OGA Division 10 (Section 85-95)	PPFL confers on the licensee the exclusive right to construct a petroleum processing facility and conduct operations for petroleum processing through the petroleum processing facility.	3

(Source: Table 101, PNE EITI 2019 Report)

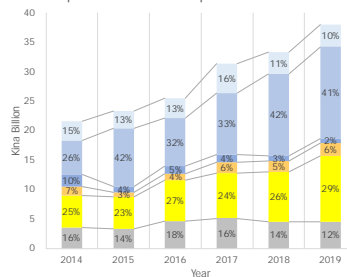
Highlights of PNG 2019 EITI Report data

**(4) Exploration and production**

**Export values**

PNG's Extractive Industries exports values recorded PGK33.53 billion in 2019.

Export Value of Main Export Commodities



(Source: Figure 15 (PNE EITI 2019 Report) data reflected by Table 5 (2021 National Budget www.treasury.gov.pg/html/national\_budget/files/2021/2021\_Budget\_Volume\_1.pdf)

- The total value of main export commodities is increasing every year and reached 38.05 billion Kina in 2019.
- The extractive sector (oil and gas extraction; mining and quarrying) accounts for the majority of export earnings, 88% of export values (33.53 billion Kina) in 2019.
- The PNG LNG project has been the primary driver of GDP growth in recent years, followed by the strong growth in gold and copper.
- For more details, see the report or visit our website: <https://www.pngaiti.org/>

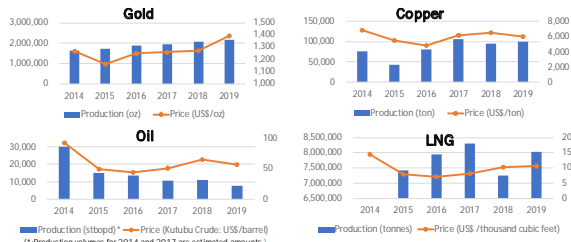
**The production volume and value, and the export volume and value for 2019**

**Mining:**

commodity	Production		Export	
	Volume	Value (PGK mil.)	Volume	Value (PGK mil.)
Gold	2,168,265 oz	10,265	2,214,471 oz	10,486
Silver	5,003,839 oz	268	5,295,381 oz	283
Copper	99,399 tonnes	1,938	107,869 tonnes	2,103
Nickel	32,720 tonnes	1,231	40,757 tonnes	1,533
Cobalt	2,916 tonnes	217	3,670 tonnes	274
Chromite	115,573 tonnes	41	136,736 tonnes	50
<b>Total</b>		<b>13,960</b>	<b>Total</b>	<b>14,728</b>

(Source: Table 84, PNG EITI 2019 Report)

● Production volume and price of commodities



(\*) Production volumes for 2014 and 2017 are estimated amounts.  
 (Source: 2021 National Budget Volume 1 Volume and Value of Main Exports Commodities Table 4 and 5  
[http://www.treasury.gov.pg/html/national\\_budget/files/2021/2021%20Budget%20Volume%201.pdf](http://www.treasury.gov.pg/html/national_budget/files/2021/2021%20Budget%20Volume%201.pdf))

- ✓ Resource revenue can be highly price dependent.
- ✓ The prices of commodities are taken from the National Budget for reference purpose only.
- ✓ The actual prices can be determined by the long-term contracts between supplier and buyer in general.
- ✓ There is a challenge in comparing data due to a lack of consistency of the measurement of commodities.
- ✓ For more details, see the report or visit our website: <https://www.pngeiti.org.pg/>

● The production volume and value, and the export volume and value for 2019

**Oil and Gas:**

Commodity	Production		Export	
	Volume	Value (PKG)	Volume	Value (PKG)
Oil	7,892 stbopd		1,612,328 stbopd	
Hides - Liquids	20,536 stbopd		973 stbopd	
PNG LNG - Liquids	29,761 stbopd	18,250.7 mil	8,514,787 stbopd	18,262.7 mil
Hides - Gas	374,585 MMscf/d		4,963 MMscf/d	
PNG LNG - LNG	8,031,445 tonnes		7,299,637 tonnes	

(Source: Table 2, Table 99, PNG EITI 2019 Report)

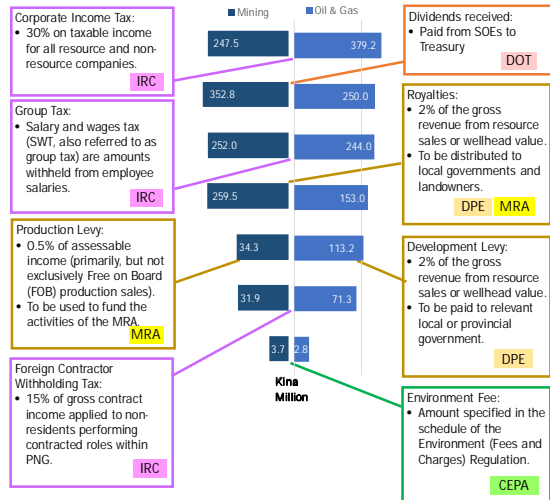
Highlights of PNG 2019 EITI Report data

(5) Revenue collection – Government revenue

How the revenues from the extractive industry are collected by the government

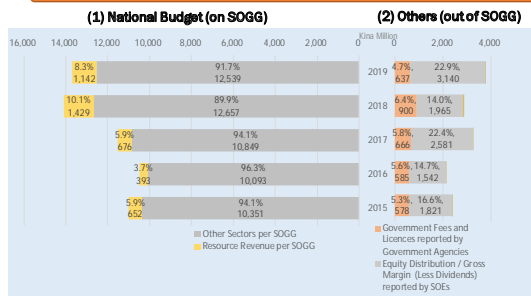
● Main revenues paid from the extractive industries to the government

- Tax (corporate income tax, group tax, foreign contractor withholding tax) is the major source of the resource revenue, followed by the dividends, royalties and levies.
- Other than these, the government receives "Equity Distributions" from the extractive sector through SOEs.



(Source: Table 4, 114, PNG EITI 2019 Report)

● Contribution of the extractive industries to government revenue



(Source: Figure 3.14, Table 18 (PNG EITI 2019) data reflected by 2021 National Budget  
[www.treasury.gov.pg/html/national\\_budget/files/2021/2021%20Budget%20Volume%201.pdf](http://www.treasury.gov.pg/html/national_budget/files/2021/2021%20Budget%20Volume%201.pdf))

- Revenue from the extractive industries has contributed an average of 7% of total Government revenue over the past six years per Statement of Operations for General Government ("SOGG" or "National Budget").
- The slight decrease from 2018 to 2019 was due to lower corporate income tax collections and salaries and wage taxes from certain reporting entities.
- Proportion of each item of Others to the total Government revenue (excluding the Others) are shown above just for the comparison.

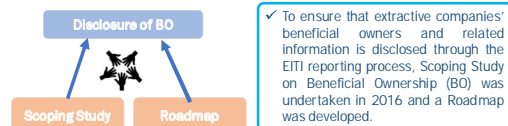
□ Revenues recorded in the National Budget does not include receipts by landowners, equity distributions by state-owned enterprises, or social expenditures, nor do they include revenues received by Government agencies, such as salaries and wage taxes, foreign contractor withholding taxes, DPE and MRA fees and environmental charges.

Highlights of PNG 2019 EITI Report data

(6) Beneficial Ownership (BO)

Importance of Disclosing the Beneficial Ownership

- Transparency about government revenues from the extractive sector is important for accountability, but says little about who owns and ultimately profits from the activities of the oil, gas and mining companies.
- The identity of the real owners (beneficial owners) of the companies that have obtained rights to extract oil, gas and minerals is often unknown, hidden by a chain of unaccountable corporate entities.
- This problem affects other sectors and often helps to feed corruption and tax evasion. People who live in resource rich countries are at risk of losing out as extractive assets are too often misallocated for corrupt reasons.



Definition and requirements under EITI Standard

- **Definition (Requirement 2.5)**
  - ✓ A beneficial owner in respect of a company means the natural person(s) who directly or indirectly ultimately owns or controls the corporate entity.
- **Requirements (EITI Requirement 2.5)**
  - ✓ Implementing countries request, and companies publicly disclose, beneficial ownership information. (2.5(c))
  - ✓ Information about the identity of the beneficial owner should include the name of the beneficial owner, the nationality, and the country of residence, as well as identifying any politically exposed persons. (2.5(d))
  - ✓ Implementing countries are recommended to maintain a publicly available register of the beneficial owners of the corporate entity(ies). (2.5(a))
- **Who are politically exposed person (PEP)?**
  - ✓ A PEP is an individual who is or has been entrusted with prominent public function, that could include close family members and associates.
  - **Identifying and defining PEPs: Why is it important?**
    - ✓ Many PEPs are in positions that potentially can be abused for the purpose of offense and related to corruption and bribery.
    - ✓ Lack of transparency with regards to politically exposed persons and their assets held in the extractive sector poses corruption risks.
    - ✓ This does not mean that PEPs should not be refused to conduct business within the extractive industry, but that such business relationships should be made transparent to prevent misuse.





### Beneficial Ownership Information in PNGEITI 2019 Report

- The PNG 2019 EITI report includes information on beneficial owners of material entities, as far as possible through direct enquiry, voluntary reporting, reference to corporate websites and annual reports, and the PNG Mining Cadastre Portal database hosted by the MRA website.
- Most interests are held by listed companies and/or state-owned enterprises.



#### Legal Framework and Fiscal Regime for extractive industry

- The extractive industries in Papua New Guinea are governed primarily by three Acts of Parliament. There are a number of executive regulations and supplementary Acts of Parliament which deal with issues such as operational safety and reporting. These three items of legislation are the:
  - Mining Act 1992
  - Oil & Gas Act 1998
  - Unconventional Hydrocarbons Act 2015
- The PNG Government does not require companies to disclose the beneficial owners of companies producing oil and gas or minerals and does not have a publicly available register of the beneficial owners of the corporate entities in the sector.

### Beneficial Ownership Report

- PNGEITI published its first BO report in 2020.
- PNGEITI Beneficial Ownership Report is available on the PNGEITI website. <http://www.pngeiti.org/wp-content/uploads/2021/06/PNGEITI-BO-Report.pdf>
- According to the BO report, BO data was collected from the extractive companies as follows:



Sector	Total number of license holders	BO declaration submitted	% of declaration submitted companies
Mining	108	3	2.8 %
Oil and Gas	32	18	56.3 %
SOE	5	-	- %
<b>Total</b>	<b>145</b>	<b>21</b>	<b>14.5 %</b>

(Source: 3.1. Analysis of BO data submission, Beneficial Ownership Final Report 2020)

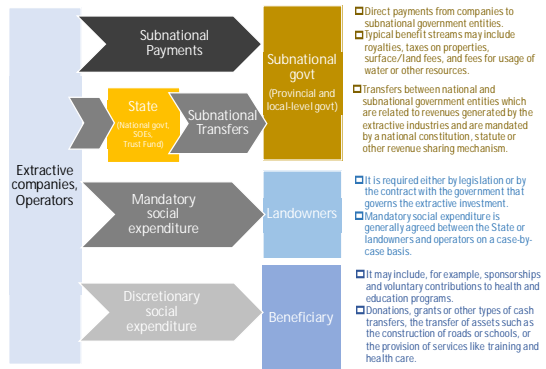
- The reporting entities that have submitted a BO declaration (reporting template) represent more than 29% of the extractive revenues collected by PNG Government.
- Of the 21 companies that submitted their declaration, 20 companies are more than 95% owned subsidiaries of publicly listed companies and only 2 companies have declared the existence of Beneficial Owners according to the definition agreed by the MSG.

- 12 -

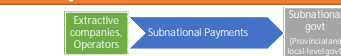
### Highlights of PNG 2019 EITI Report data

#### (7) Social expenditures and the subnational payments/transfers

#### Classification of the social expenditures and the subnational payments/transfers



#### Subnational Payments



- Subnational payments include royalties, dividends, compensation payments, development levies, Special Support Grants, and other benefits as agreed through memoranda of agreement.

Reporting entity	Subnational Payment (PGK)
<b>Mining</b>	
Barick (Nugini) Ltd (Porgera mine)	57,154,155 Royalties
K92 Mining Ltd (Kainantu)	436,600 Royalties
Lihir Gold Ltd (Lihir/Luise Caldera mine)	83,894,476 Royalties
MCC Ramu NiCo Ltd (Kurumbukari mine, Ramu)	2,619,935
Morobe Consolidated Goldfields Ltd (Hidden Valley mine)	11,629,791
Simberi Gold Company Ltd (Simberi Mine)	1,135,359 Royalties
<b>Total</b>	<b>156,870,316</b>

(Source: Table 29, 32, 35, 38, 41, 43: PNG EITI 2019 Report)

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### Subnational Transfers



#### Subnational transfers by MRDC

Subsidiary/trust entity	Recipient (inferred by IA based on ownership) (Dividends)	Amount (PGK)
Mineral Resource Enga Ltd (MRE)	Enga Provincial Government	8,000,000
Mineral Resource Ok Tedi No. 2 Ltd (MRDT)	Fly River Provincial Government	5,675,102
<b>Total</b>		<b>13,675,102</b>

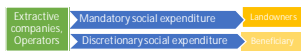
(Source: Table 55, PNG EITI 2019 Report)

#### Subnational transfer by Ok Tedi Mining Ltd

Recipient	Type	Amount (PGK)
Mine Villages Royalty	Cash	30,660,301
CMCA Villages Compo	Cash	43,983,510
Western Provincial Government	Cash Royalty	24,570,347
<b>Total</b>		<b>99,214,158</b>

(Source: Table 57, PNG EITI 2019 Report)

### Social Expenditures - Mandatory / discretionary social expenditures



Reporting entity	Mandatory social expenditure (PGK)	Discretionary social expenditure (PGK)
<b>Mining</b>		
Barick (Nugini) Ltd (Porgera mine)	21,869,701	12,031,556
K92 Mining Ltd (Kainantu)	23,815,221	628,653
Lihir Gold Ltd (Lihir/Luise Caldera mine)	44,583,997	50,998,306
MCC Ramu NiCo Ltd (Kurumbukari mine, Ramu)	11,216,334	14,107,259
Morobe Consolidated Goldfields Ltd (Hidden Valley mine)	577,996	11,594,001
Simberi Gold Company Ltd (Simberi Mine)	-	2,672,726
<b>Oil and gas</b>		
ExxonMobil (operator PNG LNG - total PNG LNG figure)	2,215,001	61,487,349
Santos Ltd and Subsidiaries (PNG LNG Contribution)	-	42,000
Total E&P PNG Ltd	907,312	1,313,774
Oil Search (operator oil projects - total oil project figure)	3,404,000	68,315,000
<b>State-owned enterprises</b>		
Kumul Petroleum Holdings Ltd (KPH)	-	30,904,166
Mineral Resources Development Company Ltd (MRDC)	-	31,352,088
Ok Tedi Mining Ltd (Mt Fubilan mine)	-	49,882,538
<b>Total</b>	<b>108,589,562</b>	<b>335,329,415</b>

(Source: Table 24, PNG EITI 2019 Report)

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### Highlights of PNG 2019 EITI Report data

#### (8) State-Owned Enterprises (SOEs) - Significance of SOEs in EITI reporting

- What is State-Owned Enterprise (SOE)?
- What is required to be disclosed for EITI?

- The EITI Standard 2019 (Requirement 2.6.a.i) defines a state-owned enterprise (SOE) as: "For the purpose of EITI implementation, a state-owned enterprise (SOE) is a wholly or majority government-owned company that is engaged in extractive activities on behalf of the government."

- Information on the financial relationship between the government and the state-owned enterprise (Requirement 2.6)
- Material company payments to SOEs, SOE transfers to government agencies and government transfers to SOEs (Requirement 4.5).
- OFEs by SOEs (Requirement 6.2).

- Why SOEs are important for implementing EITI?

- SOEs play important roles in exploiting natural resources and managing the extractive sector.
- SOEs undertake Quasi-fiscal expenditures (OFEs) or off-budget expenditures on behalf of the state such as payments for social services, public infrastructure, fuel subsidies and national debt servicing. These OFEs are not recorded on the national budget, but can have a significant impact on the local and national economy.

### EITI Reporting entities

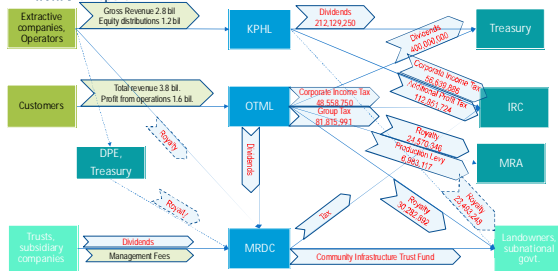
- PNG EITI Report covers the following organisations as SOEs or as trustees:

Name of SOE	Profile of SOE	Revenue SOE will receive	Payment SOE will make
<b>SOEs</b>			
Kumul Petroleum Holdings Ltd (KPHL)	A 100% state-owned company. The state nominee for all commercial matters relating to oil and gas projects.	Equity Distribution from PNG LNG Global Company LDC (GloCo)	Dividends, Return of capital (Treasury), Taxes (IRC), State support
Ok Tedi Mining Ltd (OTML)	A 100% PNG owned entity with 67% direct shareholding by the State and the people of Western Province holding a 33% interest.	Sales revenue from Ok Tedi mine	Dividends (Treasury), Taxes (IRC), Production levy (MRA)
Kumul Minerals Holdings Limited (KMHL)	A 100% state-owned company, mandated as the exclusive nominee to hold and manage investment in mining assets on behalf of PNG.	-	Taxes (IRC)
<b>Trustees</b>			
Mineral Resources Development Company Ltd (MRDC)	A 100% state-owned company, mandated by the Oil and Gas Act to manage project benefits which are held in trusts by corporate trustees which are subsidiaries of MRDC.	Management fees from trusts managed on behalf of subsidiary landowner companies.	Taxes (IRC)
Ok Tedi Development Foundation	A non-profit subsidiary of Ok Tedi Mining Limited that aims to improve self-sustainability & the quality of life of Western Province communities.	Funding from OTML, CMCA Trusts and Western Province Peoples Dividend Trust Fund, various trusts and partnerships with donors and aid agencies.	Local and regional economic development projects to communities.

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### Revenue streams through SOEs

Following diagram illustrates the main revenue flows through SOEs excerpted from the Report.



### PNG EITI SOE Scoping Study

- PNG EITI SOE Scoping study has been conducted.
  - PNG EITI commissioned a consultant to conduct the Scoping Study on the Operations of State-Owned Entities (SOEs) and Trustees in the Extractive Sector in 2020.
  - The main objective of the study was to provide a comprehensive explanation of how the requirements of 2019 EITI Standard apply to the PNG context with regard to SOEs and Quasi-Fiscal Expenditures (QFEs).
  - The study report provides the recommendations on:
    - Definition of SOE
    - Definition of QFE
    - Reporting template for SOEs
  - The extractive sector SOEs are expected to take a proactive approach to Information disclosure and enhancing transparency of their activities in collaboration with PNG EITI towards mainstreaming EITI reporting.
- In this connection, the Independent Administrator (IA) recommends "Timely audits of SOEs (#1.4)" in the Report.
- According to the EITI Standard, SOEs are also expected to publicly disclose their audited financial statements (#2.6).

SOE Scoping Study Report is available on the PNG EITI website. <https://www.pngeiti.org/pa/soe-scoping-study/>

### Highlights of PNG 2019 EITI Report data

#### (9) Results of Reconciliation

##### What is Reconciliation? – Accuracy and reliability

- The Independent Administrator (IA) compares the amounts reported as paid by the extractive industries to government entities against the receipts reported by government.
- The IA, with the assistance of the PNG EITI National Secretariat and the MSG, subsequently engaged with both paying and receiving entities to ensure reported data is accurate and properly reconciled.

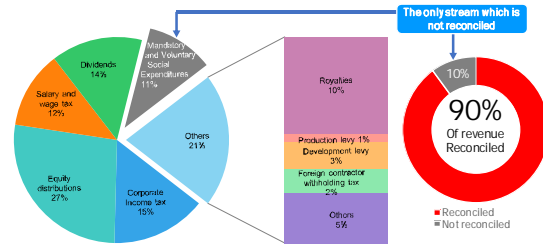


##### Why is it important? – Transparency and accountability

- The EITI has its agreed principles to increase transparency over payments and revenues in the extractive sector.
- It highlights the importance of transparency by governments and companies in the extractive industries and the need to enhance public financial management and accountability (Principle 5)
- Therefore, reconciliation is important to increase transparency and accountability.

#### Reconciled Revenue Streams

The following graph shows the size of each of the revenue streams received by the State in 2019 and the amount of reconciled and not reconciled revenue.



(Source: Figure 65, PNG EITI 2019 Report)

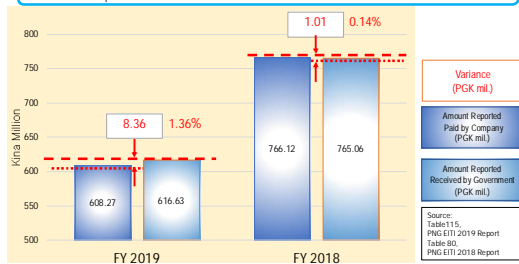
	Total amount reported paid (PGK)	Total amount reported received (PGK)	Sum of variance (PGK)	Sum of variance (absolute value) (PGK)	Proportion of Sum of absolute variance to Total amount reported received
Reconciled	4,452,694,306	4,458,599,462	5,904,754	67,008,930	1.50%
Unilateral	443,918,977	122,019,661			

(Source: Table 114, PNG EITI 2019 Report) (\* Total amount reported received are the revised amounts from initially reported amount during the reconciliation)

### Variance of amounts reported in EITI Reports 2018 and 2019

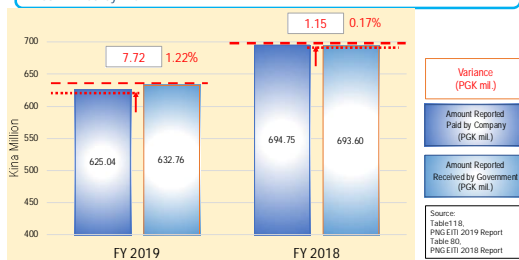
#### Corporate income tax

- Overall corporate income taxes were substantially reconciled.
- Some amount of variance was due to the foreign currency translation.
- Other variances were a result of classification of corporate income tax to additional profits taxes.



#### Salary and Wages tax (Group tax)

- Overall Salary and Wages Taxes (SWT) were substantially reconciled.
- The significant variances initially recognized were decreased with reconciliation by considering Goods & Services Tax (GST) offsets lodged by the company and approved by IRC, and GST refunds applied on SWT liability by the company and confirmed by IRC.



### What is EITI (Extractive Industries Transparency Initiative)?

#### What is EITI (Extractive Industries Transparency Initiative)?

- EITI is a global coalition of governments, companies and civil society working together to improve openness and accountable management of revenue from natural resources.
- EITI implements the **global standard** to promote the open and accountable management of oil, gas and mineral resources.

#### What is EITI Standard?

- The EITI Standard requires the disclosure of information along the extractive industry value chain



#### Why is EITI important?

- EITI seeks to strengthen public and corporate governance, promote understanding of natural resource management, and provide the data to inform reforms for greater transparency and accountability in the extractives sector.

#### What is EITI implementing country?

- Every EITI implementing country must have a Multi-Stakeholder Group (MSG), composed of the government, companies and civil society that will support implementation of the EITI Standard.
- EITI implementing countries are required to disclose information along the extractive industry value chain – from how extraction rights are awarded, to how revenues make their way through the government and how they benefit the public.

### What is PNG EITI?

#### What is PNG EITI?

- The PNG EITI was approved by the Government of PNG (GoPNG) through NEC Decision No.90/2013, "promoting revenue transparency and accountability in the country's mining and petroleum sectors".
- GoPNG in collaboration with Civil Society and Industry members established with the PNG EITI MSG in 2013.



#### Who is promoting PNG EITI in the country?

- PNG EITI MSG, chaired by the Minister for Treasury, is the primary body responsible to oversee and coordinate the successful and effective implementation of the global EITI standards in PNG.
- The body will provide and establish a framework to promote collaboration and consensus for enhanced dialogue and building trust between the State, Industry and Citizens.



#### How PNG EITI is progressing?

- PNG EITI has published the PNG EITI Reports for every financial year since 2013.
- PNG EITI underwent the validation process by the EITI International Secretariat in 2018, which assessed whether the implementation was consistent with the requirements of the EITI Standard.
- The validation result demonstrated "Meaningful progress" with recommendations for further improvement to be fully compliant with the EITI Standard.

## **Annex 2: Products Produced by the Project**

6. Education / Awareness Promotion  
Materials

**2-6-13 Extractive Industry Value Chain  
(Flip chart style)**



EITI PNGEITI

# Extractive Industry Value Chain

EITI PNGEITI

**Extractive Industry Value Chain**

(instruction / keyword)

- Share the topic and objectives.
- Extractive Industry Value Chain

(narrative)

- The topic of this session is "Extractive Industry Value Chain".
- In this session, we will guide you to the Extractive Industry Value Chain and show you the Requirements of EITI along the EI Value Chain.
- After the session, you will understand the nature of the EI Value Chain and improve your understanding on the advantage of the implementation of EITI in PNG.

(narrative 2)

## What is EITI?

Extractive Industries Transparency Initiative  
It is a global initiative to promote the open and accountable management of oil, gas and mineral resources.

## Objective of PNGEITI

Promoting transparency and accountability of revenue from the mining and petroleum value chain.

**What is EITI?**  
**Extractive Industries Transparency Initiative**  
It is a global initiative to promote the open and accountable management of oil, gas and mineral resources.

**Objective of PNGEITI**  
Promoting transparency and accountability of revenue from the mining and petroleum value chain.

(instruction / keyword)

- Meaning of EITI
- Extractive Industry Value Chain
- Transparency and accountability

(narrative)

- What is EITI?
- EITI is an abbreviation.
- It stands for Extractive Industries Transparency Initiative.
- It is a global initiative to promote the open and accountable management of oil, gas and mineral resources.
- The objective of EITI is to promote transparency and accountability of revenue from the mining and petroleum value chain.

(narrative 2)

- The objective of EITI is to promote transparency and accountability of revenue from the mining and petroleum value chain.

## How EITI works?

- EITI sets the global Standard for good governance of oil, gas and mineral resources.
- PNG is required to disclose the information along the extractive industry value chain in compliance with the EITI Standard.
- EITI is implemented by a coalition of government, companies, and civil society, by formulating Multi-Stakeholder Group (MSG) of PNGEITI.
- By implementing EITI, PNG can achieve:
  - Strengthen public and corporate governance
  - Promote understanding of natural resource management
  - Provide the data to inform reforms for greater transparency and accountability in the extractives sector.

**How EITI works?**

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  - Promote understanding of natural resource management
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(instruction / keyword)

- Nature of EITI
- Goal of PNGEITI
- EITI Standard
- Global standard
- Multi-Stakeholder Group

(narrative)

- How EITI works?
- EITI sets the global Standard for good governance of oil, gas and mineral resources.
- The Standard is set along the EI Value Chain.
- An EITI implementing country is required to disclose the information in compliance with EITI Standard along the EI VC.
- Another nature of EITI is the implementation structure.
- EITI is implemented by a coalition of government, companies, and civil society, by formulating Multi-Stakeholder Group (MSG) of PNGEITI.

(narrative 2)

- The GoPNG, EI and CSO equally represent each constituency at MSG.
- By implementing EITI, we would like to strengthen public and corporate governance, promote understanding of natural resource management, and provide the data to inform reforms for greater transparency and accountability in the extractives sector.
- So that the country will achieve the inclusive social and economic development through the sustainable resource management.

## What is Extractive Industry Value Chain?

A value chain is a way of describing the stages by which the full value of a product is managed and ultimately realised.

When applied to the extractive industries (EI), the value chain describes the steps from the extraction of natural resources to their processing and sale, all the way through to the ultimate use of the revenues.

**What is Extractive Industry Value Chain?**

A value chain is a way of describing the stages by which the full value of a product is managed and ultimately realised.

When applied to the extractive industries (EI), the value chain describes the steps from the extraction of natural resources to their processing and sale, all the way through to the ultimate use of the revenues.

(instruction / keyword)

- Meaning of Value Chain
- Value chain

(narrative)

- We learned that the requirements of information disclosure of EITI Standard are set along the EI VC.
- What is Extractive Industry Value Chain?
- A value chain describes the stages or steps by which the full value of a product is managed and ultimately realised.

(narrative 2)

- When applied to the extractive industries (EI), the value chain is the process to realize the value of the natural resources.
- It starts from the natural resources and it end with the public benefit.

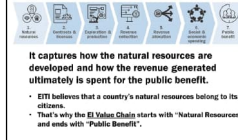
## How is EI Value Chain outlined?



It captures how the natural resources are developed and how the revenue generated ultimately is spent for the public benefit.

- EITI believes that a country's natural resources belong to its citizens.
- That's why the **EI Value Chain** starts with "Natural Resources" and ends with "Public Benefit".

### How is EI Value Chain outlined?



- (narrative)
- An extractive industry value chain describes the stages by which the full value of natural resources are managed and ultimately realized.
  - Let's look at the steps in the EI Value Chain.
  - The natural resources are under the processes of exploration, extraction, production.
  - In addition, we go through the processes of license and contract before exploration and production, revenue collection and allocation after the sales of the natural resources.

- (instruction / keyword)
- Outline of EI Value Chain
  - Sequence of stages of EI Value Chain

- From natural resources
- To the public benefit

- (narrative 2)
- Various stakeholders are involved in the EI value chain.
  - Each stakeholder has certain roles and responsibilities at each step.
  - It is not only for the government or the company.

## EI Value Chain and EITI

Let's take a look at each step in the Value Chain.



### EI Value Chain and EITI

Let's take a look at each step in the Value Chain.



- (narrative)
- These are the steps of Extractive Industry Value Chain.
  - We will take a look at each step in detail

- (instruction / keyword)
- Introduce the steps of EI Value Chain

(narrative 2)

## EI Value Chain and EITI



### EI Value Chain and EITI



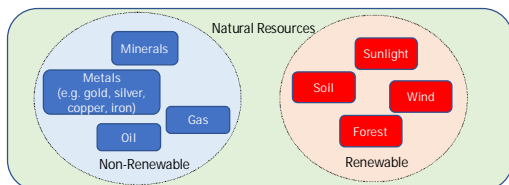
- (narrative)
- The first step is the Natural Resources
  - The EI VC start with Natural resources

- (instruction / keyword)
- 1st step: Natural Resources

(narrative 2)

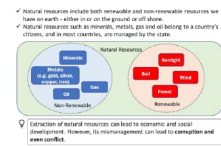
### 1. Natural Resources

- Natural resources include both renewable and non-renewable resources we have on earth - either in or on the ground or off shore.
- Natural resources such as minerals, metals, gas and oil belong to a country's citizens, and in most countries, are managed by the state.



Extraction of natural resources can lead to economic and social development. However, its mismanagement can lead to corruption and even conflict.

### 1. Natural Resources



- (narrative)
- Natural resources include both renewable and non-renewable resources
  - Renewable resources include sunlight (solar energy), wind (wind energy), soil, or forest (plant)
    - They do not practically run out
  - Non-renewable resources include minerals (gold, silver, copper, etc.), oil and gas.
    - They are limited in supply and cannot be used sustainably.
  - The natural resources belong to a country's citizens, and in most countries, are managed by the State.

### (instruction / keyword)

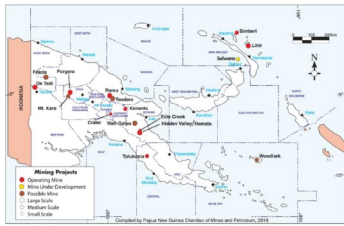
- Natural resources:
- general explanation
- Non-renewable resources
- Limited in supply
- Belong to citizen

(narrative 2)

- Extraction of natural resources can lead to economic and social development.
- However, its mismanagement can lead to corruption and even conflict.
- Therefore, good governance of extractive industry is important to us.

