

- (ii) Monetary policy: Reduce the chances of an uncontrolled appreciation of the domestic currency/USD (Dutch disease) as a consequence of significant income inflows from the oil and gas sector.
- (iii) Inter-generational distribution of natural resources wealth: The NRF would assure the long term use among generations of oil and gas revenues obtained in a specific period of time.
- (iv) Public account transparency and accountability: The NRF establishes a clear and transparent mechanism for managing the oil and gas sector revenues.

In conclusion, the authorities are pursuing a stability-oriented macroeconomic policy and the eligibility criterion is met.

2.3.3 Public Financial Management

The Government's reform priorities are based mainly on the 2013 and 2019 Public Expenditure and Financial Accountability (PEFA) assessments. The resulting Public Financial Management (PFM) and Budgetary Transparency Action Plan (BTAP) agreed on the findings and recommendations contained in the Auditor General's reports, as well as the reports of the Public Account Committee (PAC) and various studies carried out by the IMF.

The last PFM Action plan contains 116 action items involving six key agencies: Internal Audit of the Ministry of Finance, Office of the Budget, National Procurement and Tender Administration Board, Accountant General's Department, Audit Office of Guyana and Guyana Revenue Authority. In September 2021 the rate of full implementation of the actions was 92%. The Accountant General's Department has not shown much progress since 2020 mainly due to capacity constraints. The Department needs to intensify efforts to implement of International Public Sector Accounting Standard (IPSAS). In addition, the National Procurement and Tender Administration Board (NPTAB) could improve the procurement planning to be more comprehensive.

A PEFA assessment, funded by the EU, conducted in 2019/20 concluded that overall the PFM system is robust, but there are notable weaknesses in aspects of risk management, multi-year budgeting and financial reporting. While the assessment was carried out using the updated and expanded 2016 methodology, it has been possible to score against the previous 2011 PEFA methodology that was used in the 2013 PEFA assessment. Overall, PFM performance over the past five years has improved, albeit modestly.

Authorities remain committed to improve PFM performance and its track record in improving PFM systems and are currently working on a new PFM action plan.

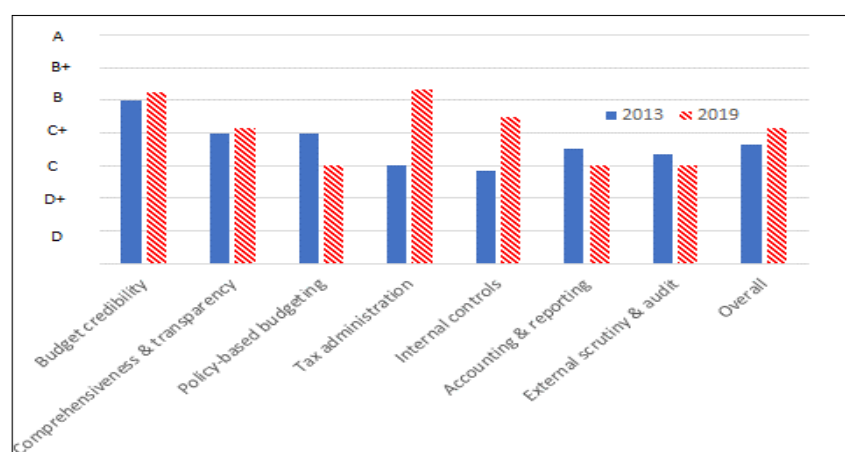


Figure 1 - Comparison of PFM performance in Guyana, by major pillar 2013 and 2019