Validation of Papua New Guinea
Response to MSG Feedback
CowaterSogema Independent Validator
19th October 2018

The Validator wishes to thank the MSG for their helpful feedback. What follows is the Validator’s response to the feedback from the MSG.

Requirement 2.2. License Allocations
We note the view that scoring should be upgraded to ‘meaningful progress’, based on the recently started work from JICA. At the time at which the EITI assessment was undertaken, there were multiple regressions from EITI standards, namely the non-comprehensiveness of the list of transfers for both mining and oil and gas, the failure to specify the technical and financial criteria in license application process as well as concerns over non-trivial deviations.

Requirement 2.3. License Registers
We note a very similar comment that scoring should be upgraded to ‘meaningful progress’, based on recently commenced technical assistance. However, progress on this requirement had already been graded as ‘meaningful’ by the assessors and accepted by the validators.

Requirement 4.6. Subnational direct payments
We note the view that scoring should be upgraded to ‘meaningful progress’. This is based on the statement that scoping study on sub-national payment and transfer was commissioned through the Australian Government and report will be out soon. Although the broader objective is in the process of being fulfilled, progress was not sufficient in the period of report. In the period of report, there is confusion of materiality with regard to direct sub-national payments and revenue flows have not been fully reconciled and disclosed.

Requirement 5.2. Subnational transfers
We note the view that scoring should be upgraded to ‘meaningful progress’ as both reconciliation of sub-national transfers and disclosures of ad-hoc sub-national transfers are encouraged but not mandatory. Such progress was not in the time period of report, so “inadequate progress” may be maintained in current period and progress made may be considered in next reporting period.