## 1. Natural Resources

- ✓ PNG's major export commodities are gold and LNG, together comprising, over 80% of total oil and gas and mineral export value (70% of total export value including non-mineral).
- ✓ Copper, Oil, Nickel, Refined Petroleum, and Cobalt are also produced, though their contribution to export value is much smaller than that of gold and LNG.



*The Mining Act 1992 (MA), Section 5:* 'All minerals existing on, in or below the surface of any land in PNG, including any minerals contained in any water lying on any land in PNG, are the property of the State.'

*The Oil and Gas Act 1998 (OGA), Section 6:* 'Subject to this Act, but notwithstanding anything contained in any other law or in any grant, instrument of title or other document, all petroleum and helium at or below the surface of any land is, and shall be deemed at all times to have been, the property of the State.'

**1. Natural Resources**

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(instruction / keyword)

- Natural resources:
- In PNG

- Gold
- LNG
- Mining Act
- Oil and Gas Act
- Property of the State

(narrative)

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(narrative 2)

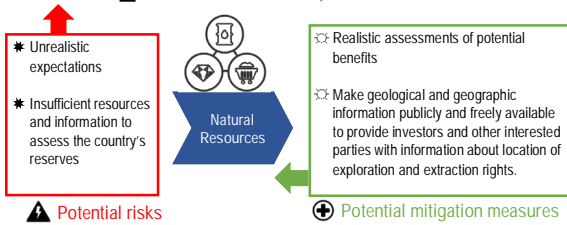
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## 1. Natural Resources

- ✓ Advantages of EITI implementation

☆ Disclosure of information of an overview of EI is required (EITI Standard, Requirement #3.1 Exploration) to enable the stakeholders to understand the potential of the sector.

### EITI Standard and its implementation



**1. Natural Resources**

- ✓ Advantages of EITI implementation
- ☆ Disclosure of information of an overview of EI is required (EITI Standard, Requirement #3.1 Exploration) to enable the stakeholders to understand the potential of the sector.

**EITI Standard and its implementation**

- Unrealistic expectations
- Insufficient resources and information to assess the country's reserves
- Realistic assessments of potential benefits
- Make geological and geographic information publicly and freely available to provide investors and other interested parties with information about location of exploration and extraction rights.

▲ Potential risks      ⊕ Potential mitigation measures

(instruction / keyword)

- Natural resources:
- EITI requirements and its advantages

- Disclosure of information
- Overview of EI

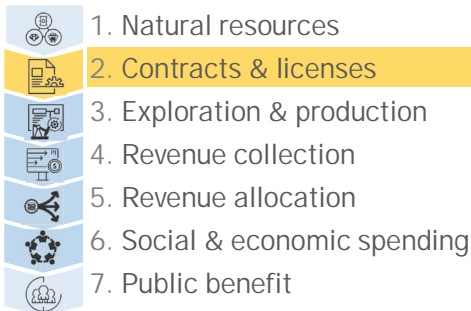
(narrative)

- There are some potential risks such as:
  - Unrealistic expectations
  - Insufficient resources and information to assess the country's reserves
- There risks may cause the conflicts among the company, government and citizens.
- EITI requires "Disclosure of information of an overview of Extractive industry" to enable the stakeholders to understand the potential of the sector.

(narrative 2)

- By implementing EITI requirement, sufficient information disclosure will be secured
- So that we expect the government to be more open and responsive to citizens' needs and demands for improved wealth-sharing and social services
- And the country can attract more investors and other interested parties from the world.

## Extractive Industry Value Chain



**Extractive Industry Value Chain**

1. Natural resources
2. Contracts & licenses
3. Exploration & production
4. Revenue collection
5. Revenue allocation
6. Social & economic spending
7. Public benefit

(instruction / keyword)

- 2nd step: Contract & Licenses
- Contract and licenses

(narrative)

- The second step is the contracts and licenses.

(narrative 2)

## 2. Contracts and Licenses

- ✓ Contracts, licenses and associated agreements are important parts of legal framework. They explain the rights and obligations of all parties involved in the exploration and production of oil, gas and minerals.
- ✓ Specific legislation and regulations set out how and on what conditions companies are granted rights.

Mineral resource licenses are allocated by the Mineral Resources Authority (MRA), governed by the Mining Act (MA).

Main leases granted by the Mining Minister	License/Lease Period (extension)
Exploration License (EL)	2 years (2 years)
Mining Lease (ML)	10 years (10 years)
Special Mining Lease (SML)	40 years (20 years)
Alluvial Mining Lease (AML)	5 years (5 years)

Oil and gas licenses are allocated by Department of Petroleum and Energy (DPE), governed by Oil & Gas Act (OGA).

Main leases granted by the Minister for Petroleum	License/Lease Period (extension)
Petroleum Processing License (PPL)	6 years (5 years)
Petroleum Development License (PDL)	25 years (20 years)
Petroleum Retention License (PRL)	5 years (5 years x 2)
Pipeline License (PL)	25 years (20 years)
Petroleum Processing Facility License (PPFL)	Till cancelled by the Minister

**2. Contracts and Licenses**

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(instruction / keyword)

- Contracts and Licenses:
- general explanation of PNG

- Mineral Resources Authority (MRA)
- Department of Petroleum and Energy (DPE)
- Several types of license

(narrative)

- Contracts, licenses and associated agreements are important parts of legal framework.
- They explain the rights and obligations of all parties involved in the exploration and production of oil, gas and minerals.

(narrative 2)

- Mineral resource licenses are allocated by the Mineral Resources Authority (MRA), governed by the Mining Act.
- Oil and gas licenses are allocated by Department of Petroleum and Energy (DPE), governed by Oil & Gas Act.
- There are several types of licenses for the mining, and oil & gas respectively.

## 2. Contracts and Licenses

✓ Advantages of EITI implementation

☆ The EITI requires to disclose a description of the legal framework and fiscal regime governing the EI and the information related to all contract and license awards and transfers taking place. (#2 Legal and institutional framework, including allocation of contracts and licenses)

**EITI Standard and its implementation**

⚠ **Potential risks**

- Lack of agreement to the extractive industry project by community
- Perception of or real corruption in awards process

⊕ **Potential mitigation measures**

- Inclusion of traditionally marginalized social groups (such as women)
- Increased and improved notification
- Set and disclose pre-determined and objective criteria to be explicitly and transparently considered in the decision-making process

**Contracts & Licenses**

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(instruction / keyword)

- Contracts and licenses:
- EITI requirements and its advantages
- Information disclosure
- Legal framework
- Fiscal regime
- Awards and transfers

(narrative 2)

- By implementing EITI requirement, information disclosure will be secured.
- So that the transparency in the process of contracting and licensing, and the negotiation process will be secured.

## Extractive Industry Value Chain

1. Natural resources
2. Contracts & licenses
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4. Revenue collection
5. Revenue allocation
6. Social & economic spending
7. Public benefit

## Extractive Industry Value Chain

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(instruction / keyword)

- 3rd step: Exploration & production
- Exploration and production

(narrative)

- The third step is the Exploration & production.

(narrative 2)

## 3. Exploration & Production

✓ Mineral and petroleum production is the process of extracting these resources from the ground.

✓ This Stage involves some discrete activities as explained below.

1. Exploration: Companies prospect to identify potential mineral or petroleum deposits.
2. Certified Reserves: The reserves are modelled by the company and certified by an accredited agency.
3. Production License: A production license is awarded.
4. Required Studies: Required studies (e.g. environmental impact assessments, feasibility studies, etc.) are completed.
5. Production: The mine or field is developed, and commercial production commences.

💡 The project timeline of exploration & production process for oil, gas and minerals is very long, it often takes decades.

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(instruction / keyword)

- Exploration & production:
- general explanation
- A lot of complicated stages
- Long-term timeframe.

(narrative)

- Mineral and petroleum production is the process of extracting these resources from the ground.
- This Stage involves some discrete activities as explained below.
  - Exploration
  - Certified Reserves
  - Production License
  - Required Studies
  - Production

(narrative 2)

- We will be not sure what resources are there under the ground at the exploration stage.
- Even the resources are there, we will be not sure how the resources are available for use.
- Moreover, at the production stages, it requires the huge investment in advance, and takes over a decade to be commercially profitable level.
- So the project timeline of exploration & production process for oil, gas and minerals is very long, it often takes decades.

## 3. Exploration & Production

✓ Which mining companies are ongoing or at an advanced stage in PNG?

Material Mining Companies	Main Sites / Projects	Commodities
Barrick (Niugini) Ltd	Pongera mine	Gold, Silver
K92 Mining Ltd	Kainantu	Gold, Silver, Copper
Lihir Gold Ltd	Lihir/Luise Caldera mine	Gold, Silver
MCC Ramu NiCo Ltd	Kurumbukari mine, Ramu	Nickel, Cobalt, Chromite
Morobe Consolidated Goldfields Ltd	Hidden Valley mine	Gold, Silver
Simberi Gold Company Ltd	Simberi mine	Gold, Silver
Ok Tedi Mining Ltd	Mt Fubilan mine	Gold, Silver, Copper

✓ Which oil and gas operations are ongoing or at an advanced stage in PNG?

Operator	Main Sites / Projects	Commodities
Oil Search (PNG)	SE Gobe, Kutubu, Moran,	Gas, Oil,
Oil Search (PNG)	Hides Gas to Electricity Project	Gas, Liquids, Condensate
ExxonMobil PNG Ltd	PNG LNG	Liquified Natural Gas (LNG)

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ExxonMobil PNG Ltd	PNG LNG	Liquified Natural Gas (LNG)

(instruction / keyword)

- Exploration & production:
- In PNG
- Mining companies
- Operator
- Project
- Commodities

(narrative)

- Do you know which mining companies are ongoing or at an advanced stage in PNG?
- These are the examples of the mining companies, project sites, and the commodities produced in PNG
- And do you know which oil and gas operations are ongoing or at an advanced stage in PNG?
- These are the examples of the operators, project, and the commodities of oil and gas industries.

(narrative 2)

- EITI Reports provide more detailed information on the material projects or companies for you to understand the EI.

### 3. Exploration & Production

✓ Advantages of EITI implementation

- ☆ Information disclosure about exploration activities, production data, and export data (#3 Exploration and production)
- ☆ Information disclosure on the management and monitoring of the environmental impact of EI is **encouraged**. (#6.4 Environmental impact of extractive activities)

**EITI Standard and its implementation**

✱ Environmental risks / contamination, other damages to natural habitat

⚠ Potential risks

⌘ Required environmental impact assessments with public access to results.

⌘ Early assessment of company environmental record with steeper liability clauses in contracts

⊕ Potential mitigation measures

Exploration & Production

### 3. Exploration & Production

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⊕ Potential mitigation measures

Exploration & Production

(instruction / keyword)

- Exploration & production:
- EITI requirements and its advantages
- Information disclosure
- Production data
- Environment impact

(narrative 2)

- By implementing EITI requirement, information disclosure will be secured.
- So that the public access to the required environmental impact assessments will be improved.
- Also, it is expected to lead to the early assessment of company environmental record with steeper liability clauses in contracts, and to the monitoring of the compliance with the environmental regulations and clauses.

## Extractive Industry Value Chain

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### Extractive Industry Value Chain

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(instruction / keyword)

- 4th step: Revenue collection
- Revenue collection

(narrative)

- The 4th step is the Revenue collection.

(narrative 2)

### 4. Revenue Collection

✓ What are the main revenue streams from the EI to the state of PNG?

**Mining:**

Mine closure bond	Conservation and Environment Protection Agency (CEPA)
Production levy	Mineral Resources Authority (MRA)
Royalties	All levels of PNG government

**Petroleum:**

Decommissioning bond	Conservation and Environment Protection Agency (CEPA)
Development levy	Department of Petroleum and Energy (DPE)
Royalties	Department of Petroleum and Energy (DPE)
Additional Profits Tax	Internal Revenue Commission (IRC)
Equity Distributions / Share of Sales	MRDC, KPHL

### 4. Revenue Collection

✓ What are the main revenue streams from the EI to the state of PNG?

Stream	Responsible Agency
Mining: Mine closure bond	Conservation and Environment Protection Agency (CEPA)
Mining: Production levy	Mineral Resources Authority (MRA)
Mining: Royalties	All levels of PNG government
Petroleum: Decommissioning bond	Conservation and Environment Protection Agency (CEPA)
Petroleum: Development levy	Department of Petroleum and Energy (DPE)
Petroleum: Royalties	Department of Petroleum and Energy (DPE)
Petroleum: Additional Profits Tax	Internal Revenue Commission (IRC)
Petroleum: Equity Distributions / Share of Sales	MRDC, KPHL

(instruction / keyword)

- Revenue collection:
- In PNG
- Production levy
- Royalty

(narrative)

- The revenues represent the revenues received by the governments from the oil, gas and mining companies.
- They are the same as the payments by oil, gas and mining companies to the governments.
- In PNG, these are the main revenue streams from the EI to the state of PNG.
- These revenues are specific for EI.

(narrative 2)

### 4. Revenue Collection

✓ What are the main revenue streams from the EI to the state of PNG?

**Mining & Petroleum:**

Environmental Fees, Environmental User Charges	Conservation and Environment Protection Agency (CEPA)
Corporate Income Tax, Group Tax, Foreign Company Withholding Tax	Internal Revenue Commission (IRC)
Import Taxes, Excise duty	PNG Customs Service
Dividends	State (Treasury)

💡 Benefits of resource extraction occur as revenue streams over many years and can be highly price dependent.

### 4. Revenue Collection

✓ What are the main revenue streams from the EI to the state of PNG?

Stream	Responsible Agency
Mining & Petroleum: Environmental Fees, Environmental User Charges	Conservation and Environment Protection Agency (CEPA)
Mining & Petroleum: Corporate Income Tax, Group Tax, Foreign Company Withholding Tax	Internal Revenue Commission (IRC)
Mining & Petroleum: Import Taxes, Excise duty	PNG Customs Service
Mining & Petroleum: Dividends	State (Treasury)

📌 Benefits of resource extraction occur as revenue streams over many years and can be highly price dependent.

(instruction / keyword)

- Revenue collection:
- In PNG
- Tax
- Dividends

(narrative)

- These are also the main revenue streams from the EI to the state of PNG.
- These revenues are collected from EI but not limited thereto.
- These are classified as resource related revenues if they are paid by the oil, gas or mining companies.

(narrative 2)

- Benefits of resource extraction occur as revenue streams over many years and can be highly price dependent.
- The Report will provide more detailed information on the revenue streams with the actual amounts for the year of reporting.



### 4. Revenue Collection

✓ Advantages of EITI implementation

☆ The EITI requires disclosure of all material company payments and government revenues from the EI and a description of each revenue stream in a publicly accessible, comprehensive, and comprehensible manner. (#4 Revenue collection)

**EITI Standard and its implementation**

**Potential risks**

- \* Lack of revenue-collection-related data transparency and access

**Revenue Collection**

**Potential mitigation measures**

- ⊘ Publicly disclose information about tax rules, government revenue streams, contracts, licenses, production.
- ⊘ Require the public disclosure and reconciliation of disaggregated revenues collected by the government from extractive companies, taking advantage of EITI.

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- ⊘ Publicly disclose information about tax rules, government revenue streams, contracts, licenses, production.
- ⊘ Require the public disclosure and reconciliation of disaggregated revenues collected by the government from extractive companies, taking advantage of EITI.

(instruction / keyword)

- Revenue collection:
- EITI requirements and its advantages
- Information disclosure
- Revenue stream
- Company payment
- Government revenue
- Reconciliation

(narrative 2)

- By implementing EITI, Tax rules, government revenue streams, contracts, licenses, production will be publicly disclosed.
- Moreover, EITI requires an assessment of whether the payments and revenues are subject to credible, independent, applying international auditing standards. By making these information publicly available, the transparency will be secured, and the government will get greater capacity to audit and oversee the revenue.
- The results of the reconciliation is available the Report in detail.

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(instruction / keyword)

- 5th step: Revenue allocation
- Revenue allocation

(narrative)

- The 5th step is the Revenue allocation

(narrative 2)

### 5. Revenue Allocation

✓ Revenues from extractive companies are allocated to the subnational governments either directly from companies or redistributed from central government.

**Revenue Allocation**

Companies → Taxes → National Budget → Subnational Government

SOEs → Internal Revenue Commission → National Budget

Royalties, Government fees, Equity distributions → MRA, DPE, CEPA, Treasury → Out of Statement of Operations for General Government → Delivery of Services

### 5. Revenue Allocation

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**Revenue Allocation**

Companies → Taxes → National Budget → Subnational Government

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Royalties, Government fees, Equity distributions → MRA, DPE, CEPA, Treasury → Out of Statement of Operations for General Government → Delivery of Services

(instruction / keyword)

- Revenue allocation:
- In PNG
- National budget
- Out of the budget
- Subnational government

(narrative)

- Revenues received by the government from extractive companies are allocated to the subnational governments either directly from companies or redistributed from central government.
- Revenues received by the government as taxes are collected by IRC.
- Most of the tax revenues go to the national budget, and distributed through the budget framework.
- Namely, they are reflected to the Statement of Operations for General Government.

(narrative 2)

- Some revenues are go through out of the Statement of Operations for General Government.
- These include Royalties, Government fees, and Equity distributions.
- The government entities collecting those fees and SOEs are playing important role in the allocation of these out of budget revenues.

### 5. Revenue Allocation

✓ Advantages of EITI implementation

☆ The EITI requires to disclose a description of the distribution of revenues from EI (#5 Revenue allocations)

☆ MSG is required to ensure that EI related material transfers between national and subnational government entities are disclosed.

**EITI Standard and its implementation**

**Potential risks**

- \* Insufficient tracking and transparency
- \* Mismanagement of extrabudgetary allocations
- \* Lack of co-ordination and asymmetries of information between national and sub-national governments

**Revenue Allocation**

**Potential mitigation measures**

- ⊘ Ensure reporting and oversight of financial flows between SOEs and the state.
- ⊘ Introduce periodical reconciliation of transfers between national and subnational levels.

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**EITI Standard and its implementation**

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**Revenue Allocation**

**Potential mitigation measures**

- ⊘ Ensure reporting and oversight of financial flows between SOEs and the state.
- ⊘ Introduce periodical reconciliation of transfers between national and subnational levels.

(instruction / keyword)

- Revenue allocation:
- EITI requirements and its advantages
- Information disclosure
- Transfers among the national government, Subnational government, and SOEs

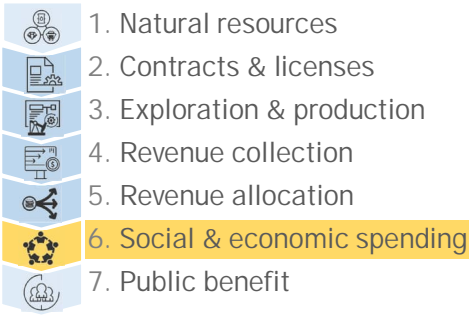
(narrative)

- There are some potential risks at this step, such as:
  - Insufficient tracking and transparency
  - Mismanagement of extrabudgetary allocations
  - Lack of co-ordination and asymmetries of information between national and sub-national governments
- EITI requires to disclose a description of the distribution of revenues from EI, and requires MSG to ensure that EI related material transfers between national and subnational government entities are disclosed.

(narrative 2)

- By implementing EITI, we can understand how the reporting and oversight of financial flows between SOEs and the state are managed.
- So that we expect the transparency and governance on EI will be enhanced.
- We also expect that it will improve periodical reconciliation of transfers between national and subnational levels, which will bring further transparency and accountability.
- So that we will understand more about the revenue uses and rationales

## Extractive Industry Value Chain



### Extractive Industry Value Chain



(instruction / keyword)

- 6th step: Social & economic spending

- Social and economic spending

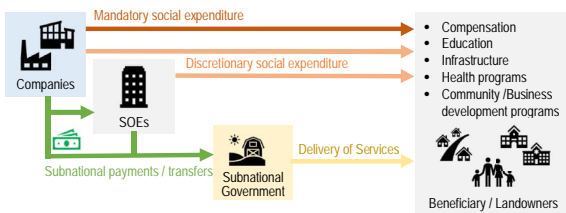
(narrative)

- The 6th step is the Social & economic spending.

(narrative 2)

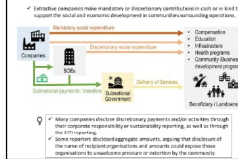
### 6. Social & Economic Spending

- ✓ Extractive companies make mandatory or discretionary contributions in cash or in kind to support the social and economic development in communities surrounding operations.



- ✓ Many companies disclose discretionary payments and/or activities through their corporate responsibility or sustainability reporting, as well as through the EITI reporting.
- ✓ Some reporters disclosed aggregate amounts, arguing that disclosure of the name of recipient organisations and amounts could expose those organisations to unwelcome pressure or extortion by the community.

### 6. Social & Economic Spending



(instruction / keyword)

- Social & economic spending:
- In PNG

- Mandatory social expenditure
- Discretionary social expenditure
- Beneficiary

- (narrative)
- Extractive companies make mandatory or discretionary contributions in cash or in kind to support the social and economic development in communities surrounding operations.
  - These positive contributions to the community or society may include the areas of:
    - Compensation
    - Education
    - Infrastructure
    - Health programs
    - Community /Business development programs

- (narrative 2)
- Many companies disclose discretionary payments and/or activities through their corporate responsibility or sustainability reporting, as well as through the EITI reporting.
  - Some reporters disclosed aggregate amounts, arguing that disclosure of the name of recipient organisations and amounts could expose those organisations to unwelcome pressure or extortion by the community.

### 6. Social & Economic Spending

- ✓ Advantages of EITI implementation

- ☆ The EITI requires to disclose material social expenditures by companies. It encourages to disclose material discretionary social and environmental expenditures and transfers. (#6 Social and economic spending)
- ☆ Disclosure of timely information from the government that will further public understanding and debate is encouraged. (#5.3 revenue management and expenditures)

#### EITI Standard and its implementation

- ✱ Lack of transparency and asymmetry of information about social expenditures made by companies
- ✱ Mismanagement and misallocation of social expenditures

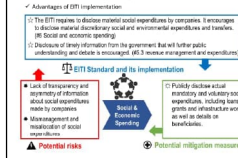
⚠ Potential risks



- ☆ Publicly disclose actual mandatory and voluntary social expenditures, including loans, grants and infrastructure works, as well as details on beneficiaries.

⊕ Potential mitigation measures

### 6. Social & Economic Spending



(instruction / keyword)

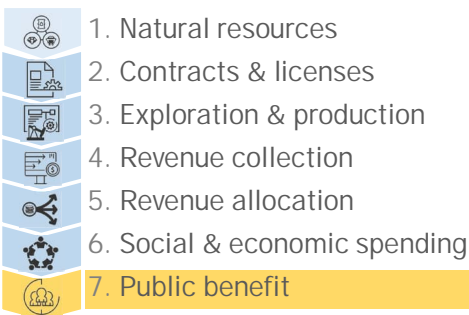
- Social & economic spending:
- EITI requirements and its advantages

- Information disclosure
- Social expenditures
- Beneficiary

- (narrative)
- There are some potential risks at this step, such as:
    - Lack of transparency and asymmetry of information about social expenditures made by companies
    - Mismanagement and misallocation of social expenditures
  - EITI requires to disclose material social expenditures by companies. It encourages to disclose material discretionary social and environmental expenditures and transfers.

- (narrative 2)
- By implementing EITI, actual mandatory and voluntary social expenditures, including loans, grants and infrastructure works, as well as details on beneficiaries will be publicly disclosed.
  - So that we can ensure the improved transparent distribution process which may reduce the risk of mismanagement of funds.
  - By maintaining that transparency, we can eliminate the room for high discretionary power, political interference or discretion of influential local elite.

## Extractive Industry Value Chain



### Extractive Industry Value Chain



(instruction / keyword)

- Last step: Public Benefit

- Public benefit

(narrative)

- The last step is the Public Benefit.

(narrative 2)

## 7. Public Benefit

- ✓ Through revenue redistribution and other payments/expenditures, the citizens should ultimately benefit from natural resources projects.
- ✓ EITI process emphasises on a transparent and accurate information collection and disclosure system.
  - We can understand well about the benefits from EI
  - We can better hold the government and companies to account
  - We can ensure that the benefits are truly utilised for sustainable social and economic development.



The prudent use of natural resource wealth should be an important engine for sustainable economic growth that contributes to sustainable development and poverty reduction, but if not managed properly, can create negative economic and social impacts.

**7. Public Benefit**

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The prudent use of natural resource wealth should be an important engine for sustainable economic growth that contributes to sustainable development and poverty reduction, but if not managed properly, can create negative economic and social impacts.

- (instruction / keyword)
- Public Benefit:
  - In PNG
  - Benefit from natural resources
  - Transparent
  - Information disclosure
  - Sustainable development

(narrative)

- Through revenue redistribution and other payments/expenditures, the citizens should ultimately benefit from natural resources projects.
- EITI process emphasises on a transparent and accurate information collection and disclosure system.
- Through the implementation of EITI: (1) we can understand well about the benefits from EI, (2) we can better hold the government and companies to account, and (3) we can ensure that the benefits are truly utilised for sustainable social and economic development.

(narrative 2)

- The prudent use of natural resource wealth should be an important engine for sustainable economic growth that contributes to sustainable development and poverty reduction, but if not managed properly, can create negative economic and social impacts.
- By managing the natural resources with implementing EITI, we can achieve the public benefit.

## 7. Public Benefit

- ✓ Advantages of EITI implementation
  - ☆ MSG must ensure that government and company disclosures comprehensible, actively promoted, publicly accessible and contributes to public debate. (#7.1 Public debate)
  - ☆ MSG is required to review the outcomes and impact of EITI implementation on natural resource governance. (#7.4 Review the outcomes and impact of EITI implementation)

### EITI Standard and its implementation

- ✱ Over dependency on EI.
- ✱ Suffering from an oil or mining boom and bust cycles driven by volatile commodity prices.



- ✱ Investments to reflect the priorities expressed in the national development strategy.
- ✱ Evaluation of EI project including an estimate of environmental and social impacts, and expected socioeconomic benefits and the long-term sustainability.

⚠ Potential risks

⊕ Potential mitigation measures

**7. Public Benefit**

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EITI Standard and its implementation

- Over dependency on EI
- Suffering from an oil or mining boom and bust cycles driven by volatile commodity prices.
- Investments to reflect the priorities expressed in the national development strategy
- Evaluation of EI project including an estimate of environmental and social impacts and expected socioeconomic benefits and the long-term sustainability

⚠ Potential risks      ⊕ Potential mitigation measures

- (instruction / keyword)
- Public Benefit:
  - EITI requirements and its advantages
  - Information disclosure
  - Publicly accessible
  - Public debate
  - Outcomes and impact

(narrative)

- There are some potential risks at this step, such as:
  - Over dependency on EI.
  - Suffering from an oil or mining boom and bust cycles driven by volatile commodity prices.
- EITI requires MSG to ensure that government and company disclosures comprehensible, actively promoted, publicly accessible and contributes to public debate. It also requires MSG to review the outcomes and impact of EITI implementation on natural resource governance.

(narrative 2)

- By implementing EITI, the public debate will be promoted with greater transparency.
- So that we can discuss to see whether the priorities expressed in the national development strategy are reflected to the investments.
- We can also discuss to evaluate the EI project including an estimate of environmental and social impacts, and to see whether expected socioeconomic benefits and the long-term sustainability are achieved.

## Summary of EI Value Chain



### How does PNGEITI benefit citizens?

- By implementing EITI, PNG can improve governance and transparency in the oil, gas and mining sectors along the EI Value Chain
  - To address conflict and corruption risks
  - To achieve sustainable development.
- PNGEITI Report is an important source of information on how the State's natural resources are managed along the EI Value Chain.

**Summary of EI Value Chain**

How does PNGEITI benefit citizens?

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- (instruction / keyword)
- Summary of EI Value Chain
  - Implementation of EITI
  - Along EI Value Chain
  - Benefit
  - Transparency
  - EITI Report

(narrative)

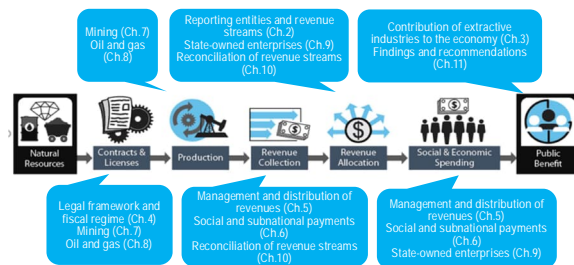
- We learned about the EI value chain and the EITI requirements and advantages of EITI implementation along the EI value chain.
- How does PNGEITI benefit citizens?
  - We now understand that by implementing EITI, PNG can improve governance and transparency in the oil, gas and mining sectors along the EI Value Chain.
- With the improved governance and transparency, PNG can mitigate the conflict and corruption risks.

(narrative 2)

- With the improved governance and transparency and the mitigation of the risks of conflicts and corruption, PNG can achieve sustainable development.
- PNGEITI Report is an important source of information on how the State's natural resources are managed along the EI Value Chain in compliance EITI requirements.
- We would like to you to read the Report and provide the feedback for the improvement.

## Summary of EI Value Chain

- ✓ PNGEITI Report has been published for every fiscal year since 2013, informing PNG citizens on data and information on extractive operations.
  - PNGEITI Report covers each stage of EI Value Chain (see figure below for what's contained in PNGEITI 2019)



**Summary of EI Value Chain**

PNGEITI Report has been published for every fiscal year since 2013, informing PNG citizens on data and information on extractive operations.

- PNGEITI Report covers each stage of EI Value Chain (see figure below for what's contained in PNGEITI 2019)

- (instruction / keyword)
- Summary of EI Value Chain
  - PNG EITI Reports
  - Every fiscal year since 2013
  - Cover EI Value Chain
  - Help public debate

(narrative)

- PNGEITI Report has been published since 2013, informing PNG citizens on data and information on extractive operations. PNGEITI Report covers each stage of EI Value Chain .
- (2) contracts & licenses step is covered with:
  - Ch 4 (Legal framework and fiscal regime)
  - Ch 7 (Mining), and Ch 8 (Oil and gas)
- (3) Exploration and Production: Ch 7 and Ch 8
- (4) Revenue collection: Ch 5 (Revenue allocation), Ch 6 (Social and subnational payments), and Ch 10 (Reconciliation of revenue streams)

(narrative 2)

- (5) revenue allocation: Ch 2 (Reporting entities and revenue streams), Ch 9 (State-owned enterprises), and Ch 10
- (6) social and economic spending: Ch 5, Ch 6, and Ch 9
- (7) public benefit: Ch 3 (Contribution of extractive industries to the economy) and Ch 11 (Findings and recommendations)
- We can understand the government revenues and expenditure over time by the Reports. That will help public debate about the sustainable development.



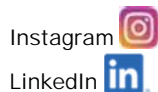
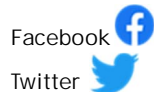
We keep communicating EITI with you.

For further information,  
check the PNGEITI website;



<https://www.pngeiti.org.pg/>

follow PNGEITI's accounts !



Tenkyu tru!

**We keep communicating EITI with you.**  
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 <https://www.pngeiti.org.pg/>  
**follow PNGEITI's accounts !**  
Facebook  Instagram   
Twitter  LinkedIn   
**Tenkyu tru!**

- (instruction / keyword)
- Remind that PNGEITI continuously communicate with them
  - Inform and update them through the various media.
  - Ask whether they have social media account and let them follow us.

(narrative)

- PNGEITI will keep communicating EITI with you.
- There are various types of communication.
- For more information on EITI Reports, you can access to PNGEITI's website and download the reports.
- You can also collect information from the website.
- We can update you through the social media as well.

(narrative 2)

- Do you have any social media account?
  - Facebook
  - Twitter
  - Instagram
  - LinkedIn
- Please follow PNGEITI.
- And please "Like" it
- Thank you very much for your participation.

