

FY22 Work Plan - May 2021 to April 2022: Tonga

TA Area	Objective	Country	Outcome Targeted	Activity	May 2021 - April 2022 (in person-days)			Number of Missions/ Activities	COVID Status	Milestones	Comments	Planned Date	Experts
					PFTAC resident advisors	ST experts	Total						
Financial Sector Supervision	Develop/strengthen banking regulations and prudential norms	Tonga	Legal and regulatory framework equips supervisors to bring about timely corrective actions for banks' problems and weaknesses.	SFEP - Regulatory Framework - Prudential Standards - Assist NRBT in enhancement to prudential and risk management standards	2	8	10	1	2 - Indirectly COVID Related	Authorities complete the drafting of the regulation as recommended by the PFTAC Mission.		Sep 12 - 21, 2021 (remote)	Kumar/ STXs
	Develop/strengthen cybersecurity regulations and prudential norms		Sound policies & processes to identify, measure, monitor and control cyber risks.	Cyber Risk Regulation and Supervision Project - third component - onsite examination	-	12	12	1	1 - Not COVID Related	Cyber Risk on-site examination framework implemented	FY22 - On-site examinations to include regional participants	Mar 28 - Apr 6, 2022 (in-country)	STX
	Implement a risk-based supervision (RBS) system and upgrade other supervisory processes		Strengthened institutional structure, operations, and procedures for RBS implementation	Diagnostic mission to identify enhancements to RBS	3	3	6	1	1 - Not COVID Related	Authorities agree to enhancements to RBS identified by the PFTAC Mission		May 1 - 3, 2021 (remote)	Kumar/ STX
				Review and strengthening on-site examination procedures -1	3	3	6	1	1 - Not COVID Related	On-site examination framework is embedded		May 3 - 5, 2021 (remote)	Kumar/ STX
Real Sector Statistics	Strengthen compilation and dissemination of real sector statistics-national accounts	Tonga	Improved timeliness of data made available internally and/or to the public (shorter delays)	Update extrapolation of QNA	10	-	10	1	2 - Indirectly COVID Related	National accounts compiled and disseminated on a quarterly or monthly basis.		Aug 16 - 27, 2021 (remote)	Scheiblecker
				Provide training on QNA compilation						Staff is trained on QNA compilation			
Macroeconomic Programming and Analysis	Stronger analytical skills and better macroeconomic forecasting and policy analysis	Tonga	Sound medium-term macroeconomic framework (inclusive of GDP and inflation, commodity prices, the external and monetary sectors, and fiscal aggregates).	Support the use of the Tonga macroeconomic programming framework in budget preparations	5	-	5	1	3 - Moderately COVID Related	(1) The GDP forecasting framework continues to be used in budget preparations (Jun. 20). (2) The Tonga macroeconomic programming framework continues to be used in budget preparations (Jun. 20). (3) Fiscal forecasting in enhanced (Apr. 21)		Sep 13 - 17, 2021 (remote)	Beaumont
Public Financial Management	Improved PFM laws and effective institutions	Tonga	A more comprehensive legal framework covering all stages of the public financial management cycle is enacted	Review draft proposed legislation	-	12	12	1	3 - Moderately COVID Related	Endorsement of proposed legislation by government		Jun 7 - 18, 2021 (remote)	McKenzie
	Improved coverage and quality of fiscal reporting		Comprehensiveness, frequency, and quality of fiscal reports is enhanced	Review and implement improvements to the reconciliation process	-	12	12	1	1 - Not COVID Related	Training delivered and officials develop skills in reporting and reporting		Jun 14 - 25, 2021 (remote)	Kauffmann
	Improved asset and liability management		Disclosure and management of state assets is improved	Implementation Plan for the Asset Management Framework	-	12	12	1	2 - Indirectly COVID Related	Asset Management Framework operational		Aug 9 - 20, 2021 (remote)	STX
Revenue Administration	Strengthened revenue administration management and governance arrangements	Tonga	Corporate priorities are better managed through effective risk management	Improving Risk management and compliance improvement strategy;	-	16	16	1	3 - Moderately COVID Related	An effective CIS facilitating high levels of compliance implemented by 12/31/21.	PFTAC has assisted Tonga in the development of a CIS approach, now in its second year. A review will be carried out to measure its effectiveness and suggestions for its further improvement.	Nov 29 - Dec 10, 2021 (in-country)	Shrosbree
			Capacity for reform increased due to clear reform strategy and a strategic management framework adopted and institutionalized	Renewal of MoRC Corporate Strategy and Operational Plans	-	30	30	1	3 - Moderately COVID Related	New Corporate strategic plan implemented	Corporate strategic plan due for renewal	Aug 9 - 20, 2021 (remote)	Story
			Authorities have a baseline understanding of the current state of the government's revenue administration, management, and governance arrangements and core revenue administration operations	Review reform progress	10	-	10	1	3 - Moderately COVID Related	Review overall reform progress and status of PFTAC recommendation	PFTAC has provided TA across objective 1 & 2 that needs to be reviewed	Feb 7 - 11, 2022 (in country)	Eysselein/ LTX
	Strengthened core tax administration functions		A larger proportion of taxpayers meet their filing obligations as required by law / A larger proportion of taxpayers meet their payment obligations as required by law	Improving debt and returns management	-	16	16	1	3 - Moderately COVID Related	On-time filing and payments operating at improved efficiency levels by 31/12/2021 and measured against TADAT dimensions.	TA assistance requested by the authorities to improve current returns and payment compliance levels.	Jan 24 - Feb 4, 2022 (in-country)	Field
			Audit and other verification programs more effectively ensure accuracy of reporting	Strengthen tax audit function and optimize VAT POS	-	16	16	1	3 - Moderately COVID Related	The audit function operating at improved efficiency levels by 31/12/2021 and measured against TADAT dimensions.	The authorities have requested TA to assist in building audit function and capability.	Feb 21 - Mar 4, 2022 (in-country)	Bell
Legal	Tax and/or customs laws are updated, simplified, and better aligned with modern standards and international protocols	Finalization of consumption tax rewrite	-	10	10	1	2 - Indirectly COVID Related	Consumption tax rewrite implemented by 12/31/21	PFTAC is supporting a request by the authorities to modernize their tax laws.		Sep 13 - 22, 2021, (remote)	Burns	
<b>TOTAL</b>					<b>33</b>	<b>150</b>	<b>183</b>	<b>15</b>					