## **Annex 2: Products Produced by the Project**

6. Education / Awareness Promotion  
Materials

**2-6-14 Extractive Industry Value Chain  
(Tok Pisin version)**

**EITI**  
Extractive Industries  
Transparency Initiative

**PNGEITI**

# Extractive Industry Value Chain

**EITI**

**Extractive Industry Value Chain**

(instruction / keyword)

- Share the topic and objectives.
- Extractive Industry Value Chain

(narrative)

- The topic of this session is "Extractive Industry Value Chain".
- In this session, we will guide you to the Extractive Industry Value Chain and show you the Requirements of EITI along the EI Value Chain.
- After the session, you will understand the nature of the EI Value Chain and improve your understanding on the advantage of the implementation of EITI in PNG.

(narrative 2)

## EITI em wanem?

**Extractive Industries Transparency Initiative**

Em i wanpela wok insait long wol bilong kamapim luksave long lukautim na ronim gut ol wok bilong wel, ges na ol arapela mineral risos.

## Astingting bilong PNGEITI

Long promotim pasin bilong mekim wok i kamaq ples kila na holim na yusim gut ol mani kam insait bihainim velu sen rot bilong maining na petroleum.

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(instruction / keyword)

- Meaning of EITI
- Extractive Industry Value Chain
- Transparency and accountability

(narrative)

- What is EITI?
- EITI is an abbreviation.
- It stands for Extractive Industries Transparency Initiative.
- It is a global initiative to promote the open and accountable management of oil, gas and mineral resources.
- The objective of EITI is to promote transparency and accountability of revenue from the mining and petroleum value chain.

(narrative 2)

- The objective of EITI is to promote transparency and accountability of revenue from the mining and petroleum value chain.

## EITI wok olsem wanem?

- EITI gat gutpela mak insait long wol long sait bilong kamapim gutpela wok gavenens na lukaut long wel, ges na ol mineral risos.
- Aninit long dispela mak, PNG mas tokaut na soim olgeta infomesen na save em i gat wantaim ol arapela insait long dispela velu sen rot bilong Extractive Industry.

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(instruction / keyword)

- Nature of EITI
- Goal of PNGEITI
- EITI Standard
- Global standard

(narrative)

- How EITI works?
- EITI sets the global Standard for good governance of oil, gas and mineral resources.
- The Standard is set along the EI Value Chain.
- An EITI implementing country is required to disclose the information in compliance with EITI Standard along the EI VC.
- Another nature of EITI is the implementation structure.
- EITI is implemented by a coalition of government, companies, and civil society, by formulating Multi-Stakeholder Group (MSG) of PNGEITI.

(narrative 2)

- The GoPNG, EI and CSO equally represent each constituency at MSG.
- By implementing EITI, we would like to strengthen public and corporate governance, promote understanding of natural resource management, and provide the data to inform reforms for greater transparency and accountability in the extractives sector.
- So that the country will achieve the inclusive social and economic development through the sustainable resource management.

## EITI wok olsem wanem?

- Ol gavman, ol kampani na ol sivil sosaiti bung wantaim long long kamapim EITI. Ol i mekim wanpela grup bilong ol planti kain stekholda o multi-Stakeholder Group (MSG) bilong PNGEITI
- PNG can kisim dispela ol samting sapos em i ronim gut wok bilong EITI:
  - Strongim pablik na kopret wok gavenens,
  - Promotim tingting na save bilong lukautim ol risos long ol bus na graun,
  - Kamapim na soim ol ripot na namba long strongim wok bilong mekim ol samting i stap ples kila na tu ronim na lukautim gut ol samting insait long ekstrekiv sekta.

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(instruction / keyword)

- Nature of EITI
- Goal of PNGEITI
- Implementation of EITI
- Multi-Stakeholder Group
- Governance
- Natural resource management
- Transparency and accountability

(narrative)

- How EITI works?
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## Velu Sen (Value Chain) bilong Ekstrektiv Industri em wanem?

Velu sen em we bilong tok klia long ol rot bilong wok redi we ol prodak i save bihainim long kamapim gutpela bilong ol bai gutpela wok menesmen na luksave i ken kamap long lukautim ol.

Insait long ekstrektiv industri (EI), velu sen em rot bilong luksave long ewok bilong rausim ol risos long graun i go long wok biong wasim na stretim ol, i go olgeta long taim bilong salim na yusim ol, na tu long mani kam long salim ol.

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(narrative)

- We learned that the requirements of information disclosure of EITI Standard are set along the EI VC.
- What is Extractive Industry Value Chain?
- A value chain describes the stages or steps by which the full value of a product is managed and ultimately realized.

(instruction/ keyword)

- Meaning of Value Chain

- Value chain

(narrative 2)

- When applied to the extractive industries (EI), the value chain is the process to realize the value of the natural resources.
- It starts from the natural resources and it end with the public benefit.

## Luluk bilong EI velu sen (EI Value Chain) em i olsem wanem?



Em i tok klia long ol wok bilong kisim na yusim ol neserel risos na mani kam long dispela wok i save go olsem wanem long helpim ol pablik.

- EITI bilip olsem ol risos bilong ol kantri em samting bilong ol manmeri bilong this kantri.
- Long dispela as EI velu sen i stat wantaim ol neserel risos na i pinis wantaim ol gutpela samting i go long ol pablik.

### Luluk bilong EI velu sen (EI Value Chain) em i olsem wanem?



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Long dispela as EI velu sen i stat wantaim ol neserel risos na i pinis wantaim ol gutpela samting i go long ol pablik.

(narrative)

- An extractive industry value chain describes the stages by which the full value of natural resources are managed and ultimately realized.
- Let's look at the steps in the EI Value Chain.
- The natural resources are undergo the processes of exploration, extraction, production.
- In addition, we go through the processes of license and contract before exploration and production, revenue collection and allocation after the sales of the natural resources.

(instruction/ keyword)

- Outline of EI Value Chain
- Sequence of stages of EI Value Chain

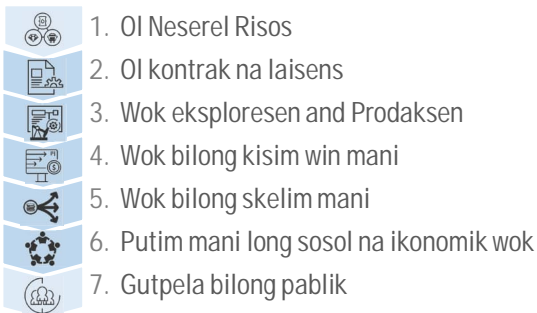
- From natural resources
- To the public benefit

(narrative 2)

- Various stakeholders are involved in the EI value chain.
- Each stakeholder has certain roles and responsibilities at each step.
- It is not only for the government or the company.

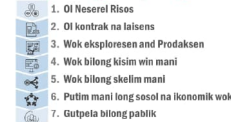
## EI velu sen na EITI

Nau bai yumi lukluk long wanwan step insait long velu sen.



### EI velu sen na EITI

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(narrative)

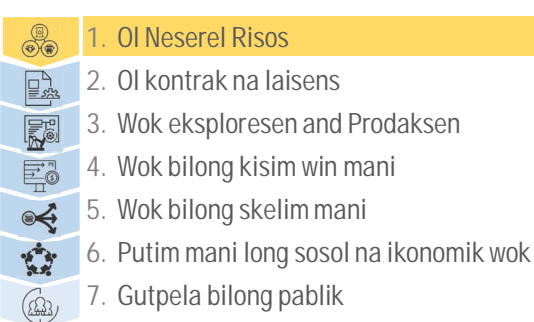
- These are the steps of Extractive Industry Value Chain.
- We will take a look at each step in detail

(instruction/ keyword)

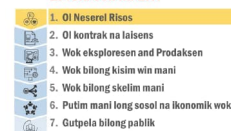
- Introduce the steps of EI Value Chain

(narrative 2)

## EI velu sen na EITI



### EI velu sen na EITI



(narrative)

- The first step is the Natural Resources
- The EI VC start with Natural resources

(instruction/ keyword)

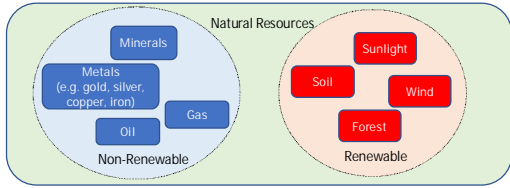
- 1st step: Natural Resources

- Natural resources

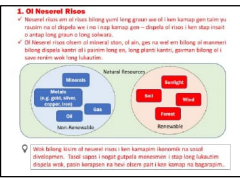
(narrative 2)

1. Oi Neserel Risos

- Neserel risos em ol risos bilong yumi long graun we ol i ken kamap gen taim yu rausim na ol dispela we i no i nap kamap gen – dispela ol risos i ken stap insait o antap long graun o long solwara.
- Oi Neserel risos olsem ol mineral ston, ol ain, ges na wel em bilong ol manmeri bilong dispela kantri ol i painim long en, long planti kantri, gavman bilong ol i save ronim wok long lukautim.



Wok bilong kism ol neserel risos i ken kamapim iekonomik na sosol developmen. Tasol sapos i nogat gutpela menesmen i stap long lukautim dispela wok, pasin korapsen na hevi olsem paif i ken kamap na bagarapim..



- (narrative)
- Natural resources include both renewable and non-renewable resources
  - Renewable resources include sunlight (solar energy), wind (wind energy), soil, or forest (plant)
    - They do not practically run out
  - Non-renewable resources include minerals (gold, silver, copper, etc.), oil and gas.
    - They are limited in supply and cannot be used sustainably.
  - The natural resources belong to a country's citizens, and in most countries, are managed by the State.

- (instruction/ keyword)
- Natural resources:
    - general explanation
    - Non-renewable resources
    - Limited in supply
    - Belong to citizen

- (narrative 2)
- Extraction of natural resources can lead to economic and social development.
  - However, its mismanagement can lead to corruption and even conflict.
  - Therefore, good governance of extractive industry is important to us.

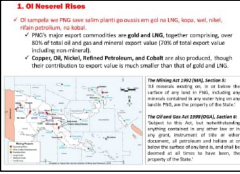
1. Oi Neserel Risos

- Oi sampela we PNG save salim planti go ovasis em gol na LNG, kopa, wel, nikel, rifaun petroleum, na kobal.
- PNG's major export commodities are gold and LNG, together comprising, over 80% of total oil and gas and mineral export value (70% of total export value including non-mineral).
- Copper, Oil, Nickel, Refined Petroleum, and Cobalt are also produced, though their contribution to export value is much smaller than that of gold and LNG.



*The Mining Act 1992 (MA), Section 5:* 'All minerals existing on, in or below the surface of any land in PNG, including any minerals contained in any water lying on any land in PNG, are the property of the State.'

*The Oil and Gas Act 1998 (OGA), Section 6:* 'Subject to this Act, but notwithstanding anything contained in any other law or in any grant, instrument of title or other document, all petroleum and helium at or below the surface of any land is, and shall be deemed at all times to have been, the property of the State.'

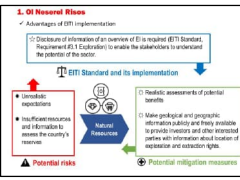
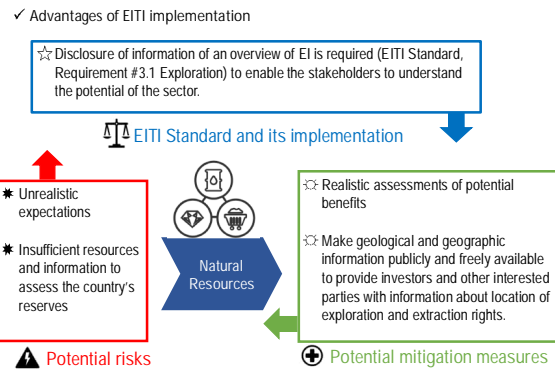


- (narrative)
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  - Copper, Oil, Nickel, Refined Petroleum, and Cobalt are also produced, though their contribution to export value is much smaller than that of gold and LNG.

- (instruction/ keyword)
- Natural resources:
    - In PNG
      - Gold
      - LNG
      - Mining Act
      - Oil and Gas Act
      - Property of the State

- (narrative 2)
- According to the Mining Act: 'All minerals existing on, in or below the surface of any land in PNG, including any minerals contained in any water lying on any land in PNG, are the property of the State.'
  - According to the Oil and Gas Act: 'Subject to this Act, but notwithstanding anything contained in any other law or in any grant, instrument of title or other document, all petroleum and helium at or below the surface of any land is, and shall be deemed at all times to have been, the property of the State.'

1. Oi Neserel Risos



- (narrative)
- There are some potential risks such as:
    - Unrealistic expectations
    - Insufficient resources and information to assess the country's reserves
  - These risks may cause the conflicts among the company, government and citizens.
  - EITI requires "Disclosure of information of an overview of Extractive industry" to enable the stakeholders to understand the potential of the sector.

- (instruction/ keyword)
- Natural resources:
    - EITI requirements and its advantages
    - Disclosure of information
    - Overview of EI

- (narrative 2)
- By implementing EITI requirement, sufficient information disclosure will be secured
  - So that we expect the government to be more open and responsive to citizens' needs and demands for improved wealth-sharing and social services
  - And the country can attract more investors and other interested parties from the world.

EI velu sen na EITI

- Oi Neserel Risos
- Oi kontrak na laisens
- Wok eksploresen and Prodaksen
- Wok bilong kism win mani
- Wok bilong skelim mani
- Putim mani long sosol na iekonomik wok
- Gutpela bilong pablik



- (narrative)
- The second step is the contracts and licenses.

- (instruction/ keyword)
- 2nd step: Contract & Licenses
    - Contract and licenses

- (narrative 2)

## 2. OI kontrak na laisens

- Contracts, licenses and associated agreements are important parts of legal framework. They explain the rights and obligations of all parties involved in the exploration and production of oil, gas and minerals.
- Specific legislation and regulations set out how and on what conditions companies are granted rights.

OI laisens bilong ol mineral risos i save kam long i Mineral Resource Authority (MRA), aninit long maining ekt (MA).

Main leases granted by the Mining Minister	License/Lease Period (extension)
Exploration License (EL)	2 years (2 years)
Mining Lease (ML)	10 years (10 years)
Special Mining Lease (SML)	40 years (20 years)
Alluvial Mining Lease (AML)	5 years (5 years)

OI laisens bilong wel na ges i save kam long Dipatment bilong Petrolim na Eneji (Department of Petroleum and Energy), aninit long wel na ges ekt (OGA).

Main leases granted by the Minister for Petroleum	License/Lease Period (extension)
Petroleum Processing License (PPL)	6 years (5 years)
Petroleum Development License (PDL)	25 years (20 years)
Petroleum Retention License (PRL)	5 years (5 years x 2)
Pipeline License (PL)	25 years (20 years)
Petroleum Processing Facility License (PPFL)	TII cancelled by the Minister

**2. OI kontrak na laisens**

- Contracts, licenses and associated agreements are important parts of legal framework. They explain the rights and obligations of all parties involved in the exploration and production of oil, gas and minerals.
- Specific legislation and regulations set out how and on what conditions companies are granted rights.

- (instruction / keyword)
- Contracts and Licenses:
    - General explanation of PNG
    - Mineral Resources Authority (MRA)
    - Department of Petroleum and Energy (DPE)
    - Several types of license

(narrative)

- Contracts, licenses and associated agreements are important parts of legal framework.
- They explain the rights and obligations of all parties involved in the exploration and production of oil, gas and minerals.

(narrative 2)

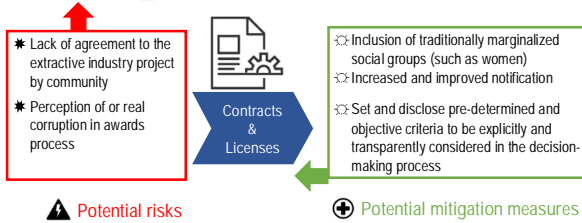
- Mineral resource licenses are allocated by the Mineral Resources Authority (MRA), governed by the Mining Act.
- Oil and gas licenses are allocated by Department of Petroleum and Energy (DPE), governed by Oil & Gas Act.
- There are several types of licenses for the mining, and oil & gas respectively.

## 2. OI kontrak na laisens

- Advantages of EITI implementation

The EITI requires to disclose a description of the legal framework and fiscal regime governing the EI and the information related to all contract and license awards and transfers taking place. (#2 Legal and institutional framework, including allocation of contracts and licenses)

### EITI Standard and its implementation



**2. OI kontrak na laisens**

Advantages of EITI implementation

The EITI requires to disclose a description of the legal framework and fiscal regime governing the EI and the information related to all contract and license awards and transfers taking place.

EITI Standard and its implementation

- Lack of agreement to the extractive industry project by community
- Perception of or real corruption in awards process
- Inclusion of traditionally marginalized social groups (such as women)
- Increased and improved notification
- Set and disclose pre-determined and objective criteria to be explicitly and transparently considered in the decision-making process

Potential risks

Potential mitigation measures

- (instruction / keyword)
- Contracts and licenses:
    - EITI requirements and its advantages
    - Information disclosure
    - Legal framework
    - Fiscal regime
    - Awards and transfers

(narrative)

- There are some potential risks such as:
  - Lack of agreement to the extractive industry project by community
  - Perception of or real corruption in awards process
  - These risks may cause the conflicts among the company, government and citizens, and may lead to the distrust to the company or government.
- EITI requires to disclose a description of the legal framework and fiscal regime governing the EI and the information related to all contract and license awards and transfers taking place.

(narrative 2)

- By implementing EITI requirement, information disclosure will be secured.
- So that the transparency in the process of contracting and licensing, and the negotiation process will be secured.

## EI velu sen na EITI

- OI Neserel Risos
- OI kontrak na laisens
- Wok eksploresen and Prodaksen
- Wok bilong kisim win mani
- Wok bilong skelim mani
- Putim mani long sosol na iekonomik wok
- Gutpela bilong pablik

**EI velu sen na EITI**

- OI Neserel Risos
- OI kontrak na laisens
- Wok eksploresen and Prodaksen
- Wok bilong kisim win mani
- Wok bilong skelim mani
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- Gutpela bilong pablik

- (instruction / keyword)
- 3rd step: Exploration & production
    - Exploration and production

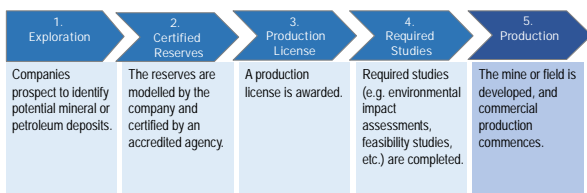
(narrative)

- The third step is the Exploration & production.

(narrative 2)

## 3. Wok eksploresen and Prodaksen

- Mineral na Petrolium Prodaksen em wok bilong rausim ol dispela mineral risos long graun
- This Stage involves some discrete activities as explained below.



Wok bilong rausim na kisim wel, ges na ol mineral long graun i ken ron longpela taim tru na save winim planti ya.

**3. Wok eksploresen and Prodaksen**

- Mineral na Petrolium Prodaksen em wok bilong rausim ol dispela mineral risos long graun
- This Stage involves some discrete activities as explained below.

- (instruction / keyword)
- Exploration & production:
    - general explanation
    - A lot of complicated stages
    - Long-term timeframe.

(narrative)

- Mineral and petroleum production is the process of extracting these resources from the ground.
- This Stage involves some discrete activities as explained below.
  - Exploration
  - Certified Reserves
  - Production License
  - Required Studies
  - Production

(narrative 2)

- We will be not sure what resources are there under the ground at the exploration stage.
- Even the resources are there, we will be not sure how the resources are available for use.
- Moreover, at the production stages, it requires the huge investment in advance, and takes over a decade to be commercially profitable level.
- So the project timeline of exploration & production process for oil, gas and minerals is very long, it often takes decades.

### 3. Wok eksploresen and Prodaksen

✓ Which mining companies are ongoing or at an advanced stage in PNG?

Material Mining Companies	Main Sites / Projects	Commodities
Barrick (Niugini) Ltd	Porgera mine	Gold, Silver
K92 Mining Ltd	Kainantu	Gold, Silver, Copper
Lihir Gold Ltd	Lihir/Luise Caldera mine	Gold, Silver
MCC Ramu NiCo Ltd	Kurumbukari mine, Ramu	Nickel, Cobalt, Chromite
Morobe Consolidated Goldfields Ltd	Hidden Valley mine	Gold, Silver
Simberi Gold Company Ltd	Simberi mine	Gold, Silver
Ok Tedi Mining Ltd	Mt Fubilan mine	Gold, Silver, Copper

✓ Which oil and gas operations are ongoing or at an advanced stage in PNG?

Operator	Main Sites / Projects	Commodities
Oil Search (PNG)	SE Gobe, Kutubu, Moran,	Gas, Oil,
Oil Search (PNG)	Hides Gas to Electricity Project	Gas, Liquids, Condensate
ExxonMobil PNG Ltd	PNG LNG	Liquified Natural Gas (LNG)

**3. Wok eksploresen and Prodaksen**

✓ Which mining companies are ongoing or at an advanced stage in PNG?

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ExxonMobil PNG Ltd	PNG LNG	Liquified Natural Gas (LNG)

(instruction/ keyword)

- Exploration & production:
- In PNG

- Mining companies
- Operator
- Project
- Commodities

(narrative)

- Do you know which mining companies are ongoing or at an advanced stage in PNG?
- These are the examples of the mining companies, project sites, and the commodities produced in PNG.

(narrative 2)

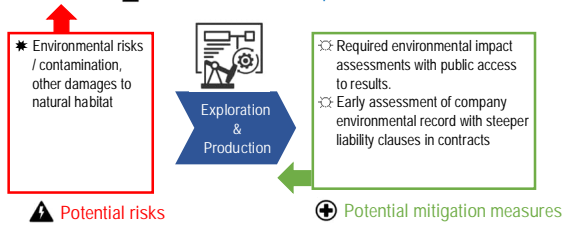
- EITI Reports provide more detailed information on the material projects or companies for you to understand the EIT.

### 3. Wok eksploresen and Prodaksen

✓ Advantages of EITI implementation

- ☆ Information disclosure about exploration activities, production data, and export data (#3 Exploration and production)
- ☆ Information disclosure on the management and monitoring of the environmental impact of EI is **encouraged**. (#6.4 Environmental impact of extractive activities)

#### EITI Standard and its implementation



**3. Wok eksploresen and Prodaksen**

✓ Advantages of EITI implementation

- ☆ Information disclosure about exploration activities, production data, and export data (#3 Exploration and production)
- ☆ Information disclosure on the management and monitoring of the environmental impact of EI is **encouraged**. (#6.4 Environmental impact of extractive activities)

↑ EITI Standard and its implementation

Environmental risks / contamination, other damages to natural habitat	Required environmental impact assessments with public access to results
<ul style="list-style-type: none"> <li>☆ Environmental risks / contamination, other damages to natural habitat</li> </ul>	<ul style="list-style-type: none"> <li>☆ Required environmental impact assessments with public access to results</li> <li>☆ Early assessment of company environmental record with steeper liability clauses in contracts</li> </ul>

▲ Potential risks      ● Potential mitigation measures

(instruction/ keyword)

- Exploration & production:
- EITI requirements and its advantages

- Information disclosure
- Production data
- Environment impact

(narrative)

- There are some potential risks at this step, for example:
  - Environmental risks / contamination, other damages to natural habitat
- EITI requires to disclose information about the exploration and production activities include information about exploration activities, production data and export data.
- EITI encourages the country to disclose the information on the management and monitoring of the environmental impact of EI.

(narrative 2)

- By implementing EITI requirement, information disclosure will be secured.
- So that the public access to the required environmental impact assessments will be improved.
- Also, it is expected to lead to the early assessment of company environmental record with steeper liability clauses in contracts, and to the monitoring of the compliance with the environmental regulations and clauses.

### EI velu sen na EITI

1. Oi Neserel Risos
2. Oi kontrak na laisens
3. Wok eksploresen and Prodaksen
4. Wok bilong kisim win mani
5. Wok bilong skelim mani
6. Putim mani long sosol na iekonomik wok
7. Gutpela bilong pablik

- EI velu sen na EITI**
1. Oi Neserel Risos
  2. Oi kontrak na laisens
  3. Wok eksploresen and Prodaksen
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  7. Gutpela bilong pablik

(instruction/ keyword)

- 4th step: Revenue collection
- Revenue collection

(narrative)

- The 4th step is the Revenue collection.

(narrative 2)

### 4. Wok bilong kisim win mani

✓ What are the main revenue streams from the EI to the state of PNG?

Mining:

Mine closure bond	Conservation and Environment Protection Agency (CEPA)
Production levy	Mineral Resources Authority (MRA)
Royalties	All levels of PNG government

Petroleum:

Decommissioning bond	Conservation and Environment Protection Agency (CEPA)
Development levy	Department of Petroleum and Energy (DPE)
Royalties	Department of Petroleum and Energy (DPE)
Additional Profits Tax	Internal Revenue Commission (IRC)
Equity Distributions, Share of Sales	MRDC, KPHL

**4. Wok bilong kisim win mani**

✓ What are the main revenue streams from the EI to the state of PNG?

Mining	Revenue Stream	Responsible Agency
Mine closure bond	Production Levy	Conservation and Environment Protection Agency (CEPA)
Production Levy	Royalties	All levels of PNG government
Decommissioning bond	Development Levy	Department of Petroleum and Energy (DPE)
Royalties	Additional Profits Tax	Internal Revenue Commission (IRC)
Equity Distributions, Share of Sales	Equity Distributions, Share of Sales	MRDC, KPHL

(instruction/ keyword)

- Revenue collection:
- In PNG
- Production levy
- Royalty

(narrative)

- The revenues represent the revenues received by the governments from the oil, gas and mining companies.
- They are the same as the payments by oil, gas and mining companies to the governments.

(narrative 2)

• In PNG, these are the main revenue streams from the EI to the state of PNG.

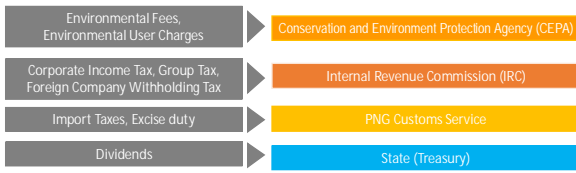
- These revenues are specific for EI.



**4. Wok bilong kisim win mani**

✓ What are the main revenue streams from the EI to the state of PNG?

Mining & Petroleum:



💡 Wok bilong kisim ol risos i save helpim long bringim bikpela mani kam insait long kantri nap planti ya.

✓ What are the main revenue streams from the EI to the state of PNG?



- (instruction/ keyword)
- Revenue collection:
  - In PNG
  - Tax
  - Dividends

(narrative)

- These are also the main revenue streams from the EI to the state of PNG.
- These revenues are collected from EI but not limited thereto.
- These are classified as resource related revenues if they are paid by the oil, gas or mining companies.

(narrative 2)

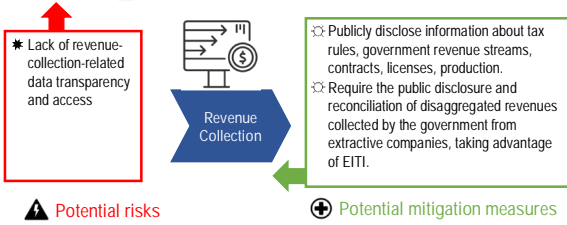
- Benefits of resource extraction occur as revenue streams over many years and can be highly price dependent.
- The Report will provide more detailed information on the revenue streams with the actual amounts for the year of reporting.

**4. Wok bilong kisim win mani**

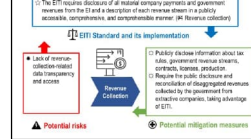
✓ Advantages of EITI implementation

☆ The EITI requires disclosure of all material company payments and government revenues from the EI and a description of each revenue stream in a publicly accessible, comprehensive, and comprehensible manner. (#4 Revenue collection)

**EITI Standard and its implementation**



✓ Advantages of EITI implementation



- (instruction/ keyword)
- Revenue collection:
  - EITI requirements and its advantages
  - Information disclosure
  - Revenue stream
  - Company payment
  - Government revenue
  - Reconciliation

(narrative)

- There are some potential risks at this step, for example:
  - Lack of revenue-collection-related data transparency and access
- This risk may undermine the government credibility and perception of integrity.
- EITI requires the disclosure of all material company payments and government revenues from the EI and a description of each revenue stream in a publicly accessible, comprehensive, and comprehensible manner.

(narrative 2)

- By implementing EITI, Tax rules, government revenue streams, contracts, licenses, production will be publicly disclosed.
- Moreover, EITI requires an assessment of whether the payments and revenues are subject to credible, independent, applying international auditing standards. By making this information publicly available, the transparency will be secured, and the government will get greater capacity to audit and oversee the revenue.
- The results of the reconciliation is available the Report in detail.

**EI velu sen na EITI**

1. Ol Nesorrel Risos
2. Ol kontrak na laisens
3. Wok eksploresen and Prodaksen
4. Wok bilong kisim win mani
5. Wok bilong skelim mani
6. Putim mani long sosol na iekonomik wok
7. Gutpela bilong pablik

**EI velu sen na EITI**

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- (instruction/ keyword)
- 5th step: Revenue allocation
  - Revenue allocation

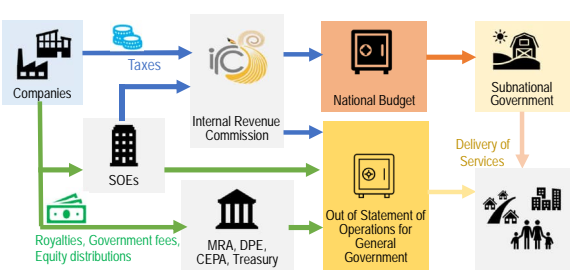
(narrative)

- The 5th step is the Revenue allocation

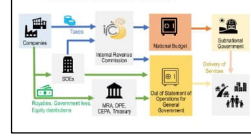
(narrative 2)

**5. Wok bilong skelim mani**

✓ Ol mani kam long ol kampani mekim dispela wok i save kam stret long ol kampani na i go long ol liklik han bilong nesanel gavman o i save go long sentrol gavman pastaim bipo ol i skelim.



✓ Ol mani kam long ol kampani mekim dispela wok i save kam stret long ol kampani na i go long ol liklik han bilong nesanel gavman o i save go long sentrol gavman pastaim bipo ol i skelim.



- (instruction/ keyword)
- Revenue allocation:
  - In PNG
  - National budget
  - Out of the budget
  - Subnational government

(narrative)

- Revenues received by the government from extractive companies are allocated to the subnational governments either directly from companies or redistributed from central government.
- Revenues received by the government as taxes are collected by IRC.
- Most of the tax revenues go to the national budget, and distributed through the budget framework.
- Namely, they are reflected to the Statement of Operations for General Government.

(narrative 2)

- Some revenues are go through out of the Statement of Operations for General Government.
- These include Royalties, Government fees, and Equity distributions.
- The government entities collecting those fees and SOEs are playing important role in the allocation of these out of budget revenues.



### 5. Wok bilong skelim mani

#### ✓ Advantages of EITI implementation

- ☆ The EITI requires to disclose a description of the distribution of revenues from EI (#5 Revenue allocations)
- ☆ MSG is required to ensure that EI related material transfers between national and subnational government entities are disclosed.

#### EITI Standard and its implementation

- ✱ Insufficient tracking and transparency
- ✱ Mismanagement of extrabudgetary allocations
- ✱ Lack of co-ordination and asymmetries of information between national and sub-national governments

⚠ Potential risks

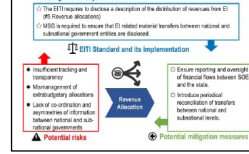


Revenue Allocation

- ⊗ Ensure reporting and oversight of financial flows between SOEs and the state.
- ⊗ Introduce periodical reconciliation of transfers between national and subnational levels.

⊕ Potential mitigation measures

#### 5. Wok bilong skelim mani



- (narrative)
- There are some potential risks at this step, such as:
    - Insufficient tracking and transparency
    - Mismanagement of extrabudgetary allocations
    - Lack of co-ordination and asymmetries of information between national and sub-national governments
  - EITI requires to disclose a description of the distribution of revenues from EI, and requires MSG to ensure that EI related material transfers between national and subnational government entities are disclosed.

- (instruction / keyword)
- Revenue allocation:
    - EITI requirements and its advantages
    - Information disclosure
    - Transfers among the national government, Subnational government, and SOEs

- (narrative 2)
- By implementing EITI, we can understand how the reporting and oversight of financial flows between SOEs and the state are managed.
  - So that we expect the transparency and governance on EI will be enhanced.
  - We also expect that it will improve periodical reconciliation of transfers between national and subnational levels, which will bring further transparency and accountability.
  - So that we will understand more about the revenue uses and rationales

### EI velu sen na EITI

- 01 Neserel Risos
- 01 kontrak na laisen
- Wok eksploresen and Prodaksen
- Wok bilong kisim win mani
- Wok bilong skelim mani
- Putim mani long sosol na ikonomik wok
- Gutpela bilong publik

#### EI velu sen na EITI

- 01 Neserel Risos
- 01 kontrak na laisen
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- Wok bilong kisim win mani
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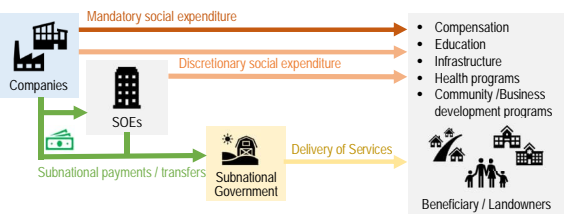
- (narrative)
- The 6th step is the Social & economic spending.

- (instruction / keyword)
- 6th step: Social & economic spending
    - Social and economic spending

- (narrative 2)

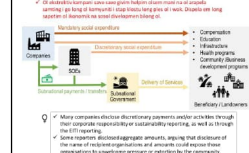
### 6. Putim mani long sosol na ikonomik wok

- ✓ Ol ekstraktiv kampani save save givim helpim olsem mani na ol arapela samting i go long ol komyniti i stap klostu long ples ol wok. Dispela em long sapotim ol ikonomik na sosol developmen bilong ol.



- ✓ Many companies disclose discretionary payments and/or activities through their corporate responsibility or sustainability reporting, as well as through the EITI reporting.
- ✓ Some reporters disclosed aggregate amounts, arguing that disclosure of the name of recipient organisations and amounts could expose those organisations to unwelcome pressure or extortion by the community.

#### 6. Putim mani long sosol na ikonomik wok



- (narrative)
- Extractive companies make mandatory or discretionary contributions in cash or in kind to support the social and economic development in communities surrounding operations.
  - These positive contributions to the community or society may include the areas of:
    - Compensation
    - Education
    - Infrastructure
    - Health programs
    - Community /Business development programs

- (instruction / keyword)
- Social & economic spending:
    - In PNG
    - Mandatory social expenditure
    - Discretionary social expenditure
    - Beneficiary

- (narrative 2)
- Many companies disclose discretionary payments and/or activities through their corporate responsibility or sustainability reporting, as well as through the EITI reporting.
  - Some reporters disclosed aggregate amounts, arguing that disclosure of the name of recipient organisations and amounts could expose those organisations to unwelcome pressure or extortion by the community.

### 6. Putim mani long sosol na ikonomik wok

#### ✓ Advantages of EITI implementation

- ☆ The EITI requires to disclose material social expenditures by companies. It encourages to disclose material discretionary social and environmental expenditures and transfers. (#6 Social and economic spending)
- ☆ Disclosure of timely information from the government that will further public understanding and debate is encouraged. (#5.3 revenue management and expenditures)

#### EITI Standard and its implementation

- ✱ Lack of transparency and asymmetry of information about social expenditures made by companies
- ✱ Mismanagement and misallocation of social expenditures

⚠ Potential risks

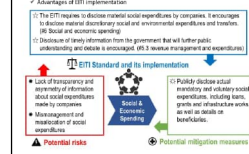


Social & Economic Spending

- ⊗ Publicly disclose actual mandatory and voluntary social expenditures, including loans, grants and infrastructure works, as well as details on beneficiaries.

⊕ Potential mitigation measures

#### 6. Putim mani long sosol na ikonomik wok



- (narrative)
- There are some potential risks at this step, such as:
    - Lack of transparency and asymmetry of information about social expenditures made by companies
    - Mismanagement and misallocation of social expenditures
  - EITI requires to disclose material social expenditures by companies. It encourages to disclose material discretionary social and environmental expenditures and transfers.

- (instruction / keyword)
- Social & economic spending:
    - EITI requirements and its advantages
    - Information disclosure
    - Social expenditures
    - Beneficiary

- (narrative 2)
- By implementing EITI, actual mandatory and voluntary social expenditures, including loans, grants and infrastructure works, as well as details on beneficiaries will be publicly disclosed.
  - So that we can ensure the improved transparent distribution process which may reduce the risk of mismanagement of funds.
  - By maintaining that transparency, we can eliminate the room for high discretionary power, political interference or discretion of influential local elite.

## EI velu sen na EITI

1. Ol Nesorel Risos
2. Ol kontrak na laisens
3. Wok eksploresen and Prodaksen
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### EI velu sen na EITI

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7. Gutpela bilong publik

(narrative 1)  
The last step is the Public Benefit.

(instruction / keyword)

- Last step: Public Benefit

- Public benefit

(narrative 2)

### 7. Gutpela bilong publik

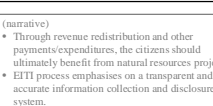
- ✓ Ol dispela mani na helpim ol manmeri kisim long ol kampani na gavman, em i mas helpim long kamapim gutpela sidaun bilong ol.
- ✓ EITI save bilip long mekim wok na tok tok i kila wantaim ol stretpela infomesen na toksave i go long ol manmeri
  - Mipela i save gut long ol gutpela samting i kam long EI
  - Mipela i ken holim gavman na ol kampani long tok kila na stret
  - Mipela i ken tok stret olsem ol samting i kamap long dispela wok em long gutpela bilong sosol na iekonomik divelopmen we bai stap longpela taim.



The prudent use of natural resource wealth should be an important engine for sustainable economic growth that contributes to sustainable development and poverty reduction, but if not managed properly, can create negative economic and social impacts.

### 7. Gutpela bilong publik

- ✓ Ol dispela mani na helpim ol manmeri kisim long ol kampani na gavman, em i mas helpim long kamapim gutpela sidaun bilong ol.
- ✓ EITI save bilip long mekim wok na tok tok i kila wantaim ol stretpela infomesen na toksave i go long ol manmeri
  - Mipela i save gut long ol gutpela samting i kam long EI
  - Mipela i ken holim gavman na ol kampani long tok kila na stret
  - Mipela i ken tok stret olsem ol samting i kamap long dispela wok em long gutpela bilong sosol na iekonomik divelopmen we bai stap longpela taim.



The prudent use of natural resource wealth should be an important engine for sustainable economic growth that contributes to sustainable development and poverty reduction, but if not managed properly, can create negative economic and social impacts.

(instruction / keyword)

- Public Benefit:
- In PNG
- Benefit from natural resources
- Transparent
- Information disclosure
- Sustainable development

(narrative 2)

The prudent use of natural resource wealth should be an important engine for sustainable economic growth that contributes to sustainable development and poverty reduction, but if not managed properly, can create negative economic and social impacts.

- By managing the natural resources with implementing EITI, we can achieve the public benefit.

### 7. Gutpela bilong publik

- ✓ Advantages of EITI implementation
  - ☆ MSG must ensure that government and company disclosures comprehensible, actively promoted, publicly accessible and contributes to public debate. (#7.1 Public debate)
  - ☆ MSG is required to review the outcomes and impact of EITI implementation on natural resource governance. (#7.4 Review the outcomes and impact of EITI implementation)

#### EITI Standard and its implementation

- ✘ Over dependency on EI.
- ✘ Suffering from an oil or mining boom and bust cycles driven by volatile commodity prices.

⚠ Potential risks



- ✘ Investments to reflect the priorities expressed in the national development strategy.
- ✘ Evaluation of EI project including an estimate of environmental and social impacts, and expected socioeconomic benefits and the long-term sustainability.

⊕ Potential mitigation measures

### 7. Gutpela bilong publik

- ✓ Advantages of EITI implementation
  - ☆ MSG must ensure that government and company disclosures comprehensible, actively promoted, publicly accessible and contributes to public debate. (#7.1 Public debate)
  - ☆ MSG is required to review the outcomes and impact of EITI implementation on natural resource governance. (#7.4 Review the outcomes and impact of EITI implementation)

- ✘ There are some potential risks at this step, such as:
  - Over dependency on EI.
  - Suffering from an oil or mining boom and bust cycles driven by volatile commodity prices.
- EITI requires MSG to ensure that government and company disclosures comprehensible, actively promoted, publicly accessible and contributes to public debate.

It also requires MSG to review the outcomes and impact of EITI implementation on natural resource governance.

(instruction / keyword)

- Public Benefit:
- EITI requirements and its advantages
- Information disclosure
- Publicly accessible
- Public debate
- Outcomes and impact

(narrative 2)

By implementing EITI, the public debate will be promoted with greater transparency. So that we can discuss to see whether the priorities expressed in the national development strategy are reflected to the investments. We can also discuss to evaluate the EI project including an estimate of environmental and social impacts, and to see whether expected socioeconomic benefits and the long-term sustainability are achieved.

## Liklik lukluk gen long EI Velu Sen



### PNGEITI bai bringim wanem ol gutpela samting bilong ol manmeri?

- Taim EITI kamap na ron, PNG ken kamapim gut na stretim wok gavenens na transperensi insait long wel, ges na maining sekta bihainim EI velu sen.
  - Long stretim ol hevi bilong paol na korapsen
  - Long kamapim sastenabil divelopmen
- PNGEITI ripot em i wanpela gutpela hap long tokaut long ol wok stet i mekim long lukautim na yusim ol neserel risos bihainim EI Velu Sen.

### Liklik lukluk gen long EI Velu Sen

- **PNGEITI bai bringim wanem ol gutpela samting bilong ol manmeri?**
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    - Long stretim ol hevi bilong paol na korapsen
    - Long kamapim sastenabil divelopmen
  - PNGEITI ripot em i wanpela gutpela hap long tokaut long ol wok stet i mekim long lukautim na yusim ol neserel risos bihainim EI Velu Sen.

We learned about the EI value chain and the EITI requirements and advantages of EITI implementation along the EI value chain. How does PNGEITI benefit citizens? We now understand that by implementing EITI, PNG can improve governance and transparency in the oil, gas and mining sectors along the EI Value Chain. With the improved governance and transparency, PNG can mitigate the conflict and corruption risks.

(instruction / keyword)

- Summary of EI Value Chain
- Implementation of EITI
- Along EI Value Chain
- Benefit
- Transparency
- EITI Report

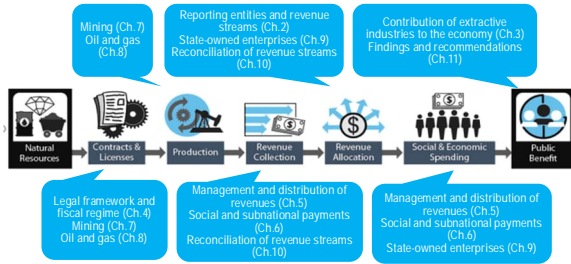
(narrative 2)

With the improved governance and transparency and the mitigation of the risks of conflicts and corruption, PNG can achieve sustainable development.

- PNGEITI Report is an important source of information on how the State's natural resources are managed along the EI Value Chain in compliance EITI requirements.
- We would like to you to read the Report and provide the feedback for the improvement.

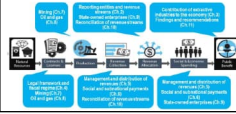
## Liklik lukluk gen long EI Velu Sen

- ✓ PNGEITI ripot i karamapim wanwan stes bilong EI Velu Sen.
- ✓ PNGEITI Report has been published for every fiscal year since 2013, informing PNG citizens on data and information on extractive operations.
  - PNGEITI Report covers each stage of EI Value Chain (see figure below for what's contained in PNGEITI 2019)



## Liklik lukluk gen long EI Velu Sen

- ✓ PNGEITI ripot i karamapim wanwan stes bilong EI Velu Sen.
- ✓ PNGEITI Report has been published for every fiscal year since 2013, informing PNG citizens on data and information on extractive operations.
- PNGEITI Report covers each stage of EI Value Chain (see figure below for what's contained in PNGEITI 2019)



- (instruction/ keyword)
- Summary of EI Value Chain

- PNG EITI Reports
- Every fiscal year since 2013
- Cover EI Value Chain
- Help public debate

- (narrative)
- PNGEITI Report has been published since 2013, informing PNG citizens on data and information on extractive operations. PNGEITI Report covers each stage of EI Value Chain .
  - (2) contracts & licenses step is covered with:
    - Ch 4 (Legal framework and fiscal regime)
    - Ch 7 (Mining), and Ch 8 (Oil and gas)
  - (3) Exploration and Production: Ch 7 and Ch 8
  - (4) Revenue collection: Ch 5 (Revenue allocation), Ch 6 (Social and subnational payments), and Ch 10 (Reconciliation of revenue streams)

- (narrative 2)
- (5) revenue allocation: Ch 2 (Reporting entities and revenue streams), Ch 9 (State-owned enterprises), and Ch 10
  - (6) social and economic spending: Ch 5, Ch 6, and Ch 9
  - (7) public benefit: Ch 3 (Contribution of extractive industries to the economy) and Ch 11 (Findings and recommendations)
  - We can understand the government revenues and expenditure over time by the Reports. That will help public debate about the sustainable development.

## Mipela bai toktok moa long yu yet long EITI.

Long save moa, sekim PNGEITI websait;



<https://www.pngeiti.org.pg/>

Bihanim ol PNGEITI !



Tenkyu tru!

## Mipela bai toktok moa long yu yet long EITI.

Long save moa, sekim PNGEITI websait;



- (instruction/ keyword)
- Remind that PNGEITI continuously communicate with them
  - Inform and update them through the various media.
  - Ask whether they have social media account and let them follow us.

- (narrative)
- PNGEITI will keep communicating EITI with you.
  - There are various types of communication.
  - For more information on EITI Reports, you can access to PNGEITI's website and download the reports.
  - You can also collect information from the website.
  - We can update you through the social media as well.

- (narrative 2)
- Do you have any social media account?
    - Facebook
    - Twitter
    - Instagram
    - LinkedIn
  - Please follow PNGEITI.
  - And please "Like" it
  - Thank you very much for your participation.

## **Annex 2: Products Produced by the Project**

6. Education / Awareness Promotion  
Materials

**2-6-15 Understanding Gender Based  
Violence (Flip chart style)**

# Preventing and responding to GBV in extractive community



## Contents & Aim

**Contents**

- Gender and Sex: What's the difference?
- GBV Tree
- What is GBV?
- What is Domestic Violence?
- Some Stats and Facts about GBV in PNG
- Impact of COVID-19 on GBV in PNG
- GBV and extractive community in PNG
- Suggested actions - how to prevent/minimise GBV in communities
- Women's Empowerment and GBV Prevention in the Extractive Sector
- PNG Government's Commitments to Combatting GBV

**Aim**

This material is to understand the nature and types of GBV and its impact on extractives communities and also to identify some of the key activities to help prevent or deal with GBV in the extractive community

## Gender and Sex: What's the difference?

**Sex**


It refers to physiological attributes that identify a person as male or female: e.g....

- Genital organs;
- Type of predominant hormones;
- Ability to produce sperm or ovaries;
- Ability to give birth and breastfeed (women)

Women can get pregnant and breastfeed but men cannot

**Gender**

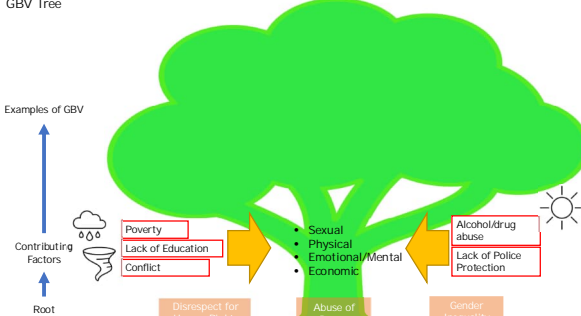
It refers to the characteristics of women and men that are socially: includes ideas about "typically" feminine/female and masculine/male characteristics, abilities and behaviors.



## Facilitator's Guide

- Explain the difference between sex and gender**  
Sex is primarily refers to physical attributes-body characteristics notably sex organ which are distinct in majority of individuals.  
Gender is the composite of attitudes and behaviour of men and women (masculinity and femininity)
- Give some examples...**  
Ask audience if this is about gender or sex.  
Question: Women can breastfeed baby but men cannot.  
Answer: it is biologically determined therefore it is about sex.  
  
Question: Men should study science but women should learn languages  
Answer: It is gender biased. Both men and women should be able to learn whatever they want to.

## GBV Tree



## Facilitator's Guide

GBV tree is a way of demonstrating and understanding gender-based violence. This picture explains the causes and how GBV occurs.

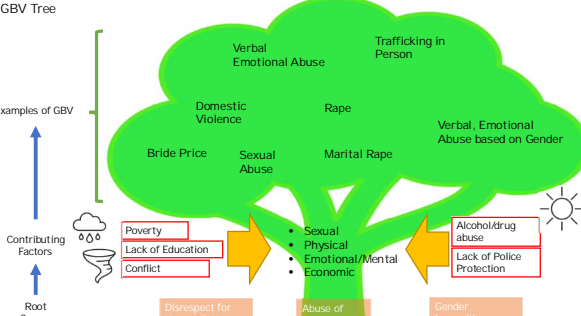
**Root**

The roots are the root causes. Through acts of gender-based violence, perpetrators seek to maintain privileges, power, and control over others. This disregard for or lack of awareness about human rights, gender equality, democracy and non-violent means of resolving problems help continue the inequality that leads to GBV.

**Weather and temperature**

Weather and temperature are the contributing factors - they make the tree grow bigger and the roots grow stronger. While gender inequality and discrimination are the root causes of all forms of gender-based violence, various other factors will influence the type and extent of GBV in each setting. During crises, there are many such factors that can increase risk and vulnerability to GBV. This includes poverty, lack of education, conflict, drug/alcohol abuse and lack of police protection etc.

## GBV Tree



## Facilitator's Guide

**Branches**

The branches stand for the different categories of GBV that can occur. Such as sexual abuse, Domestic Violence, rape, marital rape, trafficking in person, verbal and emotional abuse based on gender and bride price abuse.

**\*\*Explain what it is if necessary**

**Trafficking in person:** is the process of trapping people through the use of violence, deception or coercion and exploiting them for financial or personal gain. Women and girls are targeted to trafficking for sexual exploitation purpose.

**Bride price:** is money or property given to the family of the wife by either the groom or his family on his behalf. bride-price can be seen both as a symptom of male dominance and power in families. Consequently, the subservient position of the wife is made worse and greater inequality is frequently caused by the payment of bride-price. This results in harassment of the bride before, during or after the wedding.

## What is Gender-Based Violence (GBV)?

GBV is physical, emotional, psychological and sexual abuse directed against a person because of his or her gender in a society or culture including, but not limited to, acts committed with force, manipulation or coercion and without the informed consent of the person, to gain control and power over them.

### Types of GBV

- o Rape/penetration
- o Sexual assault
- o Physical assault
- o Trafficking in Person / abduction
- o Sorcery-related violence
- o Forced and/or early marriage
- o Denial of resources, opportunities and services
- o Psychological/emotional abuse
- o Removal or damage of property.



(Source: Papua New Guinea National Strategy to Prevent and Respond to Gender Based Violence 2016-2025)

## Facilitator's Guide

### 1. Explain what GBV is

GBV is physical, emotional, psychological and sexual abuse directed against a person because of his or her gender in a society or culture including, but not limited to, acts committed with force, manipulation or coercion and without the informed consent of the person, to gain control and power over them.

### 2. Types of GBV

Common forms of GBV include domestic violence, rape/penetration, sexual assault, physical assault, trafficking/ abduction, sorcery-related violence, forced and/or early marriage, denial of resources, opportunities and services, psychological/emotional abuse, and removal or damage of property.

## What is Domestic Violence (DV) ?



Domestic violence (DV) is the most common types of GBV. It is also called Intimate Partner Violence (IPV). DV is a pattern of behaviour in any relationship that is used to gain or maintain power and control over an intimate partner. Abuse is physical, sexual, emotional, economic or psychological actions or threats of actions that influence another person.

### Types of DV

(Source: Papua New Guinea National Strategy to Prevent and Respond to Gender Based Violence 2016-2025)

## Facilitator's Guide

### 1. Explain what DV is

Domestic Violence is the most common types of GBV and it is also called Intimate Partner Violence (IPV). It is defined as a pattern of behavior in any relationship that is used to gain or maintain power and control over an intimate partner. Abuse is physical, sexual, emotional, economic or psychological actions or threats of actions that influence another person.

### 2. Forms of DV

There are many forms of DV.

Physical violence : kicking and punching

Sexual assault : rape, unwanted touching

Sexual harassment : harassment at workplace, public transport etc

Emotional and psychological abuse: blaming the victim for all problems in the relationship etc.

Financial violence : forbid partner from working or from spending his/her wages

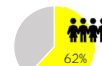
Social abuse : isolation from family and friends, restricting use of the car or telephone etc

Ask participants for examples.

## Some Stats and Facts about GBV in PNG



56% of women aged between 15 and 49 in PNG have experienced physical violence since age 15 and 28% have experienced sexual violence.



62% of sexual abuse cases in Port Moresby are targeted at children.



90% of women in prison are serving time for murder. They acted in self-defence to family violence and during marital problems and confrontations.

(Source: The Demographic and Health Survey in PNG 2016-2018, OER Gender violence in Papua New Guinea)

## Facilitator's Guide

Let's be aware of circumstances in PNG!

Do you know that 2 in 3 women in PNG have experienced domestic violence?

56% of women aged between 15 and 49 in PNG have experienced physical violence since age 15 and 28% have experienced sexual violence.

In addition, 62% of sexual abuse cases in Port Moresby involved children.

According to the health survey, 90% of women in prison are serving time for murder. They acted in self-defence to family violence and during marital problems and confrontations.

Ask participants why GBV situation is so severe and have a discussion

You can have a look at the GBV tree again and think about root cause and contributing factors.

## Some Stats and Facts about GBV in PNG



80% of men reported committing physical violence (including sexual violence) against their partners.



41% of men in PNG admit to having raped someone and 7.7% of men perpetrated male rape.

Both men and women can be the victims of GBV !



15% of girls between the ages of 15 and 19 are already married or engaged. In some cases, young girls are often given in marriage to pay familial debts, and they thereby find themselves exploited.

(Source: The Demographic and Health Survey in PNG 2016-2018, OER Gender violence in Papua New Guinea)

## Facilitator's Guide

1. 80% of men reported committing physical violence (including sexual violence) against their partners.

2. In addition, men can also be the victim!

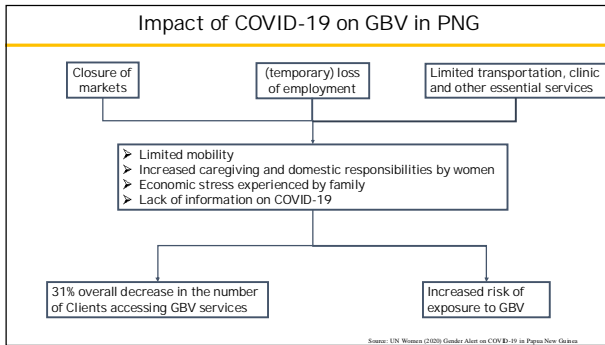
41% of men in PNG admit to having raped someone and 7.7% of men perpetrated male rape.

3. In PNG, 15% of girls between the ages of 15 and 19 are already married or engaged. In some cases, young girls are often given in marriage to pay familial debts, and they thereby find themselves exploited.

Have a discussion with participants why this happens in PNG and what can be done to prevent.

Look back to GBV tree again and think about root cause and contributing factors.






### Facilitator's Guide

The Global Pandemic and the resultant lockdown and mobility restrictions had a disproportionate burden on women worldwide. Due to the declaration of a National State of Emergency in PNG in March 2020, schools and markets were closed. As a result, women's domestic duty has increased, as well as the need to care for sick relatives, putting them at greater risk of GBV exposure at home. Economic stress was also a cause of violence. In addition, the number of clients using GBV services decreased by 31% overall due to the national lockdown and limited mobility.

In addition, emergencies such as armed conflict, natural disasters can weaken a society's ability to protect women and girls from gender-based violence. Rates of intimate partner violence often increase and many armed groups also use sexual violence as a tool of warfare to advance military or political aims. Girls and women may be forced to trade sex for food, money and other resources they need to survive. And in some places, they are married off early or forcefully, to protect or care for their families.

### GBV and Extractive Community in PNG

Despite local development, extractive community can be particularly vulnerable to GBV risks because:



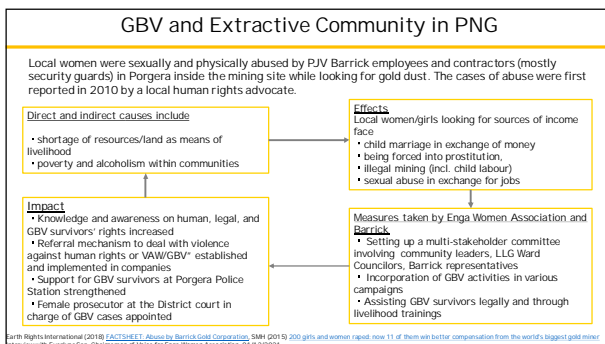
- Extractive activity could trigger local tribal fights over land dispute, in which women are sadly often targeted for revenge murders.
- Influx of male workers, with ready access to cash could result in an increase in violence such as rape and sexual harassment.
- Criminal behaviors such as drug abuse and prostitution, which is often accompanied by the spread of HIV/AIDS and other Sexually Transmitted Diseases (STD), are at risk of increase.

Source: MDF (2011) Gender Based Violence in the Highlands of Papua New Guinea: A Literature Review  
 Earth Rights International (2018) FACTSHEET: Abuse by Barrick Gold Corporation  
 UNHCR (2019) 200 girls and women raped, now 11 of them with better compensation from the world's biggest gold miner

### Facilitator's Guide

Despite local development, communities impacted by the extractive industry are particularly vulnerable to GBV risks because:

1. Extractive activity could trigger local tribal fights over land dispute, in which women are often targeted for revenge murders.
2. Influx of male workers, with ready access to cash results in an increase in violence such as rape and sexual harassment.
3. Criminal behaviors such as drug use and prostitution, which is often accompanied by the spread of HIV/AIDS and other Sexually Transmitted Diseases (STD), are at risk of increase.



### Facilitator's Guide

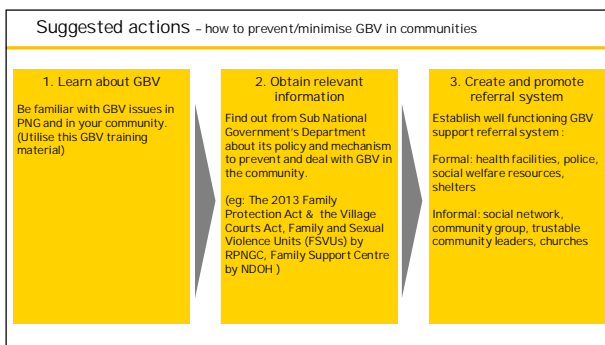
Local women were sexually and physically abused by PJV Barrick employees and contractors (mostly security guards) in Porgera inside the mining site while looking for gold dust. The cases of abuse were first reported in 2010 by a local human rights advocate.

**Causes and influence on community**

The land that used to be used for livelihood was taken away by mining activity and this led to the shortage of land. Along with poverty and alcoholism within communities, local women and girls were looking for sources of income. As result, women and girls faced negative impact including child marriage in exchange of money, being forced into prostitution, illegal mining (incl. child labour) and sexual abuse in exchange for jobs.

**Measures taken and impacts**

Considering these situation, Enga Women Association and Barrick have set up a multi-stakeholder committee involving community leaders, LLG Ward Councilors, Barrick representatives and cooperated GBV activities in various campaigns and assisted GBV survivors legally and through livelihood trainings. Therefore, knowledge and awareness on human, legal, and GBV survivors' rights increased and referral mechanism to deal with violence against human rights or VAW/GBV was established and implemented in companies. In addition, support for GBV survivors at Porgera Police Station was strengthened and female prosecutor at the District court in charge of GBV cases was appointed.



### Facilitator Guide

What can you do as a community organisation?

1. Learn about GBV  
Utilise this GBV training material and get familiar with GBV issues in PNG and in your community.
2. Obtain relevant information  
Find out from Sub National Government's Department about its policy and mechanism to prevent and deal with GBV in the community. For example, The 2013 Family Protection Act & the Village Courts Act, Family and Sexual Violence Units (FSVUs) by RPNGC, Family Support Centre by NDOH.)
3. Create and promote referral system  
Establish well functioning GBV support referral system.  
Formal: health facilities, police, social welfare resources, shelters.  
Informal: social network, community group, trustable community leaders, churches

**Suggested actions - how to prevent/minimise GBV in communities**

**4. Engage and sensitise community and conduct GBV prevention and response activities**

- Raise the awareness among women, girls, men and boys about GBV. (Engaging with men and boys to promote a culture of non-violence is critical)
- Conduct special training for community/CSO members on GBV so they are well equipped to deal with GBV.
- Initiate and promote community-based services to prevent and respond to GBV cases and protect the victims of GBV appropriately (hotline and shelter services, initiatives to promote women leadership, economic empowerment of women etc)

**Facilitator's Guide**

After you go through basic foundation, you can engage with community to sensitise and conduct GBV prevention and response activities.

What you can do is

1. Raise the awareness among women, girls, men and boys about GBV. (Engaging with men and boys to promote a culture of non-violence is critical)
2. Conduct special training for community/CSO members on GBV so they are well equipped to deal with GBV.
3. Initiate and promote community-based services to prevent and respond to GBV cases and protect the victims of GBV appropriately (hotline and shelter services, initiatives to promote women leadership, economic empowerment of women etc)

**Women's Empowerment and GBV Prevention in the Extractive Sector**



**1** Engage in the Development Forum process to ensure that Memorandum of Agreement has gender issues and GBV risks addressed. Nominate community representatives who can participate in decision making and voice women's concerns to DF.

**2** Engage with Landowner Association/ Landowner Business and raise the awareness of GBV risks and impact. Ensure women's voices are represented at the decision making platform.

**3** Engage with the extractive project company to confirm they have robust policy and practice to prevent GBV, and in the event of GBV incidence perpetrated by its employee, deal with GBV cases appropriately.

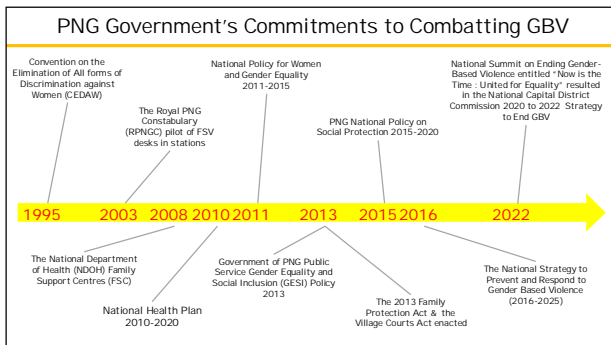
**4** Advocate for social payments and expenditures from extractive projects to be utilised for GBV prevention and response activities. (e.g. Women's leadership training, Infrastructure to promote well-lit and safe community environment, increased community policing etc)

**Facilitator's Guide**

If you work in extractive industry, here is the steps you can take.

1. Engage in the Development Forum process to ensure that Memorandum of Agreement has gender issues and GBV risks addressed. Nominate community representatives who can participate in decision making and voice women's concerns to Development Forum.
2. Engage with Landowner Association/ Landowner Business and raise the awareness of GBV risks and impact. Ensure women's voices are represented at the decision making platform.
3. Engage with the extractive project company to confirm they have robust policy and practice to prevent GBV, and in the event of GBV incidence perpetrated by its employee, deal with GBV cases appropriately.
4. Advocate for social payments and expenditures from extractive projects to be utilised for GBV prevention and response activities. (e.g. Women's leadership training, Infrastructure to promote well-lit and safe community environment, increased community policing etc)

**PNG Government's Commitments to Combatting GBV**



1995: Convention on the Elimination of All forms of Discrimination against Women (CEDAW)

2003: The National Department of Health (NDOH) Family Support Centres (FSC)

2008: The National Health Plan 2010-2020

2008: The Royal PNG Constabulary (RPNGC) pilot of FSV desks in stations

2010: National Health Plan 2010-2020

2011: National Policy for Women and Gender Equality 2011-2015

2011: Government of PNG Public Service Gender Equality and Social Inclusion (GESI) Policy 2013

2013: PNG National Policy on Social Protection 2015-2020

2013: The 2013 Family Protection Act & the Village Courts Act enacted

2015: PNG National Policy on Social Protection 2015-2020

2016: The National Strategy to Prevent and Respond to Gender Based Violence (2016-2025)

2020: National Summit on Ending Gender-Based Violence entitled "Now is the Time: United for Equality" resulted in the National Capital District Commission 2020 to 2022 Strategy to End GBV

2022: The National Strategy to Prevent and Respond to Gender Based Violence (2016-2025)

**Facilitator's Guide – read below to explain**

- Convention on the Elimination of All forms of Discrimination against Women (CEDAW) - CEDAW was ratified by Papua New Guinea on 12 January 1995.
- The Royal PNG Constabulary (RPNGC) pilot of FSV desks in stations - 15 Family and Sexual Violence Units (FSVU) were established throughout the country.
- The National Department of Health (NDOH) Family Support Centres (FSC) - the rollout of FSCs commenced in 2008.
- National Health Plan 2010-2020 - the Plan recognises the need to improve the health sector response to prevention of injuries, trauma and violence that impact families and community.
- National Policy for Women and Gender Equality 2011-2015 - the policy identifies eight strategies for implementation aiming to create an enabling environment within which GBV issues are addressed.
- Government of PNG Public Service Gender Equality and Social Inclusion (GESI) Policy 2013 - the Policy sets up GESI Desk in each Government Department.
- The 2013 Family Protection Act & the Village Courts Act enacted - the Act criminalises domestic violence and so allows victims to receive proper legal protection through an Interim Protection Order.
- PNG National Policy on Social Protection 2015-2020 - women and girls, including victims of GBV, must be recognised as vulnerable and disadvantaged groups, requiring full protection and adequate assistance from government and society at large to improve their health, livelihood and wellbeing.
- The National Strategy to Prevent and Respond to Gender Based Violence (2016-2025) - a roadmap to an inclusive government-led approach in implementing all legislation, policies and programme to address GBV and Family and Sexual Violence (FSV).
- National Summit on Ending Gender-Based Violence entitled "Now is the Time: United for Equality" resulted in the National Capital District Commission 2020 to 2022 Strategy to End GBV - recommendations were compiled and synthesised into an Outcome Statement.




## **Annex 2: Products Produced by the Project**

6. Education / Awareness Promotion  
Materials

**2-6-16 Understanding Gender Based  
Violence (Tok Pisin version)**

## Wok bilong stopim GBV long go bikipela insait long ol ekstrektyw komyuniti



### Insait & Astingting

**Contents**

- Jenda na Seks: Tupela i no wankain?
- Han diwai bilong GBV
- GBV em wanem?
- Domestic Violence em wanem samting?
- Sampela ol namba na mak bilong GBV insait long PNG
- Hevi bilong COVID-19 long GBV insait long PNG
- GBV na ekstrektyw komyuniti insait long PNG
- Sampela samting long wokim – Ol wok bilong daunim GBV insait long ol komyuniti
- Strongim ol meri na stopim GBV insait long Ekstrektyw Sekta
- Ol wok bilong PNG Gavman long stopim GBV

**Astingting**

Astingting bilong dispela presentesen em long lukluk long ol pasin na wanem kain ol samting i save kamapim GBV, na wanem kain hevi dispela i save kamapim long ol ekstrektyw komyuniti, na tu long luksave long sampela wok we i ken helpim long stopim na daunim GBV insait long ol ekstrektyw komyuniti.

### Gender and Sex: What's the difference?

**Seks**


Seks (sex) em ol samting long skin na bodi bilong ol manmeri we mama i karim ol wantaim, we i soim olsem ol i man o meri. Kain olsem: e.g....

- Samting bilong ol man na meri;
- Ol marasin bilong bodi insait long blut;
- Ol i nap long kamapim pikinini olsem wanem;
- Ol i nap lona karim pikinini na susu bilo

*Ol meri ken i gat bel na givim susu long ol bebi tasol ol mani no i nap.*

**Jenda**


Jenda (gender) i toktok long ol pasin, bilas na strong we ol manmeri save soim we i ken mekim ol i luk insait long komyuniti olsem man o meri bihainim laik na tingting bilong ol.



### Gaid bilong Fesiliteta

- Tok kila long Seks na Jenda**  
Seks em ol samting long skin na bodi bilong ol manmeri we mama i karim ol wantaim, we i soim olsem ol i man o meri.  
Jenda i toktok long ol pasin, bilas na strong we ol manmeri save soim we i ken mekim ol i luk insait long komyuniti olsem man o meri bihainim laik na tingting bilong ol (masculinity na femininity).
- Sampela piksa na tok kila...**  
Askim ol manmeri sapos ol i ken luksave long dispela olsem em i Seks o Jenda.  
**Askim:** Ol meri ken givim susu long bebi tasol ol mani no i nap.  
**Bekim:** Dispela em i kam aninit long Seks bilong wanem em i pas long skin na bodi. Em i no wankain long ol man na meri.  
**Askim:** Ol man tasol i mas stadi long saiens na ol meri tasol i mas lainim ol kainkain tok ples.  
**Bekim:** Dispela em i Jenda, bilong wanem, man na meri wantaim i nap long mekim dispela tupela samting. Em i no pas long wanpela tasol.

### GBV Diwai



**Tok kila bilong GBV**

- Ol samting i saposim
- Ol as bilong hevi

**Hevi bilong pasin marit:**

- Pasin kros na pait
- Tingting bagarap na pilim ngut
- Nogat mani na pasin lukaufim

**Manmeri no sidsan gut:**

- Dring spak na drak
- Nogat helpim bilong polis

**Manmeri no sidsan gut:**

- Nogat respek bilong humen rait
- Yusim pawa krangkri

### Gaid bilong Fesiliteta

GBV Diwai em i wanpela rot bilong soim na save long ol hevi bilong jenda o "gender-based violence". Dispela piksa i soim ol as we i save kamapim GBV.


**As rop bilong diwai**

Ol as bilong ol samting na pasin we i save kamapim GBV. Ol lain husat i save mekim pasin bilong kros pait na bagarapim narapela man o meri bilong ol, i save laik soim strong na pretim ol. Ol i laik soim ol i gat pawa long kontrolim narapela. Planti long ol i nogat save o luksave long pasin bilong kros pait na birua namel long ol yet, tasol i gat ol arapela samting tu i save helpim long kamapim dispela hevi bilong GBV. Long taim bilong bikipela hevi, i save gat planti long ol kain samting we i save helpim long kamapim GBV. Sampela long ol dispela em nogat mani, nogat i nap save long skul, kros pait na birua, dring spak na drak, na i nogat lukaufim bilong polis.

**Hot bilong klaut win na ren**

Hot bilong klaut win na ren o 'weather' i save helpim tu long hevi na gro bilong GBV. Em i save helpim long mekim diwai gro bikipela na ol rop bilong em i save sanap strong insait long graun. Pasin bilong ol man long luk daun long ol meri o ol meri daunim ol man, em ol as bilong ol pasin bilong kros pait na birua namel long ol yet, tasol i gat ol arapela samting tu i save helpim long kamapim dispela hevi bilong GBV. Long taim bilong bikipela hevi, i save gat planti long ol kain samting we i save helpim long kamapim GBV. Sampela long ol dispela em nogat mani, nogat i nap save long skul, kros pait na birua, dring spak na drak, na i nogat lukaufim bilong polis.

### GBV Diwai



**Tok kila bilong GBV**

- Ol samting i saposim
- Ol as bilong hevi

**Tok nogut na bagarapim narapela:**

- Kros pait insait long femili haus
- Braid prais
- Hevi bilong marit pasin
- Rep
- Rep insait long marit
- Salim ol arapela man o meri
- Bagarapim narapela man o meri wantaim ol toktok na pasin nogut

**Manmeri no sidsan gut:**

- Dring spak na drak
- Nogat helpim bilong polis

**Manmeri no sidsan gut:**

- Nogat respek bilong humen rait
- Yusim pawa krangkri

### Gaid bilong Fesiliteta

**Ol han bilong Diwai**

Ol han bilong diwai makim ol wanwan hevi aninit long GBV we i save kamap. Dispela em pasin bilong hevi insait long pasin marit (sexual abuse), kros pait insait long femili haus (domestic violence), rep (rape), rep insait long marit (marital rape), wok bilong salim narapela man o meri (trafficking in person), ol toktok na pasin nogut long ol man o meri bihainim lukluk na bilas bilong ol, na yusim hevi bilong braid prais long kamapim hevi na birua.

**\*\*Tok kila moa long ol dispela sapos yu ting yu mas**

**Trafficking in person:** Dispela em pasin yusim pait, kros na giaman long pasin na pretim ol man o meri long mekim wok o salim bodi bilong ol long kism mani na ol arapela samting long gupela bilong ol dispela lain husat i salim ol.

**Braid Prais (Bride price):** Dispela em taim ol lain bilong mani givim mani o arapela samting long ol femili bilong meri em i maritim. Sampela i save ting braid prais i man olsem ol i soim pawa na strong bilong ol long narapela femili. Long dispela as, ol i save ting olsem ol i ken mekim kainkain pasin long meri bilong ol.

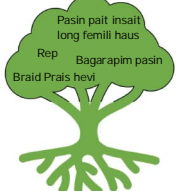
### Gender-Based Violence (GBV) em wanem?

GBV em hevi we i save kamap long pasin pait na kros, tok nogut na bagarapim narapela, na hevi bilong pasin marit we i save kamap long bagarapim narapela olsem man o meri insait long sosaiti na komyuniti o kalsa bilong ol. Em i karamapim moa long pasin bilong pretim na pusim narapela man o meri long mekim pasin nogut o pasin em yet i no laik mekim.

**Ol kainkain GBV**

- o Rep na pasin marit
- o Tasim skin o bagarapim narapela
- o Paitim na bagarapim skin bilong narapela
- o Stilim na salim narapela man o meri
- o Paitim na bagarapim narapela long pasin sanguma
- o Pusim ol yangpela long marit liklik yet
- o Pasim ol risos, wok na arapela helpim long narapela
- o Bagarapim narapela wantaim tingting na pasin nogut
- o Rausim o bagarapim ol samting bilong narapela.

(Source: Papua New Guinea National Strategy to Prevent and Respond to Gender Based Violence 2016-2025)



### Gaid bilong Fesiliteta

- Tok klia long GBV em i wanem**  
Hevi bilong GBV i ken kamap long bagarap bilong paitim, bagarapim pasin, tingting o pasin marit na rep i kamap long ol arapela agensim bilas, lukluk na pasin bilong em olsem man o meri insait long sosaiti, komyuniti na kalsa bilong em. Moa long dispela em pasin bilong ol pretim na pusim narapela man o meri long mekim ol samting we i no laik long mekim o i no givim tok orait bilong ol.
- Ol kainkain GBV**  
Sampela ol pasin bilong GBV wei save kamap planti taim em rep na pasin marit, tasim skin o bagarapim narapela, paitim na bagarapim skin bilong narapela, stilim na salim narapela man o meri, paitim na bagarapim narapela long pasin sanguma, pusim ol yangpela long marit liklik yet, pasim ol risos, wok na arapela helpim long narapela, bagarapim narapela wantaim tingting na pasin nogut, rausim o bagarapim ol samting bilong narapela.

### Domestic Violence (DV) em wanem?


Kros pait insait long femili haus (Domestic violence o DV) em wanpela GBV hevi we i bikpela tru. Narapela nem bilong en em Intimate Partner Violence (IPV) o hevi bilong tupela marit.

DV em i pasin we i save kamap taim wanpela i soim strong na pawa bilong em long narapela insait long marit bilong tupela long pretim em na kontrolim em. Pasin bilong bagarapim narapela i ken kamap long pait na bagarapim skin, long pasin marit, bagarapim bel na tingting, nogat sapot long mani na ol arapela helpim na tu long pretim narapela wantaim ol sain o mak na ol toktok.

**Ol kainkain DV**

- Pitim nogut
- Tingting nogut
- Pait na kros
- Bagarapim pasin marit
- Insait long komyuniti
- Hevi bilong mani na risos

(Source: Papua New Guinea National Strategy to Prevent and Respond to Gender Based Violence 2016-2025)



### Gaid bilong Fesiliteta

- Tok klia long DV em i wanem**  
Em i pasin we i save kamap taim wanpela i soim strong na pawa bilong em long narapela insait long marit bilong tupela long pretim em na kontrolim em. Pasin bilong bagarapim narapela i ken kamap long pait na bagarapim skin, long pasin marit, bagarapim bel na tingting, nogat sapot long mani na ol arapela helpim na tu long pretim narapela wantaim ol sain o mak na ol toktok.
- Ol kainkain DV**  
I gat planti kain DV.  
Kros na pait (Physical violence): Kikim na paitim wantaim han na lek.  
Bagarapim yusim pasin marit (Sexual assault): rep, holim skin long hap em i no laikim.  
Holim o tok nogut bagarapim skin (Sexual harassment): Tok nogut na bikhet long wok ples, insait long ol pabik bas na kar na arapela pabik ples, etc.  
Bagarapim bel na tingting (Emotional and psychological abuse): Sutim tok long narapela long olgeta hevi we i wok long kamap insait long marit o femili.  
Nogat mani na risos (Financial violence): Pasim o stopim narapela long noken wok na kisim na kisim mani bilong em yet.  
Hevi long komyuniti (Social abuse): Stopim o pasim narapela long lukim femili bilong ol, pasim o stopim ol long yusim kar o telefon long raun o toktok wantaim ol arapela.

Askim ol manmeri long givim sampela tingting long dispela.

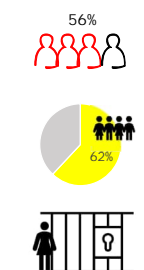
### Sampela ol namba na mak bilong GBV insait long PNG

56% long ol meri wantaim krismas namel long 15 na 49 long PNG i bungim hevi bilong kros na pait (physical violence) taim ol i bin gat 15 krismas yet i kam. 28% i bungim hevi bilong kisim bagarap long pasin marit (sexual violence).

62% bilong ol lain husat i bungim hevi bilong pasin marit (sexual abuse) insait long Mosbi em ol pikinini.

90% bilong ol meri insait long kalabus i kisim sas long long ol i kilim narapela man o meri. Ol i mekim dispela tam ol i stap insait long pait o hevi insait long femili na i traim long pasim ol yet long kisim bagarap.

(Source: The Demographic and Health Survey in PNG 2014-2018, OER Gender violence in Papua New Guinea)



### Gaid bilong Fesiliteta

Yumi luksave pastaim long dispela hevi insait long PNG!  
Yu save tu olsem namel long tripela meri insait long PNG, tupela bilong ol i bungim pinis hevi bilong kros pasin insait long femili (domestic violence)?  
56% long ol meri wantaim krismas namel long 15 na 49 long PNG i bungim hevi bilong kros na pait (physical violence) taim ol i bin gat 15 krismas yet i kam. 28% i bungim hevi bilong kisim bagarap long pasin marit (sexual violence).

Antap long dispela, 62% bilong ol lain husat i bungim hevi bilong pasin marit (sexual abuse) em ol pikinini.

Wanpela wokpalaunim aut bilong helt i tok, 90% bilong ol meri insait long kalabus i kisim sas long long ol i kilim narapela man o meri. Ol i mekim dispela taim ol i stap insait long pait o hevi insait long femili na i traim long pasim ol yet long kisim bagarap.

Askim ol manmeri long wanem as na pasin bilong GBV i save kamap strong tumas na yupela i toktok long dispela.  
Yu ken lukluk gen long GBV diwai na tingting long ol as bilong bilong en na ol han we i helpim long kamapim dispela hevi.

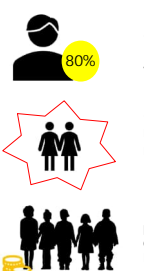
### Sampela namba na mak bilong GBV insait long PNG

80% bilong ol mani gat ripot long ol i kros na pait (physical violence) na mekim pasin marit (sexual violence) agensim poro bilong ol insait long marit.

41% bilong ol man long PNG i tokaut olsem ol i bin mekim rep na 7.7% bilong ol mani tokaut long ol i mekim rep long narapela man.  
— Ol man na meri wantaim i ken kisim hevi bilong GBV

15% bilong ol meri wantaim krismas namel long 15 na 19 i marit pinis o i stap wantaim wanpela poro. Sampela taim, ol i save kisim ol dispela meri long bekim ol dinau. Ol meri ken bungim planti hevi long dispela taim long wanem ol i yangpela tumas.

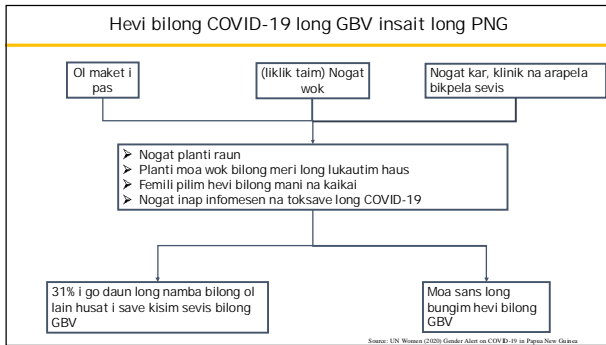
(Source: The Demographic and Health Survey in PNG 2014-2018, OER Gender violence in Papua New Guinea)



### Gaid bilong Fesiliteta

- 80% bilong ol man i ripot olsem ol i kros na paitim meri bilong ol na tu mekim nogut long ol.
- Antap long dispela, ol man tu i ken bungim hevi olsem ol meri!  
41% bilong ol man insait long PNG i tokaut olsem ol i bin mekim pasin rep na 7.7% bilong ol man i tok ol i repim narapela man.
- Long PNG, 15% bilong ol meri wantaim krismas namel long 15 na 19 i marit pinis o i stap wantaim wanpela poro. Sampela taim, ol femili bilong ol dispela meri save givim ol i go long bekim ol dinau bilong ol, dispela i ken mekim ol i stap ples klia long ol man i bagarapim ol.

Toktok wantaim ol manmeri long wanem as na dispela i save kamap long PNG, n wanem samting i ken kamap long long stopim.  
Lukluk i go bek gen long GBV diwai na tingting long ol as bilong wanem na dispela ol samting i save kamap.



### Gaid bilong Fesiliteta

Hevi bilong bikipela sik long wol nau we i kamapim dispela lokdaun we i stopim raun na wokabaut bilong ol manmeri, i kamapim hevi tu long ol meri olgeta hap long wol. Ol skul na maket long PNG tu i pas long Mas, 2020 taim wanpela nesenei stet ov imejensi kamap long hia. Dispela i lukim wok bilong ol meri insait long haus bilong ol i go antap, wantaim tu ol i lukautim ol wan femili bilong ol husat i sik long dispela taim. Dispela ol samting i mekim sans bilong ol long bungim GBV long haus, i go antap. Hevi bilong mani na kaikai save kamapim tu kros na pait. Antap long dispela, namba bilong ol lain husat i yusim ol GBV helpim sevis long dispela taim, i go daun 31% long wanem i bin i gat lokdaun na nogat man o meri raun.

Long ol bikipela imejensi olsem bikipela pait, hevi na bagarap bilong graun, i ken daunim strong bilong ol ol sosaieti long long lukautim ol meri bilong ol long hevi bilong GBV. Namba bilong hevi namel long ol marit, i save go antap, na long wankain taim planti ol grup bilong pait i save bagarapim ol meri long soim strong bilong ol long pretim birua bilong ol. Long kain samting olsem, ol meri ken tingting long mekim paol pasin o marit pasin wantaim ol man long kisim kaikai, mani na ol arapela samting sapos ol i laik stap laip. Long sampela ples, ol i save givim ol i go long marit bai birua na hevi noken kam bek long ol femili bilong ol.

### GBV na ol Ekstrektiv Komyuniti insait long PNG

Ol lokal wok developmen i ken kamap tasol ol ekstrektiv komyuniti bai gat sans yet long hevi bilong GBV i kamap long wanem:

- Ol wok long Ekstrektiv Industri ken mekim ol pait bilong graun i kamap namel long ol aspies, we ol meri ken kamap olsem mak bilong ol birua long kamapim hevi na bagarap long ol long bekim.
- Planti wokman bai kam n ol bai gat mani. Dispela i ken mekim tu namba bilong ol hevi bilong kros pait, rep na bagarapim ol meri tu i go bikipela.
- Ol raskol na bikhet pasin olsem kisim drak na pamuk pasin, i save kamap wantaim ol sik olsem HIV/AIDS na ol arapela sik olsem.

Source: MDF (2011) Gender Based Violence in the Highlands of Papua New Guinea: A Literature Review  
Earth Rights International (2018) FACTSHEET: Abuse by Barrick Gold Corporation  
SME (2019) 200 girls and women raped, now 11 of them with better compensation from the world's biggest gold miner

### Gaid bilong Fesiliteta

Maski ol wok developmen i kamap, ol komyuniti we wok bilong ol ekstrektiv industri (extractive industry) kamap, i gat sans yet long lukim hevi bilong GBV i kamap. Dispela em long wanem:

1. Dispela kain wok i ken kamapim ol pait bilong graun namel long ol ples. Dispela i ken lukim ol meri kamap olsem mak bilong ol birua long kisim na bagarapim ol kilim ol.
1. Planti ol man bilong kainkain ples bai go long hap long wok. Ol bai gat mani long yusim na dispela i ken lukim ol hevi bilong rep na bikhet pasin long ol meri ken kamap.
2. Ol raskol pasin olsem kisim drak na pamuk i ken kamap we bai lukim ol sik nogut olsem HIV/AIDS na ol arapela kain sik olsem i ken go bikipela na planti hariap tru.

### GBV na ol Ekstrektiv Komyuniti insait long PNG

Ol wokman bilong PJV Barrick i mekim pasin nogut na i bagarapim ol lokal meri long Porgera taim ol meri wok long painim gol das i stap. Dispela ol wokman em ol sekuriti gad bilong main. Wanpela wokman bilong ol humen rait grup long hap i bin mekim dispela ripot long 2010.

**Ol dairak na indaitek as long dispela kamap**

- Ol risos na graun bilong stap na wok sol.
- nogat mani na pasin bilong spaki go bikipela insait long ol komyuniti.

**Wok kamap**

- Tingting na save long ol humen rait, lo na lukautim bilong ol lain husat i bungim GBV bipo, i go antap.
- Rot bilong helpim long stretim na daunim hevi bilong bias agensim ol meri na humen rait (violence against human rights or VAH/GBV) kamap gut na ol kamsik ken ranim.
- Sapat long Porgera Police Station bilong ol lain husat i kisim hevi long GBV bipo i kamap strong.
- Makim meri husat bai go pas insait long Distrik Kot long kotim na givim mekim save long ol lain husat i mekim pasin bilong GBV.

**Ol samting kamap**

- Ol lokal meri husat i laik painim risos i save bungim • bungim hevi long go marit long kisim mani
- ol i pusim ol long wok pamuk,
- brukum lo long wok maining (kam anisik long lo bilong putim ol pikinini long wok)
- Givim bodi bilong ol bai ol i ken kisim wok.

**Ol wok Eng Women Association na Barrick kamapim**

- Kamapim wanpela komiti we gat ol komyuniti lida, ol LLG wod kaunsela, ol pesman bilong Barrick
- Putim ol wok na toktok bilong GBV insait long wanwan program bilong ol
- Helpim ol ol husat i kisim hevi bilong GBV bipo long kisim helpim bilong lo na givim training long helpim ol long laip.

Earth Rights International (2018) FACTSHEET: Abuse by Barrick Gold Corporation; SMH (2019) 200 girls and women raped, now 11 of them with better compensation from the world's biggest gold miner  
inter view with Evelyn Sap, Chairperson of Voice for Eng. Women Association, 01/12/2021

### Gaid bilong Fesiliteta

Ol wokman bilong PJV Barrick i mekim pasin nogut na i bagarapim ol lokal meri long Porgera taim ol meri wok long painim gol das i stap. Dispela ol wokman em ol sekuriti gad bilong main. Wanpela wokman bilong ol humen rait grup long hap i bin mekim dispela ripot long 2010.

**As bilong ol samting i kamap insait long komyuniti**

Graun we ol i save wok long en bipo em main i kisim nau na dispela i mekim ol ol manmeri sot long graun bilong wok. i nogat mani na hevi bilong dring spaki insait long ol komyuniti mekim na ol meri go raun painim rot bilong kisim mani. Dispela i lukim ol i bungim hevi olsem marit taim ol i laik yet long kisim mani, ol i go insait long pasin pamuk, na brukum lo long mekim main (lo i tambu long ol pikinini wok) na ol i yusim bodi bilong ol long mekim paol pasin long kisim wok.

**Ol samting kamap long stretim**

Bhainim dispela hevi, Enga Women Association na Barrick kamapim wanpela komiti we i gat ol komyuniti lida, ol LLG Wod kaunsela na ol pesman bilong Barrick, we ol i putim ol wok na toktok bilong GBV i go insait long ol wanwan program na wok bilong ol. Ol i helpim ol lain husat i kisim hevi bilong GBV bipo long ol i kisim helpim bilong lo, na givim training long helpim ol long laip. Dispela i luk ol i save na tingting bilong ol long humen rait, rait bilong ol lain husat i bungim wantaim GBV pasin, i go bikipela. Dispela i helpim ol kampani long ranim ol dispela program long wokples bilong ol. Antap long dispela, sapat long Porgera polis stesen bilong ol lain husat i kisim hevi long GBV i kamap strong, na ol i makim wanpela meri long Distrik kot long lukluk long ol hevi bilong GBV.

### Ol samting long wokim- hau long daunim na stopim hevi bilong GBV insait long ol komyuniti

**1. Lainim na save long GBV**

Lainim na save gut long ol hevi bilong GBV insait long PNG na komyuniti bilong yu. (Yusim gut tu dispela GBV training pepa)

**2. Painim na kisim gutpela infomesen**

Painim aut moa long ol opis bilong gavman long wanem ol lo na polisi stap long was long ol ol hevi bilong GBV insait long ol komyuniti.

(eg: 2013 Family Protection Act na the Village Courts Act, Family and Sexual Violence Units (FSVUs) bilong RPNCG, Family Support Centre bilong NDOH)

**3. Kamapim rot bilong helpim**

Kamapim gutpela sistem bilong ripotim na wok long sapatim ol lain husat i kisim hevi bilong GBV.

Ol fomol samting: ol helt senta na haus sik, polis stesen, sosol welfea risos na ol ples bilong go stap kisim lukaut.

Ol infomol samting: wokbung namel long femili na poro, ol komyuniti grup, ol gutpela lida bilong komyuniti, ol sios.

### Gaid bilong Fesiliteta

Wanem kain ol samting bai yu ken mekim olsem komyuniti grup?

1. Lainim na save long GBV  
Yusim dispela GBV training pepa long save moa long hevi bilong GBV insait long PNG na long komyuniti bilong yu
2. Painim na kisim gutpela infomesen  
Painim aut moa long ol opis bilong gavman long wanem ol lo na polisi stap long was long ol ol hevi bilong GBV insait long ol komyuniti. Sampela long ol dispela em, 2013 Family Protection Act & the Village Courts Act, Family and Sexual Violence Units (FSVUs) bilong RPNCG, Family Support Centre bilong NDOH.
3. Kamapim na promotim rot bilong helpim  
Kamapim gutpela sistem bilong ripotim na wok long sapatim ol laini kisim hevi bilong GBV.  
Ol fomol samting: ol helt senta na haus sik, polis stesen, sosol welfea risos na ol ples bilong go stap kisim lukaut.  
Ol infomol samting: wokbung namel long femili na poro, ol komyuniti grup, ol gutpela lida bilong komyuniti, ol sios.

Sampela samting long wokim - Ol wok bilong daunim GBV insait long ol komyniti

**4. Wokbung wantaim komyniti na kamapim**  
Ol wok bilong ranim ol program long lukluk long stretim na daunim GBV

- Skulim moa meri na man, liklik na bikpela wantaim long hevi bilong GBV. (Ol liklik mangi na mani mas stap insait long dispela bai ol i ken kamapim gutpela pasin na senis long bihain taim)
- Kamapim ol spesol trening wantaim ol komyniti na CSO memba long GBV bai ol i ken save gut long wanem wok long mekim taim dispela i kamap.
- Kamapim na promotim ol sevis insait long komyniti we i save givim helpim long ol daunim na pinisim GBV na lukautim ol lain husat i kisim hevi long dispela rot (hotlain o telefon helpim lain, ples bilong stap na lukaut, ol program bilong kamapim wok lidasip bilong ol meri, givim wok na risos long ol meri long strongim sanap bilong ol, etc).

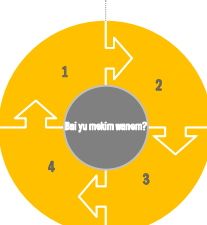
**Gaid bilong Fesiliteta**

Bihain long yu save gut long ol astingting na wok, yu ken wokbung wantaim komyniti long luksave long hevi bilong GBV na painim ol rot na program long daunim.

Ol samting yu ken mekim em

1. Skulim moa meri na man, liklik na bikpela wantaim long hevi bilong GBV. (Ol liklik mangi na bikman i mas stap insait long dispela bai ol i ken kamapim gutpela pasin na senis long bihain taim.
2. Kamapim spesol trening wantaim ol komyniti na CSO memba long GBV bai ol i ken gat i nap save long lukaut long GBV.
3. Kamapim na promotim ol sevis insait long komyniti we i save givim helpim long ol daunim na pinisim GBV na lukautim ol lain husat i kisim hevi long dispela rot (hotlain o telefon helpim lain, ples bilong stap na lukaut, ol program bilong kamapim wok lidasip bilong ol meri, givim wok na risos long ol meri long strongim sanap bilong ol, etc).

**Strongim ol Meri na Stopim GBV insait long Esktrektiv Sekta**



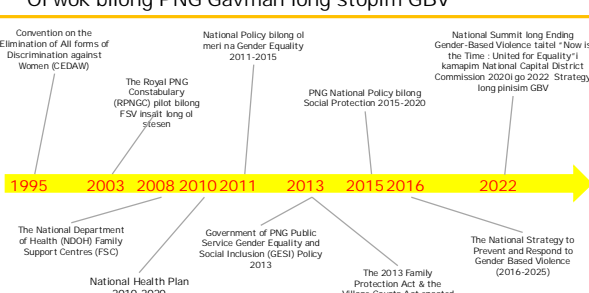
Toktok strong long ol wok na helpim i kam long ol Esktrektiv Projek i mas helpim tu ol program na wok bilong daunim na stopim GBV. (e.g. Lidasip trening bilong ol meri, ol gutpela rot, lait na ples kila we olgeta manmeri ken raun gut, putim moa polis long raun lukautim ples etc)

**Gaid bilong Fesiliteta**

Sapos yu wok insait long Esktrektiv Industri, hia em sampela rot yu ken bihainim.

1. Stap insait long wok proses bilong Development Forum long lukim olsem i masi gat Memorandum of Agreement (MoA) i mas lukluk long ol hevi bilong jenda na daunim GBV. Makim ol pesman long komyniti husat bai ken stap insait long ol dispela bung na givim tok i go long DF long ol hevi we i bungim ol meri.
2. Wokbung wantaim ol papagraun, ol asosiesen bilong ol na bisnis grup bilong ol. Skulim long ol hevi bilong GBV na gutpela bilong daunim, i mas i gat nek bilong ol meri insait long ol bungim bilong mekim ol bikpela tingting o pasim tok.
3. Wokbung wantaim ol Esktrektiv projek kampani long lukim olsem ol i gat gutpela na strongpela polisi long daunim na stopim GBV, na tu long ol rot ol i ken bihainim taim wanpela hevi bilong ol GBV i kamap.
4. Toktok strong long ol wok na helpim i kam long ol Esktrektiv Projek i mas helpim tu ol program na wok bilong daunim na stopim GBV. (e.g. Lidasip trening bilong ol meri, ol gutpela rot, lait na ples kila we olgeta manmeri ken raun gut, putim moa polis long raun lukautim ples etc)

**Ol wok bilong PNG Gavman long stopim GBV**



**Gaid bilong Fesiliteta- ridim na tok kila**

- Convention on the Elimination of All forms of Discrimination against Women (CEDAW) - Papua Niugini kamapim CEDAW long 12 January, 1985.
- The Royal PNG Constabulary (RPNGC) pilot bilong ol FSV opis long ol stesen - 15 Family and Sexual Violence Units (FSVUs) i kamap na i stap insait long kaint.
- The National Department of Health (NDOH) Family Support Centres (FSC) - Wok bilong surukim ol FSC i go aut, i stat long 2008.
- Nesenel Helt Plan 2010-2020 - dispela plan i luksave long wok stretim wok insait long helt sekta we i save lukluk long ol wok bilong helpim ol bagarap na hevi long bod bilong ol manmeri. Dispela kam bagarap i save kamapim plani hevina na wan long ol komyniti na femi.
- National Policy for Women and Gender Equality 2011-2015 - Dispela polisi luksave long 8-pela rot bilong ol mekim wok we i luksave long kamapim ol spesol gutpela ples we ol hevi bilong GBV i ken kisim helpim.
- Government of PNG Public Service Gender Equality and Social Inclusion (GESI) Policy 2013 - Dispela polisi em i givim luksave long kamapim ol spesol GESI insait long wanwan gavman dipatmen.
- The 2013 Family Protection Act & the Village Courts Act enacted - dispela akti tokaut olsem pasin bilong kros pat insait long femi o maif em i gisam b, na i givim helpim long husati bungim hevi long dispela long helpim bilong ol anait long Interim Protection Order.
- PNG National Policy on Social Protection 2015-2020 - ol bikpela na liklik meri, wantaim ol lain husat i kisim hevi long GBV, i mas kisim luksave long hevi bilong ol na gutpela sapat na helpim bilong gavman na sosai mas i go long helpim o kamap orisi na sdaun gut gen.
- The National Strategy to Prevent and Respond to Gender Based Violence (2016-2025) - dispela em wanpela rot map ol i kamapim long kisim sapos bilong gavman long go pas long kamapim ol na polisi long stopim na daunim ol hevi bilong GBV na hevi insait long ol femi o Family and Sexual Violence (FSV).
- National Summit on Ending Gender-Based Violence entitled 'Now is the Time: United for Equality' resulted in the National Capital District Commission 2020 to 2022 Strategy to End GBV - ol wok paninaut na toktok long dispela bung i bin kamapim wanpela riport bilong lukim na bihainim long ol wok i kam.

## **Annex 2: Products Produced by the Project**

### **7.       Positing Contents on Social Media**

2-7-1   International / National Women's Day

2-7-2   Summary of 2019 Report

2-7-3   International Day for the Elimination of  
Violence Against Women

## 2-7-1 International / National Women's Day

8/8/2021



Today, the 8th of March, 2021, the Papua New Guinea Extractive Industries Transparency Initiative (PNGEITI) joins the global world in celebrating the International Women's Day (IWD).

In line with the theme for this year IWD "Women in Leadership: Achieving an equal future in a COVID-19 world" PNGEITI recognises the different roles Papua New Guinea women play in the extractive mining, oil and gas sector.

By highlighting our women's contribution in the sector, PNGEITI is doing a week-long photo campaign on its various social media sites.

It is also timely as it's been two years since the EITI International Board approved the 2019 EITI Standard which includes specific requirements on 'Gender' reporting.

The soon-to-be published PNGEITI Report 2019 for the first time discloses employment data of a few reporting entities in PNG disaggregated by Gender.

The present data tells us that women are disproportionately represented in the sector. It is no secret that the extractive industries globally are male dominated, however, there is no doubt that women do contribute to the sector, and increasingly so.

In this changing world, women are now taking up roles that were once male dominated. For PNG women, there is no exception, they have portrayed this through their contribution whether it be on or off site, in the offices, field or in the communities. The roles many hold to this date include Warehouse Manager, Security Coordinator, Mine Geologist, HR Officer, Police Officer to name a few. PNGEITI will showcase some of these women in these roles in the photo campaign this week.

There is still a long way to go to achieve gender equity in the sector. But today, PNGEITI salutes these amazing women!

Happy International Women's Day.



8/8/2021



**EITI PNGEITI** **K92 MINING LTD**

Janet is a senior cataloging officer at K92. What interests her about her work is the ability to research, analyse the data, problem solving and learning new skills every day. Despite working in the male dominated industry Janet says "when you give respect to the men, they return it in kind. Believe in yourself is the first secret to success!"

Janet Uroga, Senior Cataloging Officer at K92 Mining Ltd.

**International Women's Day**  
#ChooseToChallenge #IWD2021

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09/03/2021



**EITI PNGEITI** **K92 MINING LTD**

Joylyn Yariyari is a lone female Police Officer engaged and is located on site with K92 Mining Ltd. Joylyn sees policing work as a job women can perform as well as the men can and maybe better, especially when dealing with Gender-Based Violence, which is becoming a frequent issue in today's society. Joylyn's advice to other women, "Have courage and be positive in everything you do even when your profession is seen to be male dominated and challenging!"

Constable Joylyn Yariyari, attached with Fox 1 Goroka Police—engaged by the K92 Mining Ltd.

**International Women's Day**  
#ChooseToChallenge #IWD2021

Joylyn Yariyari is a lone female Police Officer engaged and is located on site with K92 Mining Ltd. Joylyn sees policing work as a job women can perform as well as the men and maybe better; especially when dealing with Gender-Based Violence which is becoming a frequent issue in today's society. Joylyn's advice to other women. "Have courage and be positive in everything you do, even when your profession is seen to be male dominated and challenging!"

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09/03/2021



**EITI PNGEITI**

**WOMEN AND CHILDREN'S RIGHTS ADVOCATE: UME WAINETTI**

Ume Wainetti, a tireless Advocate for women's rights, a leader against violence against women and children in Papua New Guinea. Ume led the negotiations on behalf of women and children for the 'Community Mine Continuation Agreement' for the Ok Tedi Mine in 2007, which also became the precedent for other mining projects and women's benefits.

Photo credit: FemillPNG website. Ume Wainetti spoke about Family and Sexual Violence in PNG during a presentation at the Australia National University in 2013.

**International Women's Day**  
#ChooseToChallenge #IWD2021

"Unless you have love for your people and appreciate the difficulties faced, you cannot truly selflessly advocate for their rights." ~ Ume Wainetti

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10/03/2021



**EITI PNGEITI** **K92 MINING LTD**

Mary Tigil is a former Police Investigator. She is currently working as a Security Coordinator with the K92 Mining Ltd. Mary's advice to other professional women. "Plan and invest well to achieve your dreams; always have an exit plan so that in the event you lose your job tomorrow, you have somethings to fall back on."

Mary Tigil is the Security Coordinator with K92 Mining Limited.

**International Women's Day**  
#ChooseToChallenge #IWD2021

“Plan and invest well to achieve your dreams; always have an exit plan so that in the event you lose your job tomorrow, you have something to fall back on.” Mary's advice to other professional women. Mary is a former Police Investigator and currently working as a Security Coordinator with K92 Mining Ltd.

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10/03/2021



**EITI PNGEITI** **Eastua New Guinea**  
Ministry of Resources Development  
"Women for Life"

The Government of Papua New Guinea (GoPNG) through the Mineral Resources Authority (MRA) facilitates the Women in Mining program for women in the impacted mining areas. The program provides a 'Small Grants project', an initiative that is supporting women living in mining communities with income earning opportunities.

WAFI-GOLPU PROJECT: MRA, Investment Promotion Authority & Department of Commerce and Industry—Women Land Owner Associations.

**International Women's Day**  
#ChooseToChallenge #IWD2021

The Government of Papua New Guinea through the Mineral Resources Authority (MRA) facilitates the 'Women in Mining' program for women in the impacted mining areas. The program provides a 'Small Grant Project', an initiative that is supporting women living in mining communities with income earning opportunities.

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11/03/2021



**EITI PNGEITI** **K92 MINING LTD**

Nadiya Kandakasi at her work site—K92 Mine site.

**International Women's Day**  
#ChooseToChallenge #IWD2021

Meet Nadiya Kandakasi, the first female to join the Mine Technical Service (MTS) team. She felt the pressure to work extra hard and smarter to fit in, which let her learn how to adjust and to be herself. Her future ambition is to become a leader in the organisation and mentor younger female geologists.

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11/03/2021



**EITI PNGEITI**

Female staff of GESI Desk (Gender Equity and Social Inclusion) under the Department of Petroleum and Energy wore 'Purple' on Monday the 08th to commemorate the International Women's Day. The GESI Desk advocates on Sexual Harassment and Workplace Bullying, any forms of violence against women, men and children. Women are given managerial roles and are part of the senior management team in making decisions for the Department.

Staff of the Department of Petroleum and Energy GESI Desk.

**International Women's Day**

#ChooseToChallenge #IWD2021

Female staff of the GESI Desk (Gender Equity and Social Inclusion) under the Department of Petroleum and Energy wore 'Purple' on Monday the 08th to commemorate the International Women's Day. The GESI Desk advocates on Sexual Harassment and Workplace Bullying, any forms of violence against women, men and children. Women are given managerial roles and are part of the senior management team in making decisions for the Department.

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[#leadership](#) [#genderequality](#)  
[#choosetochallenge2021](#)

15/03/2021



**EITI PNGEITI**

**K92 MINING LTD**

Rita Moses is a Mine Guard, employed by Asila Security Services and is located at the K92 mine site. Rita has been working with Asila Security for 2 years. Her advice to other women, "Choose your career carefully and once you get the opportunity, perform your job with care and respect."

Rita Moses, a mine guard employed by the Asila Security, based at the K92 mine site.

**International Women's Day**

#ChooseToChallenge #IWD2021

We continue to celebrate our women and the different roles they play in contributing to the extractive sector, mining, oil and gas.

Today we have Rita Moses who is a Mine Guard. She claims everyone regards security work is for men only and at times she feels inferior among men. But she has discovered that good manners and politeness creates a good working environment with the men.

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[#womenroles](#) [#womenempowerment](#)  
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16/03/2021



**EITI PNGEITI**

**K92 MINING LTD**

Tercy Warren is an assistant Human Resource Officer with K92 Mining Ltd. She aspires to become a specialist in her field and this is her encouragement to young females interested in a career in the mining industry. Tercy says, "Never give up, face your challenges; you will be somebody! You just never know until you try and persevere."

Tercy Warren, Assistant Human Resource officer with K92 Mining Ltd.

**International Women's Day**

#ChooseToChallenge #IWD2021

Meet Tercy Warren, an assistant Human Resource officer with K92 Mining Ltd. She aspires to become a specialist in her field. This is her encouragement to young females interested in a career in the mining industry. "Never give up, face your challenges; you will be somebody! You just never know until you try and persevere."

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24/03/2021




PNGEITI joins the country in celebrating the National Women's Day today, March 24, 2021. We also take this time to thank our Stakeholders for participating in our social media posts over the last few days to recognize and celebrate the different roles our women play in the Extractives, as well as commemorating both the National and International Women's Day.




## 2-7-2 Summary of 2019 Report

1/07/2021

**What is EITI (Extractive Industries Transparency Initiative)?** 

- What is EITI (Extractive Industries Transparency Initiative)?
  - EITI is a global coalition of governments, companies and civil society working together to improve openness and accountable management of revenue from natural resources
  - EITI implements the *global standard* to promote the open and accountable management of oil, gas and mineral resources
- What is EITI Standard?
  - The EITI Standard requires the disclosure of information along the extractive industry value chain
- Why is EITI important?
  - EITI seeks to strengthen public and corporate governance, promote understanding of natural resource management, and provide the data to inform reforms for greater transparency and accountability in the extractives sector
- What is EITI implementing country?
  - Every EITI implementing country must have a Multi-Stakeholder Group (MSG), composed of the government, companies and civil society that will support implementation of the EITI Standard
  - EITI implementing countries are required to disclose information along the extractive industry value chain - from how extraction rights are awarded, to how revenues make their way through the government and how they benefit the public



**How well do you know about the work of the EITI in PNG?**  
The author can see how you vote. [Learn more](#)

I know very well	8%
I know a little bit	58%
I don't know- tell me more!	33%

12 votes • Poll closed

Extractive Industries Transparency Initiative (EITI) is a global coalition of governments, companies and civil society working together to improve openness and accountable management of revenue from natural resources. EITI in Papua New Guinea (PNGEITI) promotes revenue transparency and accountability in the country's mining and petroleum sectors.

Here is a poll for you - please take part!

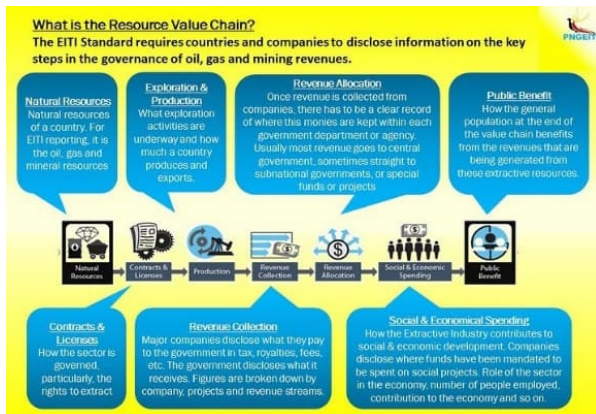
Question: How much do you know about extractive activities in PNG?

1. I know very well
2. I know a little bit
3. I do not know anything and I want to know about it!

From tomorrow we will be uploading a series of posts and share some interesting data and information about the extractive sector in PNG. We hope you enjoy it and find it informative!

Thank you for your time.

2/07/2021



PNG boasts rich natural resources such as gold, silver and natural gas. The EITI Standard requires participating countries and companies to disclose information on the key steps (the value chain) in the governance of oil, gas and mining revenues. The PNG EITI Reports, which is published each year, provide an opportunity to all stakeholders in the Government, Industry and Civil Society to come together to promote open, transparent and accountable systems in the value-chain of PNG extractive industries.

Do you know how the PNG citizens benefit from the revenues generated from these extractive resources? Do you know how the Extractive Industry contributes to social & economic development? We will explain every step in the value chain with some data from every week. Stay tuned and learn about the value chain of PNG extractive industries!!



5/08/2021

**2019 PNGEITI Report contents**  
The 7<sup>th</sup> Report for the financial year of 2019 contains the following chapters with contextual and financial information on the implementation of EITI in PNG.




- Executive Summary
- Ch. 1 Introduction
- Ch. 2 Reporting entities and revenue streams
- Ch. 3 Contribution of extractive industries to the economy
- Ch. 4 Legal framework and fiscal regime
- Ch. 5 Management and distribution of revenues
- Ch. 6 Social and subnational payments
- Ch. 7 Mining
- Ch. 8 Oil and gas
- Ch. 9 State-owned enterprises
- Ch. 10 Reconciliation of revenue streams
- Ch. 11 Findings and recommendation

Full contents of the report are available at PNGEITI website: <https://www.pngeiti.org.pg/>

The 7th Report for the financial year of 2019 has been launched on the 30th of July! It consists of 11 chapters from revenue streams to the result of reconciliation in accordance with the extractive industry value chain. Every week we will pick different topic and explain what it is. Find the topic you are interested in and check the calendar when it will be out on our SMS sites!

5/08/2021

**Publication of PNG 2019 EITI Report**  
- 7<sup>th</sup> Report on the Implementation of EITI in Papua New Guinea  
- Month for learning the PNG's extractive sector from EITI Report  
**August 2021**



Sat	Mon	Tue	Wed	Thu	Fri	Sat
					July 30	1st
					<b>Launch Day!</b>	
1	2	3	4	5	6	7
						What is the PNGEITI 2019 Report about?
8	9	10	11	12	13	14
		(1) GDP	(2) Employment	(3) Licenses		
		The notched and other contributions to GDP in PNG?	Employment figures reported by the PNG extractive industry players, including women's participation.	Types of licenses and what are they?		
15	16	17	18	19	20	21
		(4) Production	(5) Revenue	(6) Beneficial Owners		
		How does the notched and other contributions to the economy and society in PNG?	Can you compare them from other countries?	Who are the profit from the activities of the oil, gas and mining companies?		
22	23	24	25	26	27	28
		(7) Sub National Transfer	(8) SOEs	(9) Reconciliation		
		How extractive SOEs contribute to PNG's economy? What are the major types and what are the payments?	How much investment are received by the Government.	The National Reconciliation Day		
29	30	31				

Every week we will pick different topic and explain what it is. Find the topic you are interested in and check the calendar when it will be out on our SMS sites!

10/08/2021

**Highlights of PNG 2019 EITI Report data**  
**(1) Gross Domestic Products (GDP)**  
Extractive industry contributions to the economy and society in Papua New Guinea

**What is GDP and why is it important to us?**  
Gross domestic product (GDP) is used to estimate the size of economy. It is calculated as the value of all goods and services produced in the country. It is driven mainly by consumer spending on goods and services, business investments, government spending, and trade. GDP growth is a helpful tool to evaluate the health of the economy.



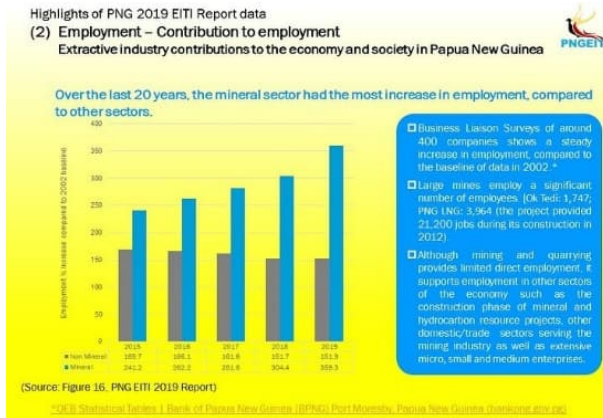
Year	Non Mineral GDP (Kor Million)	Mineral GDP (Kor Million)	Total GDP (Kor Million)	Contribution of Mineral sector to GDP (%)
2016	49,518	13,939	63,457	22%
2017	55,139	19,982	75,121	27%
2018	57,280	22,123	79,403	28%
2019 EST.	60,780	24,329	85,109	28%

Source: Figure 13, PNG EITI 2019 Report

- The contribution of the extractive sector has been increasing over years.
- The increase in growth is driven primarily by the resource sector, particularly the stronger than expected growth in gas and condensate output reported by ExxonMobil supported by an uptick in mining output.

The size of the economy can be estimated by the amount of Gross Domestic Product (GDP). GDP growth is an important feature to evaluate the health of the economy of a country. In PNG, the percentage of contribution from the extractive industry to GDP has increased over the years. Silver and nickel contribute significantly to nominal GDP growth in 2019. The extractive industries contribute about 88% to PNG's exports.

11/08/2021



The employment rate in extractive industry has increased drastically and the proportion is larger than that of non-mineral sector. However, the rate of female employment is still low given the fact that the resource sector is still male dominated globally, and PNG is no exception.

We conducted photo campaign in March to commemorate the International Women’s Day, you can refer to our postings on Facebook and other SM sites to see how women are actively engaged in the sector.

12/08/2021

Highlights of PNG 2019 EITI Report data  
**(3) Legal and institutional framework - Contracts and licenses**  
 How the extractive sector is managed and the public available register is maintained

- Contracts, licenses and associated agreements are crucial part of the legal framework which establishes many of the commitments between government and companies.
- The EITI requires disclosure on how the extractive sector is managed, enabling stakeholders to understand the laws and procedures for the award of exploration and production rights, the legal, regulatory and contractual frameworks.
- The EITI Standard requires that any contracts and licenses that are granted, entered into or amended after 1 January 2021 to be made public (Requirement #2.4.a)
- On the other hand, the details of contracts 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.

**Legal and institutional framework**

- Regulation of the mining industry**
  - The principal laws that regulate mining activities in PNG are: “Mining Act 1992”, “Mining (Safety) Act 1977”, “Mining (Ox Tech Agreement) Act”, and “Mining (Bougainville Copper Agreement) Act 1967”.
  - Mineral Resources Authority (MRA) is responsible for oversight, administration and enforcement of these acts.
- Regulation of the petroleum industry**
  - The petroleum industry in PNG is governed by the Oil and Gas Act 1998 (OGA) with amendments stated in the Oil and Gas (Amendment) Act 2016 and the Oil and Gas Regulation 2002.
  - Department of Petroleum and Energy, headed by the Minister for Petroleum and Energy, is responsible for the administration and management of these acts and regulations.

Contracts, licenses and associated agreements are crucial part of the legal framework which establishes many of the commitments between government and companies. Currently, however, no contracts have been made publicly available due to Section 163 of the Mining Act, Section 52 of the Mineral Resources Authority Act and Section 149 of the Oil and Gas Act. Broader benefit-sharing agreements related to mining and oil and gas projects are also not currently publicly disclosed.

Let’s learn together how the recent legal framework works regarding contracts and licenses!

17/08/2021

Highlights of PNG 2019 EITI Report data  
**(4) Exploration and production – Production and exports**  
 The production volume and value, and the export volume and value for 2019.

**Mining:**

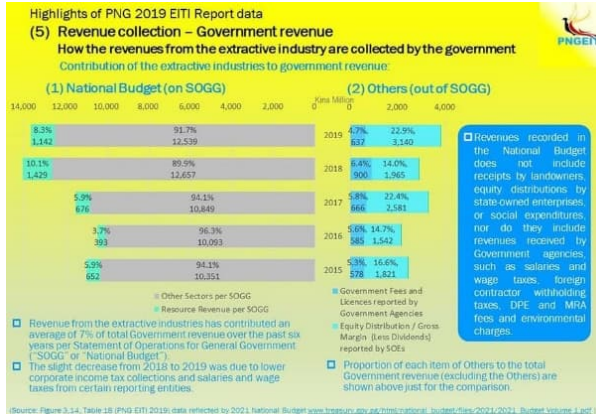
commodity	Production		Export	
	Volume	Value (PGKmil)	Volume	Value (PGKmil)
Gold	2,168,265 oz	10,265	2,214,471 oz	10,486
Silver	5,003,839 oz	268	5,295,381 oz	283
Copper	99,399 tonnes	1,938	107,859 tonnes	2,103
Nickel	32,720 tonnes	1,231	40,757 tonnes	1,533
Cobalt	2,916 tonnes	217	3,670 tonnes	274
Chromite	115,573 tonnes	41	136,736 tonnes	50
<b>Total</b>		<b>13,960</b>	<b>Total</b>	<b>14,728</b>

(Source: Table 84. PNG EITI 2019 Report)

The total value of main export commodities increase every year. It has reached 38.05 billion kina in 2019.

How much do you think the Extractive Industry produces and exports? What do you think is the second largest exported value commodity in 2019?

18/08/2021

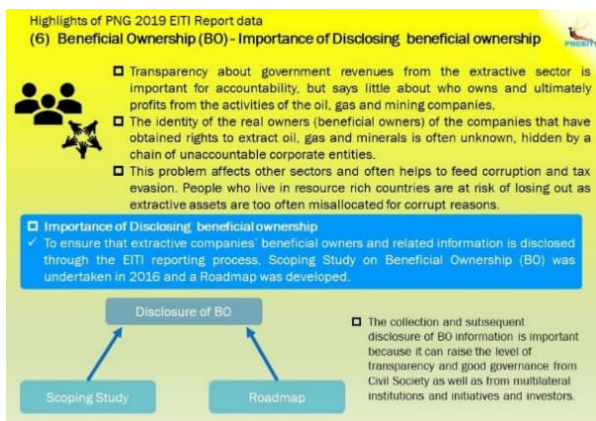


The extractive industries pay revenue to the government such as Corporate Income Tax and Environment fee. The government also receives "Equity Distributions" from the extractive sector through State Owned Enterprises (SOEs) such as KPHL and MRDC.

From the past six years, on average, what do you think is the percentage of the Government's revenue that comes from the Extractive mining, oil and gas?

- A. 10%
- B. 3%
- C. 7%

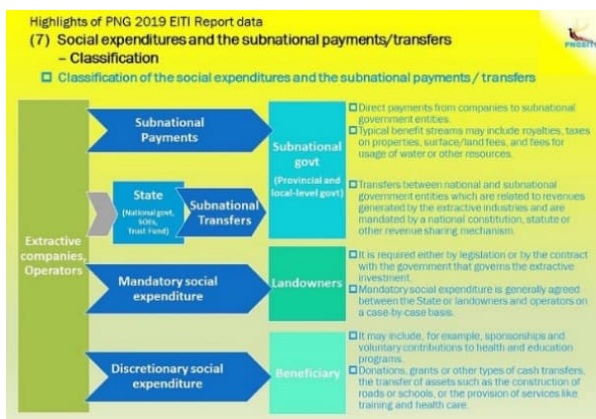
19/08/2021



Beneficial Ownership Reporting

A beneficial owner in respect of a company, means the natural person or persons who directly or indirectly, ultimately own or control the corporate entity. The collection and subsequent disclosure of Beneficial Ownership (BO) information is important because it can raise the level of transparency and good governance. In order to ensure that PNG discloses BO information regarding extractive companies through the EITI reporting process, a Scoping Study on Beneficial Ownership was undertaken followed by the publication of the first Beneficial Ownership Disclosure Report in 2020. You can download report on PNGEITI website: [www.pngeiti.org.pg](http://www.pngeiti.org.pg)

23/08/2021




Do you know how the Extractive Industry contributes to social and economic development in PNG? Many extractive companies contribute to the communities in which they operate beyond the direct economic benefits and employment provided. These contributions may be mandated through legislation or through contracts with the government or may be at the company's discretion. See the classification of the social expenditures and the subnational payments / transfers below.



24/08/2021

Highlights of PNG 2019 EITI Report data  
**(8) State-Owned Enterprises (SOEs) – Significance of SOEs in EITI reporting**




- ❑ What is State-Owned Enterprise (SOE)?
  - ✓ The EITI Standard 2019 (Requirement 2.6 a i) defines a state-owned enterprise (SOE) as: "For the purpose of EITI implementation, a state-owned enterprise (SOE) is a wholly or majority government-owned company that is engaged in extractive activities on behalf of the government."
- ❑ Why SOEs are important for implementing EITI?
  - ✓ SOEs play important roles in exploiting natural resources and managing the extractive sector.
  - ✓ SOEs undertake Quasi-fiscal expenditures (QFEs) or off-budget expenditures on behalf of the state such as payments for social services, public infrastructure, fuel subsidies and national debt servicing. These QFEs are not recorded on the national budget, but can have a significant impact on the local and national economy.
- ❑ What is required to be disclosed for EITI?
  - ✓ Information on the financial relationship between the government and the state-owned enterprise (Requirement 2.6)
  - ✓ Material company payments to SOEs, SOE transfers to government agencies and government transfers to SOEs (Requirement 4.5)
  - ✓ QFEs by SOEs (Requirement 6.2)



State-Owned Enterprise (SOE) is a wholly or majority government-owned company. SOEs engaged in extractive activities on behalf of the government play an important role in exploiting natural resources and managing the extractive sector. You can see who the SOEs/trustees are and main revenue flows through SOEs in the uploaded pictures.

25/08/2021

Highlights of PNG 2019 EITI Report data  
**(9) Results of Reconciliation**



- ❑ What is Reconciliation? – Accuracy and reliability
  - ✓ The Independent Administrator (IA) compares the amounts reported as paid by the extractive industries to government entities against the receipts reported by government.
  - ✓ The IA, with the assistance of the PNG EITI National Secretariat and the MSG, subsequently engaged with both paying and receiving entities to ensure reported data is accurate and properly reconciled.
- ❑ Why is it important? – Transparency and accountability
  - ✓ The EITI has its agreed principles to increase transparency over payments and revenues in the extractive sector.
  - ✓ It highlights the importance of transparency by governments and companies in the extractive industries and the need to enhance public financial management and accountability (Principle 5)
  - ✓ Therefore, reconciliation is important to increase transparency and accountability.



An Independent Administrator (IA) is appointed by the PNGEITI each year to compare amounts of payments reported as paid by the extractive companies to government entities against the receipts reported by the government. As it is defined by EITI Principle, reconciliation is important to raise transparency by the government and companies in the extractive industries and to enhance public financial management and accountability. According to the PNGEITI Report 2019, 90% of the revenue was reconciled. Find out more on the details of reconciliation by downloading the report from our website.

We have posted 12 articles regarding the PNGEITI Report 2019 over the months July and August, which we hope you found interesting and informative. We will continue posting more information, data and analysis about the extractive industries in PNG. So watch this space!

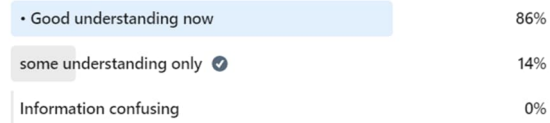
And please do provide your feedback or should you require further information or clarification let us know by commenting and we will be happy to respond!



26/08/2021

If you have gone through the information we posted, let us know how it has enlightened you. Please select from below options.

The author can see how you vote. [Learn more](#)



7 votes • Poll closed • [Remove vote](#)

If you have gone through all the information we posted, please let us know how it has enlightened you. Click on one of the following options that describe your level of understanding regarding PNG's extractive sector:

## 2-7-3 International Day for the Elimination of Violence Against Women

25/11/2021

**INTERNATIONAL DAY FOR THE ELIMINATION OF VIOLENCE AGAINST WOMEN**  
NOVEMBER 25, 2021



**"Standing together to eliminate all forms of violence in the extractive communities"**

As with the international community in launching the 16 Days of Activism, and specifically commemorating the International Day for the Elimination of Violence against Women, PNGETI reaffirms Papua New Guinea Extractive Industries Transparency Initiative's (PNGETI) commitment to promoting gender equality, inclusion and an equitable extractive industry, free from harm and violence.

As indicated in the PNGETI 2019 Report (published July 2021), the extractive sector remains the biggest contributor to the country's GDP (20% of GDP). Sector expenditures targeted at sectors such as education and health amount to K44 million.

The economic and social benefits of the industry received by the citizens, in addition to having the industry, begin to be made transparent, increase the vulnerability of women in communities where the mines are situated. Fresh reports cited, the prevalence of Gender Based Violence (GBV) in PNG is among the highest in the world.

GBV, in recent years, there have been several incidents and reports of women subjected to exploitation, harassment, and abuse associated with mining activities. The experiences can have lifelong psychosocial, social, survival and negative social and economic impacts.

To address these challenges, some of our stakeholders in the extractive sector, support and work directly with community organizations focusing on preventing and responding to GBV. A member of the Civil Society, CIVIC Family and Sexual Violence Action Committee (F-SVAC) has an outstanding programme dedicated to addressing GBV in PNG.

PNGETI's governing body, the Multi-Stakeholder Group (MSG) has a non-discrimination and zero tolerance on violence at the heart of its core values as captured in the 2017 MSG Code of Conduct:

"A PNGETI MSG Member will respect the dignity and private lives of others and exercise proper authority and good judgement [...]";  
 "A PNGETI MSG Member shall not engage in or facilitate any discriminatory or harassing behaviour directed toward anyone [...]";

To uphold its values, the PNGETI and its stakeholders must increase their efforts to eliminate all forms of violence against women in their workplace and the communities they serve.

With its efforts to combat GBV and zero tolerance among its members and its communities, the PNGETI is developing training materials about GBV and how to mitigate the risk. It plans to disseminate the material through its civil society network.

In commemorating the International Day of Elimination of Violence Against Women, let us be reminded on our commitment to continue our efforts in creating a safer community for our industry, free from violence.

LUCAS ALEXAN  
HEAD OF PNGETI NATIONAL SECRETARIAT




Today we commemorate the International Day for Elimination of Violence against Women.

This is a statement by the National Secretariat and the Multi-Stakeholder Group.

The 2019 EITI Standard includes the requirement for 'Gender reporting'. As well as promoting Gender inclusion and equity. Violence and GBV issues on the other hand are also prevalent in the extractive communities, to uphold the EITI Standard, we stand together to eliminate all forms of violence in the communities we work and live in.

**Annex 3:**

**Project Design Matrix and Plan of Operation      Ref.**

1.	PDM and PO (ver. 0) .....	3-1
2.	PDM and PO (ver. 1) .....	3-2
3.	PDM and PO (ver. 2) .....	3-3
4.	PDM and PO (ver. 3) .....	3-4
5.	Details of Changes in PDM Revisions.....	3-5
	Changes in PDM (1st Revision) .....	3-5-1
	Changes in PDM (2nd Revision) .....	3-5-2
	Changes in PDM (3rd Revision) .....	3-5-3

## **Annex 3: Project Design Matrix and Plan of Operation**

3-1 PDM and PO (ver. 0)

### Project Monitoring Sheet I

**Project Title:** Project for Improving Resource related Revenue Management

**Version 0**

**Implementing Agency:** Department of Treasury, Papua New Guinea

**Dated:** October 2017

**Period of Project:** 3 years (From January 2018 to December 2020)

**Project Site:** Papua New Guinea

Narrative Summary	Objectively Verifiable Indicators	Means of Verification	Important Assumption	Achievement	Remarks
<b>Overall Goal</b> Resource related revenue management in PNG is further improved.	PNG becomes an EITI(*) compliant country.	Validation result by EITI International Secretariat			
<b>Project Purpose</b> Resource related revenue management and reporting in accordance with EITI International Standard is promoted.	Result of the assessment card is improved from 2018 to 2020. (Self-assessment to be conducted before 6 months of the termination will be improved from the validation results to be conducted in 2018.)	Self-assessment result and the verification result	No major change in the commitment of GoPNG to comply with EITI.		
<b>Outputs</b>					
1 Management of relevant data and information in DP (*2) is improved.	1-1. Information management procedures is established.	1-1. Standard of procedure	- No significant or frequent change in personnel due to the organizational restructuring or change in regulation.  - Government agencies are not severely understaffed.		
	1-2. Financial reports required by government regulation are submitted.	1-2. Reports submitted from DP			
	1-3. Data accessibility from the public is improved.	1-3. DP Website			
	1-x. Other indicators will be determined based on the baseline survey.	1-x. (To be determined)			
2. Reporting mechanism among extractive companies and government agencies (mainly EITI Secretariat) is enhanced.	2-1. Reporting templates are streamlined with EITI requirement.	2-1. Revised templates	- Legal framework does not constrain the reporting practices for EITI report		
	2-2. Understanding of participants to trainings on the revised templates is improved (more than two-third of the participants respond as they improved their understandings after the training).	2-2. Results of the questionnaire of the trainings			
3. Awareness and implementation structure for EITI is enhanced in the country.	3-1. Participants for the sensitization activities are improved the awareness on EITI (more than XX% of the participants respond as they improved their awareness after the activity).	3-1. Result of the questionnaire of the sensitization activities			
	3-2. XX times of awareness raising activities are taken place.	3-2. Activity Records			

Activities	Inputs		Important Assumption
	The Japanese Side	The PNG Side	
<p>1-1 Conduct baseline survey and comprehend the current process and practices of managing the registry of licenses and contracts and the revenue collected to review the workflow at DP and MRA (*3).</p> <p>1-2 Identify the areas of improvement in the process of managing the license and revenues at DP.</p> <p>1-3 Organize the files of handwritten ledgers of licenses.</p> <p>1-4 Organize the electronic registry of licenses (scanning, etc.).</p> <p>1-5 Consider how to manage the electronic registry.</p> <p>1-6 Organize database, etc. based on the result of the consideration of 1-5.</p> <p>1-7 Conduct the training how to utilize the database.</p> <p>1-8 Based on the baseline survey, review the process of reporting.</p> <p>1-9 Assist DP to submit the report to DOT regularly.</p> <p>1-10 Assist DP to establish the website of DP for disclosure.</p> <p>2-1 Conduct a Third-Country training to learn good practice in EITI compliant country.</p> <p>2-2 Assist EITI Secretariat to prepare for Validation.</p> <p>2-3 Review the EITI report with JICA experts to consider action plan to address the recommendations for the subsequent reporting.</p> <p>2-4 Review the two types of reporting templates of (1) from extractive companies to EITI Secretariat and (2) from extractive companies to the government agencies in the light of the government and EITI requirements.</p> <p>2-5 Provide technical advice to EITI Secretariat staff on revising EITI reporting templates.</p> <p>2-6 Provide trainings on accounting and audit skills for EITI Secretariat.</p> <p>2-7 Assist to streamline the EITI reporting template from extractive companies to EITI Secretariat, as necessary.</p> <p>2-8 Assist EITI Secretariat to take place the workshop on the revised EITI reporting templates for stakeholders.</p> <p>3-1 Prepare a plan for awareness raising activity of EITI.</p> <p>3-2 Assist EITI Secretariat to conduct stakeholder workshops to promote the awareness of EITI reporting.</p> <p>3-3 Assist EITI Secretariat to conduct seminars in provinces to promote the awareness of EITI reporting with MSG (*4) to sub-national government agencies.</p> <p>3-4 Assist EITI Secretariat to conduct seminars in provinces to promote the awareness of EITI with MSG to the public.</p> <p>3-5 Assist EITI Secretariat to conduct a launching event for EITI Report.</p>	<p>- Japanese experts</p> <p>- Equipment (TBD)</p> <p>- Training Third country</p>	<p>-Assignment of Counterpart Management (Project Director, Project Manager)</p> <p>-Assignment of Counterpart staff</p> <p>-Equipment Office space for JICA experts</p> <p>-Local Cost (e.g.) Counterpart for implementation of project activities</p>	<p>-Budget allocation and release of funds for the project activities is secured.</p> <p>-Commitment and cooperative framework for the Project activities with stakeholders are secured.</p> <p><b>Pre-Conditions</b></p> <p>-No major change in the policy direction and structure of compliance with EITI standards.</p> <p>-Assignment of the CP staff from respective organizations for the project activities is secured.</p> <p>-No significant intervention against the promotion of EITI.</p> <p><b>&lt;Issues and countermeasures&gt;</b></p>

\*1 EITI: Extractive Industry Transparency Initiative

\*2 DP: Department of Petroleum

\*3 MRA: Mineral Resource Authority

\*4 MSG: Multi-Stakeholder Group

**Project Monitoring Sheet II (Revision of Plan of Operation)**

Version 0

Dated: October 2017

**Project Title: Project for Improving Resource Related Revenue Management in Papua New Guinea**

Inputs		Plan	2018				2019				2020				Remarks	Monitoring				
			Actual	I	II	III	IV	I	II	III	IV	I	II	III		IV	Issue	Solution		
<b>Expert</b>																				
Short-term experts		Plan																		
		Actual																		
Short-term experts		Plan																		
		Actual																		
Short-term experts		Plan																		
		Actual																		
Short-term experts		Plan																		
		Actual																		
Short-term experts		Plan																		
		Actual																		
Equipment		Plan																		
		Actual																		
<i>To be determined if necessary.</i>																				







Output 3: Awareness and implementation structure for EITI is enhanced in the country.															
3.1 Prepare a plan for awareness raising activity of EITI.	Plan	[Gantt chart cells]													
	Actual	[Gantt chart cells]													
3.2 Assist EITI Secretariat to conduct stakeholder workshops to promote the awareness of EITI reporting.	Plan	[Gantt chart cells]													
	Actual	[Gantt chart cells]													
3.3 Assist EITI Secretariat to conduct seminars in provinces to promote the awareness of EITI reporting with MSG to sub-national government agencies.	Plan	[Gantt chart cells]													
	Actual	[Gantt chart cells]													
3.4 Assist EITI Secretariat to conduct seminars in provinces to promote the awareness of EITI with MSG to the public.	Plan	[Gantt chart cells]													
	Actual	[Gantt chart cells]													
3.5 Assist EITI Secretariat to conduct a launching event for EITI Report.	Plan	[Gantt chart cells]													
	Actual	[Gantt chart cells]													

Duration / Phasing	Plan	[Gantt chart cells]													
	Actual	[Gantt chart cells]													

Monitoring Plan	Plan	2018				2019				2020				Remarks	Issue	Solution
	Actual	I	II	III	IV	I	II	III	IV	I	II	III	IV			
<b>Monitoring</b>																
Joint Coordination Committee	Plan	▲		▲		▲		▲		▲		▲				
	Actual															
Submission of Monitoring Sheet	Plan		▲		▲		▲		▲		▲		▲			
	Actual															
	Plan															
	Actual															
<b>Reports/Documents</b>																
Project Completion Report	Plan												▲			
	Actual															

I : January - March, II : April - June, III : July - September, IV : October - December

## **Annex 3: Project Design Matrix and Plan of Operation**

3-2 PDM and PO (ver. 1)

**Project Monitoring Sheet II (Project Design Matrix)**

**Project Title:** Project for Improving Resource related Revenue Management

**Implementing Agency:** Department of Treasury, Papua New Guinea

**Period of Project:** 3 years (From January 2018 to December 2020)

**Project Site:** Papua New Guinea

**Version 1.0**

**Dated**

Narrative Summary	Objectively Verifiable Indicators	Means of Verification	Important Assumption	Achievement	Remarks
<b>Overall Goal</b> Resource related revenue management in PNG is further improved.	Result of the assessment card is further improved. (At least 3 of requirements upgraded the status after the project.)	Validation result by EITI International Secretariat, Self-assessment result		In progress	The activities, based on the result of the baseline survey, is in progress as planned. The planned activities and indicators are under review.
<b>Project Purpose</b> Resource related revenue management and reporting in accordance with EITI(*1) Standard is promoted.	Result of the assessment card is improved from 2018 to 2020. (Self-assessment to be conducted before 6 months of the term nation will be improved from the validation results to be conducted in 2018.) (EITI Requirements #2.2 License allocations, #2.3 License register, #3.2 Production data, #4.1 Completeness, and #4.9 Data quality are improved.)	Validation result by EITI International Secretariat, Self-assessment result	No major change in the commitment of GoPNG to comply with EITI.	In progress	The activities is in progress as planned. The taraing session for PNGEITI 2018 Reporting have been conducted to Department of Petroleum, Multi-Stakholders Group, and PNG EITI National Secretariat.
<b>Outputs</b>					
1. Data management at DOP (*2) is improved to comply with EITI Requirements.	1-1. Appointed focal person or unit members for implementation of EITI at DOP.	1-1. Appointment documentation	- No significant or frequent change in personnel due to the organizational restructuring or change in regulation.	In progress	PNGEITI team have formulated in order to implement EITI activities with in the Department.
	1-2. The procedures of data collection, storage and reporting in compliant with EITI Requirements at DOP are documented.	1-2. Standard of procedure		In progress	
	1-3. At least 10 people of DOP management and staff are provided trainings on EITI Standards	1-3. Training records	-Government agencies are not severely understaffed.	In progress	
	1-4. Updated contents relevant to EITI Standard on DOP website are increased.	1-4. DOP Website			
2. EITI reporting mechanism among extractive companies and government agencies is enhanced.	2-1. At least 4 of topics (such as the best practices of EITI reporting in other countries) discussed in the sessions	2-1. Materials of educational session, Training records	-Legal framework does not constrain the reporting practices for EITI report		
	2-2. Feedback of training, consultation or follow-up on the EITI reporting template conducted through the Secretariat at least 3 reporting entities.	2-2. Activity records			

	2-3. Status of submission of templates to the Independent Administrator is improved	2-3. EITI Report (Results of reporting compliance)		
	2-4. Educational tools to be utilized by the reporting entities are developed	2-4. Education tools		
3. Awareness and implementation structure for EITI is enhanced in the country.	3-1. The communication strategy of PNG EITI is updated.	3-1. Revised Communication Strategy		
	3-2. At least 4 materials of awareness promotion is developed.	3-2. Developed materials		
	3-3. At least 4 of times of awareness raising activities are taken place.	3-3. Activity Records		
	3-4. Participants for the promotion activities are improved the awareness on EITI.	3-4. Result of the questionnaire of the promotion activities		

Activities	Inputs		Important Assumption
	The Japanese Side	The PNG Side	
<p>1-1 Conduct baseline survey and comprehend the current process and practices of managing the registry of licenses and contracts and the revenue collected to review the workflow at DOP.</p> <p>1-2 Identify the areas of improvement in the process of managing the license and revenues at DOP.</p> <p>1-3 Prepare a Terms of Reference for the focal point at DOP for implementing EITI and the project.</p> <p>1-4 Provide induction training for the identified officer(s) on EITI Standard.</p> <p>1-5 Provide technical advice to the officer(s) during the course of the project activity and the implementation of EITI at DOP.</p> <p>1-6 Analyze the data management at DOP on the data items related to EITI reporting, such as license, revenues, and productions.</p> <p>1-7 Prepare the standard operation procedures of data management at DOP on the data items related to EITI reporting.</p> <p>1-8 Assist DOP to equip the information infrastructure for data management of EIT reporting, if necessary.</p> <p>1-9 Assist DOP to operationalize the data management framework of the production data, if necessary.</p> <p>1-10 Plan and implement induction training for DOP officers to familiarize themselves with EITI reporting.</p> <p>1-11 Provide hands on training and consultation on the EITI reporting template submission.</p> <p>1-12 Conduct educational session for DOP officers through MSG on the topics to address the recommendations in the EITI report and to follow up the action plan.</p> <p>1-13 Elaborate the contents to be disclosed in compliance with EITI Standard.</p> <p>1-14 Assist DOP to collect and upload the contents through the DOP website.</p> <p>2-1 Conduct a Third-Country training to learn good practice in EITI compliant country.</p> <p>2-2 Conduct baseline survey and comprehend the current process and practices of managing the payments and receipts of the resource related revenues and reporting on the relevant public finances and the EITI templates, to identify the areas of improvement.</p> <p>2-3 Review the EITI report with JICA experts to consider action plan to address the recommendations for the subsequent reporting.</p> <p>2-4 Conduct research and analysis on the topics to address the recommendations in the recommendations in the EITI report (such as the best practices of EITI reporting in other countries) to develop the educational materials.</p> <p>2-5 Deliver the developed education materials to MSG(*3) members on the topics to follow up the action plan for the recommendations.</p> <p>2-6 Communicate with the Independent Administrator to learn the process for compilation of the EITI reporting templates and the reconciliation.</p> <p>2-7 Select the reporting entities to be supported for submission of the EITI reporting template.</p> <p>2-8 Review the operation of filling out the EITI reporting template in the reporting entities with the Secretariat.</p> <p>2-9 Provide hands-on supports to the reporting entities for filling out the EITI reporting template through the Secretariat.</p> <p>2-10 Provide feedback and share the lessons learnt from the review and the supports with the reporting entities and MSG.</p> <p>2-11 Provide technical advice and hands-on training to the Secretariat staff in the process of the review and the supports for the reporting entities by JICA experts.</p> <p>2-12 Research and analyse the effective learning materials and the contents on the EITI basics and the EITI reporting template based on the feedback.</p> <p>2-13 Develop learning materials for MSG on the EITI basics and the EITI reporting templates to disseminate.</p>	<p>- Japanese experts</p> <p>- Equipment (TBD)</p> <p>- Training Third country</p>	<p>-Assignment of Counterpart Management (Project Director, Project Manager)</p> <p>-Assignment of Counterpart staff</p> <p>-Equipment Office space for JICA experts</p> <p>-Local Cost (e.g.) Counterpart for implementation of project activities</p>	<p>-Budget allocation and release of funds for the project activities is secured.</p> <p>-Commitment and cooperative framework for the Project activities with stakeholders are secured.</p> <p><b>Pre-Conditions</b></p> <p>-No major change in the policy direction and structure of compliance with EITI standards.</p> <p>-Assignment of the CP staff from respective organizations for the project activities is secured.</p> <p>-No significant intervention against the promotion of EITI.</p>

<p>3-1 Conduct baseline survey and comprehend the current practices of awareness promotion activities and materials for communicating EITI issues to identify the areas of improvement.</p> <p>3-2 Research and analyse the good practices of communicating EITI (such as other EITI implementing countries practices) to review the communication strategy</p> <p>3-3 Revise the communication strategy.</p> <p>3-4 Identify the materials and contents of awareness promotion to be developed with the project.</p> <p>3-5 Assist the Secretariat to develop the materials and contents.</p> <p>3-6 Identify the promotion activity to be conducted with the project.</p> <p>3-7 Assist the Secretariat to conduct the promotion activity with MSG to enhance the awareness of EITI and EITI reporting.</p> <p>3-8 Provide technical advice to the Secretariat staff in developing and delivering the materials and contents to maintain them by JICA experts.</p>			<p style="text-align: center;">&lt;Issues and countermeasures&gt;</p>
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\*1 EITI: Extractive Industries Transparency Initiative

\*2 DOP: Department of Petroleum

\*3 MSG: Multi-stakeholder Group

Project Monitoring Sheet II (Revision of Plan of Operation)

Version 1.0

Dated

Project Title: Project for Improving Resource Related Revenue Management in Papua New Guinea

Inputs	Plan	2018				2019				2020				2021	Remarks	Monitoring	
		Actual	III	IV	I	II	III	IV	I	II	III	IV	I	Issue		Solution	
<b>Expert</b>																	
Short-term experts	Plan																
	Actual																
Short-term experts	Plan																
	Actual																
Short-term experts	Plan																
	Actual																
Short-term experts	Plan																
	Actual																
Short-term experts	Plan																
	Actual																
	Plan																
	Actual																
<b>Equipment</b>																	
(To be determined)	Plan																
	Actual																
<b>Training in Japan</b>																	
N/A	Plan																
	Actual																
<b>In-country/Third country Training</b>																	
N/A	Plan																
	Actual																



Activities	Sub-Activities	Plan	2018		2019				2020				2021	Responsible Organization		Achievements	Issue & Countermeasures
			III	IV	I	II	III	IV	I	II	III	IV	I	Japan	GoPNG		
<b>Output 1: Data management at DOP is improved to comply with EITI Requirements.</b>																	
1-1. Conduct baseline survey and comprehend the current process and practices of managing the registry of licenses and contracts and the revenue collected to review the workflow at DOP.	Plan																
	Actual																concurrently done with (1-1), (2-2) and (3-1)
1-2. Identify the areas of improvement in the process of managing the license and revenues at DOP.	Plan																
	Actual																
1-3. Prepare a Terms of Reference for the focal point at DOP for implementing EITI and the project.	Plan																
	Actual																
1-4. Provide induction training for the identified officer(s) on EITI Standard.	Plan																
	Actual																
1-5. Provide technical advice to the officer(s) during the course of the project activity and the implementation of EITI at DOP.	Plan																
	Actual																
1-6. Analyze the data management at DOP on the data items related to EITI reporting, such as license, revenues, and productions.	Plan																
	Actual																
1-7. Prepare the standard operation procedures of data management at DOP on the data items related to EITI reporting.	Plan																
	Actual																
1-8. Assist DOP to equip the information infrastructure for data management of EIT reporting, if necessary.	Plan																
	Actual																
1-9. Assist DOP to operationalize the data management framework of the production data, if necessary.	Plan																
	Actual																
1-10. Plan and implement induction training for DOP officers to familiarize themselves with EITI reporting.	Plan																
	Actual																
1-11. Provide hands on training and consultation on the EITI reporting template submission.	Plan																
	Actual															concurrently done with (1-11) and (2-8)	
1-12. Conduct educational session for DOP officers through MSG on the topics to address the recommendations in the EITI report and to follow up the action plan.	Plan																
	Actual															concurrently done with (1-12) and (2-4)	
1-13. Elaborate the contents to be disclosed in compliance with EITI Standard.	Plan																
	Actual																
1-14. Assist DOP to collect and upload the contents through the DOP website.	Plan																
	Actual																

Activities	Sub-Activities	Plan	2018		2019				2020				2021	Responsible Organization		Achievements	Issue & Countermeasures																																																																																																																																																																																																																																																																																																																																																																																																																																																																		
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2.1 Conduct a Third-Country training to learn good practice in EITI compliant country.		Plan																		Actual																2-2. Conduct baseline survey and comprehend the current process and practices of managing the payments and receipts of the resource related revenues and reporting on the relevant public finances and the EITI templates, to identify the areas of improvement.		Plan														concurrently done with (1-1), (2-2) and (3-1)				Actual																2-3. Review the EITI report with JICA experts to consider action plan to address the recommendations for the subsequent reporting.		Plan																		Actual																2-4. Conduct research and analysis on the topics to address the recommendations in the recommendations in the EITI report (such as the good practices of EITI reporting in other countries) to develop the educational materials.		Plan														concurrently done with (1-12) and (2-4)				Actual																2-5. Deliver the developed education materials to MSG members on the topics to follow up the action plan for the recommendations.		Plan																		Actual																2-6. Communicate with the Independent Administrator to learn the process for compilation of the EITI reporting templates and the reconciliation.		Plan																		Actual																2-7. Select the reporting entities to be supported for submission of the EITI reporting template.		Plan																		Actual																2-8. Review the operation of filling out the EITI reporting template in the reporting entities with the Secretariat.		Plan														concurrently done with (1-11) and (2-8)				Actual																2-9. Provide hands-on supports to the reporting entities for filling out the EITI reporting template through the Secretariat.		Plan																		Actual																2-10. Provide feedback and share the lessons learnt from the review and the supports with the reporting entities and MSG.		Plan																		Actual																2-11. Provide technical advice and hands-on training to the Secretariat staff in the process of the review and the supports for the reporting entities by JICA experts.		Plan																		Actual																2-12. Research and analyse the effective learning materials and the contents on the EITI basics and the EITI reporting template based on the feedback.		Plan																		Actual																2-13. Develop learning materials for MSG on the EITI basics and the EITI reporting templates to disseminate.		Plan																		Actual															
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Activities	Sub-Activities	Plan	2018				2019				2020				2021	Responsible Organization		Achievements	Issue & Countermeasures	
			III	IV	I	II	III	IV	I	II	III	IV	I	Japan	GoPNG					
<b>Output 3: Awareness and implementation structure for EITI is enhanced in the country.</b>																				
3-1. Conduct baseline survey and comprehend the current practices of awareness promotion activities and materials for communicating EITI issues to identify the areas of improvement.	Plan																concurrently done with (1-1), (2-2) and (3-1)			
	Actual																			
3-2. Research and analyse the good practices of communicating EITI (such as other EITI implementing countries practices) to review the communication strategy	Plan																			
	Actual																			
3-3. Revise the communication strategy.	Plan																			
	Actual																			
3-4. Identify the materials and contents of awareness promotion to be developed with the project.	Plan																			
	Actual																			
3-5. Assist the Secretariat to develop the materials and contents.	Plan																			
	Actual																			
3-6. Identify the promotion activity to be conducted with the project.	Plan																			
	Actual																			
3-7. Assist the Secretariat to conduct the promotion activity with MSG to enhance the awareness of EITI and EITI reporting.	Plan																			
	Actual																			
3-8. Provide technical advice to the Secretariat staff in developing and delivering the materials and contents to maintain them by JICA experts.	Plan																			
	Actual																			
<b>Duration / Phasing</b>		Plan																		
		Actual																		
<b>Monitoring Plan</b>		Plan																Remarks	Issue	Solution
		Actual	III	IV	I	II	III	IV	I	II	III	IV	I							
<b>Monitoring</b>	Joint Coordinating Committee meeting	Plan																		
		Actual																		
	Submission of Monitoring Sheet	Plan																		
		Actual																		
<b>Reports/Documents</b>	Project Completion Report	Plan																		
		Actual																		

I : January - March, II : April - June, III : July - September, IV : October - December

## **Annex 3: Project Design Matrix and Plan of Operation**

3-3 PDM and PO (ver. 2)

**Project Monitoring Sheet I**

**Project Title:** Project for Improving Resource related Revenue Management

**Implementing Agency:** Department of Treasury, Papua New Guinea

**Period of Project:** 4 years (From January 2018 to December 2021)

**Project Site:** Papua New Guinea

**PDM Ver. 2.0**

**Dated**

Narrative Summary	Objectively Verifiable Indicators	Means of Verification	Important Assumption	Achievement	Remarks
<b>Overall Goal</b> Resource related revenue management in PNG is further improved.	Result of the assessment card is further improved. (At least 3 of requirements upgraded the status after the project.)	Validation result by EITI International Secretariat, Self-assessment result			
<b>Project Purpose</b> Resource related revenue management and reporting in accordance with EITI(*1) Standard is promoted.	Result of the assessment card is improved from 2018 to 2020. (Self-assessment to be conducted before 6 months of the termination will be improved from the validation results to be conducted in 2018.) (EITI Requirements #2.2 License allocations, #2.3 License register, #3.2 Production data, #4.1 Completeness, and #4.9 Data quality are improved.)	Validation result by EITI International Secretariat, Self-assessment result	No major change in the commitment of GoPNG to comply with EITI.		
<b>Outputs</b> 1. Data management at DPE (*2) is improved to comply with EITI Requirements.	1-1. Appointed focal person or unit members for implementation of EITI at DPE. 1-2. The procedures of data collection, storage and reporting in compliant with EITI Requirements at DPE are documented. 1-3. At least 10 people of DPE management and staff are provided trainings on EITI Standards 1-4. Updated contents relevant to EITI Standard on DPE website are increased.	1-1. Appointment documentation 1-2. Standard of procedure 1-3. Training records 1-4. DPE Website	- No significant or frequent change in personnel due to the organizational restructuring or change in regulation.  - Government agencies are not severely understaffed.		

2. EITI reporting mechanism among extractive companies and government agencies is enhanced.	2-1. At least 4 of topics (such as the best practices of EITI reporting in other countries) discussed in the sessions	2-1. Materials of educational session, Training records	- Legal framework does not constrain the reporting practices for EITI report		
	2-2. Feedback of training, consultation or follow-up on the EITI reporting template conducted through the Secretariat at least 3 reporting entities.	2-2. Activity records			
	2-3. Status of submission of templates to the Independent Administrator is improved	2-3. EITI Report (Results of reporting compliance)			
	2-4. Educational tools to be utilized by the reporting entities are developed	2-4. Education tools			
3. Awareness and implementation structure for EITI is enhanced in the country.	3-1. The communication strategy of PNG EITI is updated.	3-1. Revised Communication Strategy			
	3-2. At least 4 materials of awareness promotion is developed.	3-2. Developed materials			
	3-3. At least 4 of times of awareness raising activities are taken place.	3-3. Activity Records			
	3-4. Participants for the promotion activities are improved the awareness on EITI.	3-4. Result of the questionnaire of the promotion activities			

Activities	Inputs		Important Assumption
	The Japanese Side	The PNG Side	
<p>1-1 Conduct baseline survey and comprehend the current process and practices of managing the registry of licenses and contracts and the revenue collected to review the workflow at DPE.</p> <p>1-2 Identify the areas of improvement in the process of managing the license and revenues at DPE.</p> <p>1-3 Prepare a Terms of Reference for the focal point at DPE for implementing EITI and the project.</p> <p>1-4 Provide induction training for the identified officer(s) on EITI Standard.</p> <p>1-5 Provide technical advice to the officer(s) during the course of the project activity and the implementation of EITI at DPE.</p> <p>1-6 Analyze the data management at DPE on the data items related to EITI reporting, such as license, revenues, and productions.</p> <p>1-7 Prepare the standard operation procedures of data management at DPE on the data items related to EITI reporting.</p> <p>1-8 Assist DPE to equip the information infrastructure for data management of EIT reporting, if necessary.</p> <p>1-9 Assist DPE to operationalize the data management framework of the production data, if necessary.</p> <p>1-10 Plan and implement induction training for DPE officers to familiarize themselves with EITI reporting.</p> <p>1-11 Provide hands on training and consultation on the EITI reporting template submission.</p> <p>1-12 Conduct educational session for DPE officers through MSG on the topics to address the recommendations in the EITI report and to follow up the action plan.</p> <p>1-13 Elaborate the contents to be disclosed in compliance with EITI Standard.</p> <p>1-14 Assist DPE to collect and upload the contents through the DPE website.</p>	<p>- Japanese experts</p> <p>- Equipment Laptop PC NAS</p> <p>- Training Third country</p>	<p>- Assignment of Counterpart Management (Project Director, Project Manager)</p> <p>- Assignment of Counterpart staff</p> <p>- Equipment Office space for JICA experts</p> <p>- Local Cost (e.g.) Counterpart for implementation of project activities</p>	<p>- Budget allocation and release of funds for the project activities is secured.</p> <p>- Commitment and cooperative framework for the Project activities with stakeholders are secured.</p>
<p>2-1 Conduct a Third-Country training to learn good practice in EITI compliant country.</p> <p>2-2 Conduct baseline survey and comprehend the current process and practices of managing the payments and receipts of the resource related revenues and reporting on the relevant public finances and the EITI templates, to identify the areas of improvement.</p> <p>2-3 Review the EITI report with JICA experts to consider action plan to address the recommendations for the subsequent reporting.</p> <p>2-4 Conduct research and analysis on the topics to address the recommendations in the recommendations in the EITI report (such as the best practices of EITI reporting in other countries) to develop the educational materials.</p> <p>2-5 Deliver the developed education materials to MSG(*3) members on the topics to follow up the action plan for the recommendations.</p> <p>2-6 Communicate with the Independent Administrator to learn the process for compilation of the EITI reporting templates and the reconciliation.</p> <p>2-7 Select the reporting entities to be supported for submission of the EITI reporting template.</p> <p>2-8 Review the operation of filling out the EITI reporting template in the reporting entities with the Secretariat.</p> <p>2-9 Provide hands-on supports to the reporting entities for filling out the EITI reporting template through the Secretariat.</p> <p>2-10 Provide feedback and share the lessons learnt from the review and the supports with the reporting entities and MSG.</p> <p>2-11 Provide technical advice and hands-on training to the Secretariat staff in the process of the review and the supports for the reporting entities by JICA experts.</p> <p>2-12 Research and analyse the effective learning materials and the contents on the EITI basics and the EITI reporting template based on the feedback.</p> <p>2-13 Develop learning materials for MSG on the EITI basics and the EITI reporting templates to disseminate.</p>			<p><b>Pre-Conditions</b></p> <p>- No major change in the policy direction and structure of compliance with EITI standards.</p> <p>- Assignment of the CP staff from respective organizations for the project activities is secured.</p> <p>- No significant intervention against the promotion of EITI.</p>

<p>3-1 Conduct baseline survey and comprehend the current practices of awareness promotion activities and materials for communicating EITI issues to identify the areas of improvement.</p> <p>3-2 Research and analyse the good practices of communicating EITI (such as other EITI implementing countries practices) to review the communication strategy</p> <p>3-3 Revise the communication strategy.</p> <p>3-4 Identify the materials and contents of awareness promotion to be developed with the project.</p> <p>3-5 Assist the Secretariat to develop the materials and contents.</p> <p>3-6 Identify the promotion activity to be conducted with the project.</p> <p>3-7 Assist the Secretariat to conduct the promotion activity with MSG to enhance the awareness of EITI and EITI reporting.</p> <p>3-8 Provide technical advice to the Secretariat staff in developing and delivering the materials and contents to maintain them by JICA experts.</p>			<table border="1"> <tr> <th data-bbox="1646 264 1859 319">&lt;Issues and countermeasures&gt;</th> </tr> <tr> <td data-bbox="1646 319 1859 590"></td> </tr> </table>	<Issues and countermeasures>	
<Issues and countermeasures>					

\*1 EITI: Extractive Industries Transparency Initiative  
 \*2 DOP: Department of Petroleum  
 \*3 MSG: Multi-stakeholder Group



Project Monitoring Sheet II (Revision of Plan of Operation)

PDM Ver. 2.0

Project Title: Project for Improving Resource Related Revenue Management in Papua New Guinea

Dated

Inputs	Plan	2018				2019				2020				2021				2022	Remarks	Monitoring	
		III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	Issue	Solution			
		Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual					
Expert	Plan																				
(Chief Advisor/Public financial management)	Actual																				
(Deputy Chief Advisor/Information management)	Plan																				
(Accounting)	Actual																				
(Accounting)	Plan																				
(Accounting)	Actual																				
(Awareness promotion)	Plan																				
(Awareness promotion/Coordination)	Actual																				
	Plan																				
	Actual																				
Equipment	Plan																				
(To be determined)	Actual																				
Training In Japan	Plan																				
NA	Actual																				
In-country/Third country Training	Plan																				
NA	Actual																				

Activities	Sub-Activities	Plan	2018		2019				2020				2021				2022	Responsible Organization		Achievements	Issue & Countermeasures
			III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	II	Japan	GoPNG		
<b>Output 1: Data management at DOP is improved to comply with EITI Requirements.</b>																					
1-1. Conduct baseline survey and comprehend the current process and practices of managing the registry of licenses and contracts and the revenue collected to review the workflow at DOP.	Plan																				
	Actual																				
1-2. Identify the areas of improvement in the process of managing the license and revenues at DOP.	Plan																				
	Actual																				
1-3. Prepare a Terms of Reference for the focal point at DOP for implementing EITI and the project.	Plan																				
	Actual																				
1-4. Provide induction training for the identified officer(s) on EITI Standard.	Plan																				
	Actual																				
1-5. Provide technical advice to the officer(s) during the course of the project activity and the implementation of EITI at DOP.	Plan																				
	Actual																				
1-6. Analyze the data management at DOP on the data items related to EITI reporting, such as license, revenues, and productions.	Plan																				
	Actual																				
1-7. Prepare the standard operation procedures of data management at DOP on the data items related to EITI reporting.	Plan																				
	Actual																				
1-8. Assist DOP to equip the information infrastructure for data management of EIT reporting, if necessary.	Plan																				
	Actual																				
1-9. Assist DOP to operationalize the data management framework of the production data, if necessary.	Plan																				
	Actual																				
1-10. Plan and implement induction training for DOP officers to familiarize themselves with EITI reporting.	Plan																				
	Actual																				
1-11. Provide hands on training and consultation on the EITI reporting template submission.	Plan																				
	Actual																				
1-12. Conduct educational session for DOP officers through MSG on the topics to address the recommendations in the EITI report and to follow up the action plan.	Plan																				
	Actual																				
1-13. Elaborate the contents to be disclosed in compliance with EITI Standard.	Plan																				
	Actual																				
1-14. Assist DOP to collect and upload the contents through the DOP website.	Plan																				
	Actual																				

Activities	Sub-Activities	Plan	2018		2019				2020				2021				2022	Responsible Organization		Achievements	Issue & Countermeasures
			III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	II	Japan	GoPNG		
<b>Output 2: EITI reporting mechanism among extractive companies and government agencies is enhanced.</b>																					
2.1 Conduct a Third-Country training to learn good practice in EITI compliant country.	Plan																				
	Actual																				
2.2. Conduct baseline survey and comprehend the current process and practices of managing the payments and receipts of the resource related revenues and reporting on the relevant public finances and the EITI templates, to identify the areas of improvement.	Plan																				
	Actual																				
2.3. Review the EITI report with JICA experts to consider action plan to address the recommendations for the subsequent reporting.	Plan																				
	Actual																				
2.4. Conduct research and analysis on the topics to address the recommendations in the recommendations in the EITI report (such as the good practices of EITI reporting in other countries) to develop the educational materials.	Plan																				
	Actual																				
2.5. Deliver the developed education materials to MSG members on the topics to follow up the action plan for the recommendations.	Plan																				
	Actual																				
2.6. Communicate with the Independent Administrator to learn the process for compilation of the EITI reporting templates and the reconciliation.	Plan																				
	Actual																				
2.7. Select the reporting entities to be supported for submission of the EITI reporting template.	Plan																				
	Actual																				
2.8. Review the operation of filling out the EITI reporting template in the reporting entities with the Secretariat.	Plan																				
	Actual																				
2.9. Provide hands-on supports to the reporting entities for filling out the EITI reporting template through the Secretariat.	Plan																				
	Actual																				
2.10. Provide feedback and share the lessons learnt from the review and the supports with the reporting entities and MSG.	Plan																				
	Actual																				
2.11. Provide technical advice and hands-on training to the Secretariat staff in the process of the review and the supports for the reporting entities by JICA experts.	Plan																				
	Actual																				
2.12. Research and analyse the effective learning materials and the contents on the EITI basics and the EITI reporting template based on the feedback.	Plan																				
	Actual																				
2.13. Develop learning materials for MSG on the EITI basics and the EITI reporting templates to disseminate.	Plan																				
	Actual																				

Activities	Sub-Activities	Plan	2018		2019				2020				2021				2022		Responsible Organization		Achievements	Issue & Countermeasures
			III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	Japan	GoPNG		
<b>Output 3: Awareness and implementation structure for EITI is enhanced in the country.</b>																						
3-1. Conduct baseline survey and comprehend the current practices of awareness promotion activities and materials for communicating EITI issues to identify the areas of improvement.	Plan																					
	Actual																					
3-2. Research and analyse the good practices of communicating EITI (such as other EITI implementing countries practices) to review the communication strategy	Plan																					
	Actual																					
3-3. Revise the communication strategy.	Plan																					
	Actual																					
3-4. Identify the materials and contents of awareness promotion to be developed with the project.	Plan																					
	Actual																					
3-5. Assist the Secretariat to develop the materials and contents.	Plan																					
	Actual																					
3-6. Identify the promotion activity to be conducted with the project.	Plan																					
	Actual																					
3-7. Assist the Secretariat to conduct the promotion activity with MSG to enhance the awareness of EITI and EITI reporting.	Plan																					
	Actual																					
3-8. Provide technical advice to the Secretariat staff in developing and delivering the materials and contents to maintain them by JICA experts.	Plan																					
	Actual																					
<b>Duration / Phasing</b>		Plan																				
		Actual																				
<b>Monitoring Plan</b>		Plan																				
		Actual																				
Monitoring																						
Joint Coordinating Committee meeting		Plan																				
		Actual																				
Submission of Monitoring Sheet		Plan																				
		Actual																				
Reports/Documents																						
Project Completion Report		Plan																				
		Actual																				

I: January - March, II: April - June, III: July - September, IV: October - December

## **Annex 3: Project Design Matrix and Plan of Operation**

3-4 PDM and PO (ver. 3)

### Project Monitoring Sheet I

**Project Title:** Project for Improving Resource related Revenue Management

**Implementing Agency:** Department of Treasury, Papua New Guinea

**Period of Project:** 4 years and 2 months (From January 2018 to February 2022)

**Project Site:** Papua New Guinea

**PDM Ver. 3.0 (Ver. Nov 2021))**

**Dated**

Narrative Summary	Objectively Verifiable Indicators	Means of Verification	Important Assumption	Achievement	Remarks
<b>Overall Goal</b> Resource related revenue management in PNG is further improved.	Result of the assessment card is further improved. (At least 3 of requirements upgraded the status after the project.)	Validation result by EITI International Secretariat, Self-assessment result			
<b>Project Purpose</b> Resource related revenue management and reporting in accordance with EITI(*1) Standard is promoted.	Result of the assessment card is improved from 2018 to 2020. (Self-assessment to be conducted before 6 months of the termination will be improved from the validation results to be conducted in 2018.) (EITI Requirements #2.2 License allocations, #2.3 License register, #3.2 Production data, #4.1 Completeness, and #4.9 Data quality are improved.)	Validation result by EITI International Secretariat, Self-assessment result	No major change in the commitment of GoPNG to comply with EITI.		
<b>Outputs</b>					
1. Data management at DPE (*2) is improved to comply with EITI Requirements.	1-1. Appointed focal person or unit members for implementation of EITI at DPE.	1-1. Appointment documentation	- No significant or frequent change in personnel due to the organizational restructuring or change in regulation.  - Government agencies are not severely understaffed.		
	1-2. The procedures of data collection, storage and reporting in compliant with EITI Requirements at DPE are documented.	1-2. Standard of procedure			
	1-3. At least 10 people of DPE management and staff are provided trainings on EITI Standards	1-3. Training records			
	1-4. Updated contents relevant to EITI Standard on DPE website are increased.	1-4. DPE Website			

2. EITI reporting mechanism among extractive companies and government agencies is enhanced.	2-1. At least 4 of topics (such as the best practices of EITI reporting in other countries) discussed in the sessions	2-1. Materials of educational session, Training records	-Legal framework does not constrain the reporting practices for EITI report		
	2-2. Feedback of training, consultation or follow-up on the EITI reporting template conducted through the Secretariat at least 3 reporting entities.	2-2. Activity records			
	2-3. Status of submission of templates to the Independent Administrator is improved	2-3. EITI Report (Results of reporting compliance)			
	2-4. Educational tools to be utilized by the reporting entities are developed	2-4. Education tools			
3. Awareness and implementation structure for EITI is enhanced in the country.	3-1. The communication strategy of PNG EITI is updated.	3-1. Revised Communication Strategy			
	3-2. At least 4 materials of awareness promotion is developed.	3-2. Developed materials			
	3-3. At least 4 of times of awareness raising activities are taken place.	3-3. Activity Records			
	3-4. Participants for the promotion activities are improved the awareness on EITI.	3-4. Result of the questionnaire of the promotion activities			

Activities	Inputs		Important Assumption
	The Japanese Side	The PNG Side	
<p>1-1 Conduct baseline survey and comprehend the current process and practices of managing the registry of licenses and contracts and the revenue collected to review the workflow at DPE.</p> <p>1-2 Identify the areas of improvement in the process of managing the license and revenues at DPE.</p> <p>1-3 Prepare a Terms of Reference for the focal point at DPE for implementing EITI and the project.</p> <p>1-4 Provide induction training for the identified officer(s) on EITI Standard.</p> <p>1-5 Provide technical advice to the officer(s) during the course of the project activity and the implementation of EITI at DPE.</p> <p>1-6 Analyze the data management at DPE on the data items related to EITI reporting, such as license, revenues, and productions.</p> <p>1-7 Prepare the standard operation procedures of data management at DPE on the data items related to EITI reporting.</p> <p>1-8 Assist DPE to equip the information infrastructure for data management of EIT reporting, if necessary.</p> <p>1-9 Assist DPE to operationalize the data management framework of the production data, if necessary.</p> <p>1-10 Plan and implement induction training for DPE officers to familiarize themselves with EITI reporting.</p> <p>1-11 Provide hands on training and consultation on the EITI reporting template submission.</p> <p>1-12 Conduct educational session for DPE officers through MSG on the topics to address the recommendations in the EITI report and to follow up the action plan.</p> <p>1-13 Elaborate the contents to be disclosed in compliance with EITI Standard.</p> <p>1-14 Assist DPE to collect and upload the contents through the DPE website.</p>	<p>-Japanese experts</p> <p>-Equipment Laptop PC NAS</p> <p>-Training Third country</p>	<p>-Assignment of Counterpart Management (Project Director, Project Manager)</p> <p>-Assignment of Counterpart staff</p> <p>-Equipment Office space for JICA experts</p> <p>-Local Cost (e.g.) Counterpart for implementation of project activities</p>	<p>-Budget allocation and release of funds for the project activities is secured.</p> <p>-Commitment and cooperative framework for the Project activities with stakeholders are secured.</p>
<p>2-1 Conduct a Third-Country training to learn good practice in EITI compliant country.</p> <p>2-2 Conduct baseline survey and comprehend the current process and practices of managing the payments and receipts of the resource related revenues and reporting on the relevant public finances and the EITI templates, to identify the areas of improvement.</p> <p>2-3 Review the EITI report with JICA experts to consider action plan to address the recommendations for the subsequent reporting.</p> <p>2-4 Conduct research and analysis on the topics to address the recommendations in the recommendations in the EITI report (such as the best practices of EITI reporting in other countries) to develop the educational materials.</p> <p>2-5 Deliver the developed education materials to MSG(*3) members on the topics to follow up the action plan for the recommendations.</p> <p>2-6 Communicate with the Independent Administrator to learn the process for compilation of the EITI reporting templates and the reconciliation.</p> <p>2-7 Select the reporting entities to be supported for submission of the EITI reporting template.</p> <p>2-8 Review the operation of filling out the EITI reporting template in the reporting entities with the Secretariat.</p> <p>2-9 Provide hands-on supports to the reporting entities for filling out the EITI reporting template through the Secretariat.</p> <p>2-10 Provide feedback and share the lessons learnt from the review and the supports with the reporting entities and MSG.</p> <p>2-11 Provide technical advice and hands-on training to the Secretariat staff in the process of the review and the supports for the reporting entities by JICA experts.</p> <p>2-12 Research and analyse the effective learning materials and the contents on the EITI basics and the EITI reporting template based on the feedback.</p> <p>2-13 Develop learning materials for MSG on the EITI basics and the EITI reporting templates to disseminate.</p>			<p>Pre-Conditions</p> <p>-No major change in the policy direction and structure of compliance with EITI standards.</p> <p>-Assignment of the CP staff from respective organizations for the project activities is secured.</p> <p>-No significant intervention against the promotion of EITI.</p>



<p>3-1 Conduct baseline survey and comprehend the current practices of awareness promotion activities and materials for communicating EITI issues to identify the areas of improvement.</p> <p>3-2 Research and analyse the good practices of communicating EITI (such as other EITI implementing countries practices) to review the communication strategy</p> <p>3-3 Revise the communication strategy.</p> <p>3-4 Identify the materials and contents of awareness promotion to be developed with the project.</p> <p>3-5 Assist the Secretariat to develop the materials and contents.</p> <p>3-6 Identify the promotion activity to be conducted with the project.</p> <p>3-7 Assist the Secretariat to conduct the promotion activity with MSG to enhance the awareness of EITI and EITI reporting.</p> <p>3-8 Provide technical advice to the Secretariat staff in developing and delivering the materials and contents to maintain them by JICA experts.</p>			<table border="1"> <tr> <th data-bbox="1644 264 1870 319">&lt;Issues and countermeasures&gt;</th> </tr> <tr> <td data-bbox="1644 319 1870 590"></td> </tr> </table>	<Issues and countermeasures>	
<Issues and countermeasures>					

\*1 EITI: Extractive Industries Transparency Initiative  
 \*2 DOP: Department of Petroleum  
 \*3 MSG: Multi-stakeholder Group



Activities	Sub-Activities	Plan	2018		2019				2020				2021				2022	Responsible Organization		Achievements	Issue & Countermeasures
			Actual	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	Japan		
<b>Output 1: Data management at DOP is improved to comply with EITI Requirements.</b>																					
1-1. Conduct baseline survey and comprehend the current process and practices of managing the registry of licenses and contracts and the revenue collected to review the workflow at DOP.	Plan																				
	Actual																				
1-2. Identify the areas of improvement in the process of managing the license and revenues at DOP.	Plan																				
	Actual																				
1-3. Prepare a Terms of Reference for the focal point at DOP for implementing EITI and the project.	Plan																				
	Actual																				
1-4. Provide induction training for the identified officer(s) on EITI Standard.	Plan																				
	Actual																				
1-5. Provide technical advice to the officer(s) during the course of the project activity and the implementation of EITI at DOP.	Plan																				
	Actual																				
1-6. Analyze the data management at DOP on the data items related to EITI reporting, such as license, revenues, and productions.	Plan																				
	Actual																				
1-7. Prepare the standard operation procedures of data management at DOP on the data items related to EITI reporting.	Plan																				
	Actual																				
1-8. Assist DOP to equip the information infrastructure for data management of EIT reporting, if necessary.	Plan																				
	Actual																				
1-9. Assist DOP to operationalize the data management framework of the production data, if necessary.	Plan																				
	Actual																				
1-10. Plan and implement induction training for DOP officers to familiarize themselves with EITI reporting.	Plan																				
	Actual																				
1-11. Provide hands on training and consultation on the EITI reporting template submission.	Plan																				
	Actual																				
1-12. Conduct educational session for DOP officers through MSG on the topics to address the recommendations in the EITI report and to follow up the action plan.	Plan																				
	Actual																				
1-13. Elaborate the contents to be disclosed in compliance with EITI Standard.	Plan																				
	Actual																				
1-14. Assist DOP to collect and upload the contents through the DOP website.	Plan																				
	Actual																				

Activities	Sub-Activities	Plan	2018		2019				2020				2021				2022	Responsible Organization		Achievements	Issue & Countermeasures
			III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	Japan	GoPNG		
<b>Output 2: EITI reporting mechanism among extractive companies and government agencies is enhanced.</b>																					
2.1 Conduct a Third-Country training to learn good practice in EITI compliant country.	Plan																				
	Actual																				
2.2. Conduct baseline survey and comprehend the current process and practices of managing the payments and receipts of the resource related revenues and reporting on the relevant public finances and the EITI templates, to identify the areas of improvement.	Plan																				
	Actual																				
2.3. Review the EITI report with JICA experts to consider action plan to address the recommendations for the subsequent reporting.	Plan																				
	Actual																				
2.4. Conduct research and analysis on the topics to address the recommendations in the recommendations in the EITI report (such as the good practices of EITI reporting in other countries) to develop the educational materials.	Plan																				
	Actual																				
2.5. Deliver the developed education materials to MSG members on the topics to follow up the action plan for the recommendations.	Plan																				
	Actual																				
2.6. Communicate with the Independent Administrator to learn the process for compilation of the EITI reporting templates and the reconciliation.	Plan																				
	Actual																				
2.7. Select the reporting entities to be supported for submission of the EITI reporting template.	Plan																				
	Actual																				
2.8. Review the operation of filling out the EITI reporting template in the reporting entities with the Secretariat.	Plan																				
	Actual																				
2.9. Provide hands-on supports to the reporting entities for filling out the EITI reporting template through the Secretariat.	Plan																				
	Actual																				
2.10. Provide feedback and share the lessons learnt from the review and the supports with the reporting entities and MSG.	Plan																				
	Actual																				
2.11. Provide technical advice and hands-on training to the Secretariat staff in the process of the review and the supports for the reporting entities by JICA experts.	Plan																				
	Actual																				
2.12. Research and analyse the effective learning materials and the contents on the EITI basics and the EITI reporting template based on the feedback.	Plan																				
	Actual																				
2.13. Develop learning materials for MSG on the EITI basics and the EITI reporting templates to disseminate.	Plan																				
	Actual																				

Activities	Sub-Activities	Plan	2018		2019				2020				2021				2022	Responsible Organization		Achievements	Issue & Countermeasures
			III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	Japan	GoPNG		
<b>Output 3: Awareness and implementation structure for EITI is enhanced in the country.</b>																					
3-1. Conduct baseline survey and comprehend the current practices of awareness promotion activities and materials for communicating EITI issues to identify the areas of improvement.	Plan																				
	Actual																				
3-2. Research and analyse the good practices of communicating EITI (such as other EITI implementing countries practices) to review the communication strategy	Plan																				
	Actual																				
3-3. Revise the communication strategy.	Plan																				
	Actual																				
3-4. Identify the materials and contents of awareness promotion to be developed with the project.	Plan																				
	Actual																				
3-5. Assist the Secretariat to develop the materials and contents.	Plan																				
	Actual																				
3-6. Identify the promotion activity to be conducted with the project.	Plan																				
	Actual																				
3-7. Assist the Secretariat to conduct the promotion activity with MSG to enhance the awareness of EITI and EITI reporting.	Plan																				
	Actual																				
3-8. Provide technical advice to the Secretariat staff in developing and delivering the materials and contents to maintain them by JICA experts.	Plan																				
	Actual																				
<b>Duration / Phasing</b>		Plan																			
		Actual																			
<b>Monitoring Plan</b>		Plan																			
		Actual																			
Monitoring																					
Joint Coordinating Committee meeting		Plan																			
		Actual																			
Submission of Monitoring Sheet		Plan																			
		Actual																			
Reports/Documents																					
Project Completion Report		Plan																			
		Actual																			

I: January - March, II: April - June, III: July - September, IV: October - December

## **Annex 3: Project Design Matrix and Plan of Operation**

- 3-5 Details of Changes in PDM Revisions
  - 3-5-1 Changes in PDM (1st Revision)
  - 3-5-2 Changes in PDM (2nd Revision)
  - 3-5-3 Changes in PDM (3rd Revision)

### 3-5-1. Changes in PDM (1st Revision)

Before the amendment (Version 0)	Amended (Version 1)
Overall Goal: Objectively Verifiable Indicators	
PNG becomes an EITI(*1) compliant county.	Result of the assessment card is further improved. (At least 3 of requirements upgraded the status after the project.)
Overall Goal: Means of Verification	
Validation result by EITI International Secretariat	Validation result by EITI International Secretariat, Self-assessment result
Project Purpose: Narrative Summary	
Resource related revenue management and reporting in accordance with EITI International Standard is promoted.	Resource related revenue management and reporting in accordance with EITI(*1) Standard is promoted.
Project Purpose: Objectively Verifiable Indicators	
Result of the assessment card is improved from 2018 to 2020. (Self-assessment to be conducted before 6 months of the termination will be improved from the validation results to be conducted in 2018.)	Result of the assessment card is improved from 2018 to 2020. (Self-assessment to be conducted before 6 months of the termination will be improved from the validation results to be conducted in 2018.) (EITI Requirements #2.2 License allocations, #2.3 License register, #3.2 Production data, #4.1 Completeness, and #4.9 Data quality are improved.)
Project Purpose: Means of Verification	
Self-assessment result and the verification result	Validation result by EITI International Secretariat, Self-assessment result
Output 1: Narrative Summary	
Management of relevant data and information in DP (*2) is improved.	Data management at DOP (*2) is improved to comply with EITI Requirements.
Output 1: Objectively Verifiable Indicators	
1-1. Information management procedure is established. 1-2. Financial reports required by government regulation are submitted. 1-3. Data accessibility from the public is improved. 1-x. Other indicators will be determined based on the baseline survey.	1-1. Appointed focal person or unit members for implementation of EITI at DOP. 1-2. The procedures of data collection, storage and reporting in compliant with EITI Requirements at DOP are documented. 1-3. At least 10 people of DOP management and staff are provided trainings on EITI Standards 1-4. Updated contents relevant to EITI Standard on DOP website are increased.
Output 1: Means of Verification	
1-1. Standard of procedure 1-2. Reports submitted from DP 1-3. DP Website 1-x. (To be determined)	1-1. Appointment documentation 1-2. Standard of procedure 1-3. Training records 1-4. DOP Website

Before the amendment (Version 0)	Amended (Version 1)
Output 1: Activities	
<p>1-1 Conduct baseline survey and comprehend the current process and practices of managing the registry of licenses and contracts and the revenue collected to review the workflow at DP and MRA (*3).</p> <p>1-2 Identify the areas of improvement in the process of managing the license and revenues at DP.</p> <p>1-3 Organize the files of handwritten ledgers of licenses.</p> <p>1-4 Organize the electronic registry of licenses (scanning, etc.).</p> <p>1-5 Consider how to manage the electronic registry.</p> <p>1-6 Organize database, etc. based on the result of the consideration of 1-5.</p> <p>1-7 Conduct the training how to utilize the database.</p> <p>1-8 Based on the baseline survey, review the process of reporting.</p> <p>1-9 Assist DP to submit the report to DOT regularly.</p> <p>1-10 Assist DP to establish the website of DP for disclosure.</p>	<p>1-1 Conduct baseline survey and comprehend the current process and practices of managing the registry of licenses and contracts and the revenue collected to review the workflow at DOP.</p> <p>1-2 Identify the areas of improvement in the process of managing the license and revenues at DOP.</p> <p>1-3 Prepare a Terms of Reference for the focal point at DOP for implementing EITI and the project.</p> <p>1-4 Provide induction training for the identified officer(s) on EITI Standard.</p> <p>1-5 Provide technical advice to the officer(s) during the course of the project activity and the implementation of EITI at DOP.</p> <p>1-6 Analyze the data management at DOP on the data items related to EITI reporting, such as license, revenues, and productions.</p> <p>1-7 Prepare the standard operation procedures of data management at DOP on the data items related to EITI reporting.</p> <p>1-8 Assist DOP to equip the information infrastructure for data management of EIT reporting, if necessary.</p> <p>1-9 Assist DOP to operationalize the data management framework of the production data, if necessary.</p> <p>1-10 Plan and implement induction training for DOP officers to familiarize themselves with EITI reporting.</p> <p>1-11 Provide hands on training and consultation on the EITI reporting template submission.</p> <p>1-12 Conduct educational session for DOP officers through MSG on the topics to address the recommendations in the EITI report and to follow up the action plan.</p> <p>1-13 Elaborate the contents to be disclosed in compliance with EITI Standard.</p> <p>1-14 Assist DOP to collect and upload the contents through the DOP website.</p>
Output 2: Narrative Summary	
<p>Reporting mechanism among extractive companies and government agencies (mainly EITI Secretariat) is enhanced.</p>	<p>EITI reporting mechanism among extractive companies and government agencies is enhanced.</p>



Before the amendment (Version 0)	Amended (Version 1)
Output 2: Objectively Verifiable Indicators	
<p>2-1. Reporting templates are streamlined with EITI requirement.</p> <p>2-2. Understanding of participants to trainings on the revised templates is improved (more than two-third of the participants respond as they improved their understandings after the training).</p>	<p>2-1. At least 4 of topics (such as the best practices of EITI reporting in other countries) discussed in the sessions</p> <p>2-2. Feedback of training, consultation or follow-up on the EITI reporting template conducted through the Secretariat at least 3 reporting entities.</p> <p>2-3. Status of submission of templates to the Independent Administrator is improved</p> <p>2-4. Educational tools to be utilized by the reporting entities are developed</p>
Output 2: Means of Verification	
<p>2-1. Revised templates</p> <p>2-2. Results of the questionnaire of the trainings</p>	<p>2-1. Materials of educational session, Training records</p> <p>2-2. Activity records</p> <p>2-3. EITI Report (Results of reporting compliance)</p> <p>2-4. Education tools</p>
Output 2: Activities	
<p>2-1 Conduct a Third-Country training to learn good practice in EITI compliant country.</p> <p>2-2 Assist EITI Secretariat to prepare for Validation.</p> <p>2-3 Review the EITI report with JICA experts to consider action plan to address the recommendations for the subsequent reporting.</p> <p>2-4 Review the two types of reporting templates of (1) from extractive companies to EITI Secretariat and (2) from extractive companies to the government agencies in the light of the government and EITI requirements.</p> <p>2-5 Provide technical advice to EITI Secretariat staff on revising EITI reporting templates.</p> <p>2-6 Provide trainings on accounting and audit skills for EITI Secretariat.</p> <p>2-7 Assist to streamline the EITI reporting template from extractive companies to EITI Secretariat, as necessary.</p> <p>2-8 Assist EITI Secretariat to take place the workshop on the revised EITI reporting templates for stakeholders.</p>	<p>2-1 Conduct a Third-Country training to learn good practice in EITI compliant country.</p> <p>2-2 Conduct baseline survey and comprehend the current process and practices of managing the payments and receipts of the resource related revenues and reporting on the relevant public finances and the EITI templates, to identify the areas of improvement.</p> <p>2-3 Review the EITI report with JICA experts to consider action plan to address the recommendations for the subsequent reporting.</p> <p>2-4 Conduct research and analysis on the topics to address the recommendations in the recommendations in the EITI report (such as the best practices of EITI reporting in other countries) to develop the educational materials.</p> <p>2-5 Deliver the developed education materials to MSG(*3) members on the topics to follow up the action plan for the recommendations.</p> <p>2-6 Communicate with the Independent Administrator to learn the process for compilation of the EITI reporting templates and the reconciliation.</p> <p>2-7 Select the reporting entities to be supported for submission of the EITI reporting template.</p> <p>2-8 Review the operation of filling out the EITI reporting template in the reporting entities with the Secretariat.</p> <p>2-9 Provide hands-on supports to the reporting</p>

Before the amendment (Version 0)	Amended (Version 1)
	<p>entities for filling out the EITI reporting template through the Secretariat.</p> <p>2-10 Provide feedback and share the lessons learnt from the review and the supports with the reporting entities and MSG.</p> <p>2-11 Provide technical advice and hands-on training to the Secretariat staff in the process of the review and the supports for the reporting entities by JICA experts.</p> <p>2-12 Research and analyse the effective learning materials and the contents on the EITI basics and the EITI reporting template based on the feedback.</p> <p>2-13 Develop learning materials for MSG on the EITI basics and the EITI reporting templates to disseminate.</p>
Output 3: Narrative Summary	
Awareness and implementation structure for EITI is enhanced in the country.	Awareness and implementation structure for EITI is enhanced in the country.
Output 3: Objectively Verifiable Indicators	
<p>3-1. Participants for the sensitization activities are improved the awareness on EITI (more than XX% of the participants respond as they improved their awareness after the activity).</p> <p>3-2. XX times of awareness raising activities are taken place.</p>	<p>3-1. The communication strategy of PNG EITI is updated.</p> <p>3-2. At least 4 materials of awareness promotion is developed.</p> <p>3-3. At least 4 of times of awareness raising activities are taken place.</p> <p>3-4. Participants for the promotion activities are improved the awareness on EITI.</p>
Output 3: Means of Verification	
<p>3-1. Result of the questionnaire of the sensitization activities</p> <p>3-2. Activity Records</p>	<p>3-1. Revised Communication Strategy</p> <p>3-2. Developed materials</p> <p>3-3. Activity Records</p> <p>3-4. Result of the questionnaire of the promotion activities</p>
Output 3: Activities	
<p>3-1 Prepare a plan for awareness raising activity of EITI.</p> <p>3-2 Assist EITI Secretariat to conduct stakeholder workshops to promote the awareness of EITI reporting.</p> <p>3-3 Assist EITI Secretariat to conduct seminars in provinces to promote the awareness of EITI reporting with MSG (*4) to sub-national government agencies.</p>	<p>3-1 Conduct baseline survey and comprehend the current practices of awareness promotion activities and materials for communicating EITI issues to identify the areas of improvement.</p> <p>3-2 Research and analyse the good practices of communicating EITI (such as other EITI implementing countries practices) to review the communication strategy</p> <p>3-3 Revise the communication strategy.</p>

Before the amendment (Version 0)	Amended (Version 1)
3-4 Assist EITI Secretariat to conduct seminars in provinces to promote the awareness of EITI with MSG to the public. 3-5 Assist EITI Secretariat to conduct a launching event for EITI Report.	3-4 Identify the materials and contents of awareness promotion to be developed with the project. 3-5 Assist the Secretariat to develop the materials and contents. 3-6 Identify the promotion activity to be conducted with the project. 3-7 Assist the Secretariat to conduct the promotion activity with MSG to enhance the awareness of EITI and EITI reporting. 3-8 Provide technical advice to the Secretariat staff in developing and delivering the materials and contents to maintain them by JICA experts.
Footnotes to the PDM	
*2 DP: Department of Petroleum *3 MRA: Mineral Resource Authority	*2 DOP: Department of Petroleum *3 MSG: Multi-stakeholder Group

### 3-5-2. Changes in PDM (2nd Revision)

Before the second amendment (Version 1)	Amended (Version 2)
Project Period:	
3 years (from January 2018 to December 2020)	4 years (from January 2018 to December 2021)
Inputs	
The Japanese Side - Equipment (TBD)	The Japanese Side - Equipment - Laptop PC - NAS

### 3-5-3. Changes in PDM (3rd Revision)

Before the third amendment (Version 2)	Amended (Version 3)
Project Period:	
4 years (from January 2018 to December 2021)	4 years and 2 months (from January 2018 to February 2022)
Inputs	
The Japanese Side - Equipment (TBD)	The Japanese Side - Equipment - Laptop PC - NAS