

# PFTAC Steering Committee

## March 27, 2018

Strategic Issues

PFTAC Coordinator: David Kloeden



# AGENDA

## STRATEGIC ISSUES

PFTAC 25<sup>th</sup> Anniversary

Outreach

Office Renovations

Host Country Agreement

Staff Issues and Proposed Research Assistant

Proposed Revenue Program Scaling-Up



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# PFTAC 25<sup>TH</sup> ANNIVERSARY

- **PFTAC was established in 1993 as a joint project with UNDP:**
  - Very first IMF Regional Technical Assistance Center (RTAC)
  - Emulated in Caribbean in 2003, then rolled-out to a network of 10 centers across Africa, Middle East, Central America, and South Asia
- **Major event planned for late 2018 (December 3 – 7) in Nadi, Fiji:**
  - Celebrate the successes of IMF Capacity Development in Fiji and the Pacific
  - Celebrate the launch and growth of the IMF's effective RTAC model
- **Proposed theme of *'Making the Most of Pacific Growth Opportunities'***
  - 3-day technical workshop
  - Culminating in a 2-day High-Level Dialogue (HLD)



# PFTAC 25<sup>TH</sup> ANNIVERSARY

- **Where we are, the journey so far, and future possibilities:**
  - PFTAC: valued provider of economic & financial Capacity Development in the Pacific
  - Looking back over the successes and challenges of the past 25 year
  - Looking forward to adapting to new challenges and opportunities
- **Communications and Outreach:**
  - Developing outreach material with video content for wider publicity (Annual Meetings)
  - Video Competition for Pacific Youth – screenings and awards at Anniversary Event
- **Targeted Participation and Location:**
  - Nadi in recognition of our long-standing Fiji hosts and transportation connections
  - IMF Management invited, senior Pacific and donor officials (ministers, governors), IMF and Development Partners, Academia, and Civil Society



# OUTREACH

- Spreading PFTAC awareness, but much more to do
- Overhauled and secure PFTAC Website operational for past year
- Annual Report to be repackaged for improved readability and appeal
- Development of material for anniversary & other outreach – resource implications
- Experiments with messaging and short interviews with initial Social Media efforts:
  - Staff retreat in December on social media insights
  - FaceBook usage reinvigorated from early 2018
  - Examples of interviews and postings from February *Fishing Revenues* workshop



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# PFTAC OFFICE RENOVATIONS

- 7<sup>th</sup> floor of Reserve Bank of Fiji (RBF) building rented under long-term lease: accommodates 12 PFTAC staff and 6 IMF Regional Resident Representative staff
- Prestigious and desirable location, but 35 year-old building with interior fittings in need of updating after two decades of occupancy to provide:
  - A secure, environmentally controlled Computer Room to address IT problems
  - Enhanced meeting and working space for staff and visitors, with some expansion capacity
  - Appropriate Staff Amenities
- IMF budget provision for FY19: compressed plan for demolition and renovation between May and September, official reopening during Anniversary events
- Relocate to temporary office arrangements during renovations



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# HOST COUNTRY AGREEMENT

- PFTAC is the only regional CD center without a formal Memorandum of Understanding (MoU) in place between IMF and Host Government
- Relaunched earlier stalled efforts to desirably have concluded by Anniversary event
- Leveraging similar arrangements recently instituted through Establishment Agreement between Fiji Government & World Bank for expansion of Bank operations
- First step is for Fiji Government to request the UN Secretary-General to apply provisions of UN Specialized Agencies Convention to the IMF
- Draft Memorandum of Understanding documents and formalizes the agreed role and base of PFTAC operations covering immunities and privileges



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# STAFF ISSUES

- **Resident Experts (all trust fund financed):**
  - Slightly earlier departure in February of one PFM advisor, recruitment of replacement underway, hopefully in place by May
  - After 4 years, Revenue advisor leaving in October 2018 and Macro advisor in February 2019 – recruitment to be launched 6 months beforehand, desirably with 2 -3 month overlap
  - More needed to encourage applications and build pipeline of potential regional experts
- **Local Staff (all IMF financed):**
  - Very experienced and dedicated local administration team
  - Job responsibilities now formalized while retaining flexibility, with upgraded junior grades
  - Heavy workload with current responsibilities, limited scope to handle new/expanded tasks





# STAFF ISSUES – PROPOSAL FOR LOCAL RESEARCH ASSISTANT

- **New/expanded tasks:**
  - PFTAC staff capacity and skills is insufficient to professionally provide the higher standards of analysis, oversight, and reporting demonstrated by other IMF centers
  - New demands and skills needed for Outreach and Results Based Management (RBM)
  - Other IMF centers have one or more full-time internationally appointed staff (e.g. RBM expert) or locally recruited economist or research assistant
- **Proposed Research Assistant:**
  - Endorsement sought to immediately recruit locally a Research Assistant to PFTAC team
  - To be trust fund financed, with annual recurring cost not exceeding \$US50,000, with annual Administrative Budget increased accordingly for remaining Phase V years



# PROPOSED SCALING-UP OF PFTAC REVENUE PROGRAM

- **Current PFTAC Revenue Program:**

- Biggest program in FY18 budget outturn and equal to PFM program in TA delivery
- Delivered and managed by a single LTX (versus two PFM advisors)
- Largest STX program by factor of two – at limits of ability of single LTX to backstop
- Complemented by legislation STX from Legal Department, but not explicit Tax Policy TA

- **Unmet and Growing Demand:**

- Driven by Revenue Mobilization objectives of PICs to meet budget and resiliency needs, as well as from likely loss of trade tax revenues, including from Pacer Plus
- At limits of PFTAC delivery capacity, despite strong needs for more CD to build on past achievements, but particularly to respond to new needs for underway or potential major revenue reforms in PNG (e.g. MTRS), Palau, Solomon Islands, Timor-Leste & Vanuatu



# PROPOSED SCALING-UP OF PFTAC REVENUE PROGRAM

- **A possible expanded Revenue Program:**
  - Unlike PFM, fewer Revenue TA providers in the Pacific, and usually very limited
  - Strong demand and appreciation of PFTAC CD, particularly in collaboration with PITAA
  - A larger program is only feasible with a second resident advisor or equivalent to accommodate a scaling-up of revenue administration CD delivery via missions and training, including more intensive efforts for countries with major reforms
  - Include commensurately more Legal TA, and for first time, explicit Tax Policy CD
- **Proposal for SC Endorsement is subject to additional donor financing:**
  - Expanded Revenue Program is supported by Fiscal Affairs Department who must oversee
  - Additional donor financing sought for additional annual \$ 1 million budget to scale-up from current program by around 80 percent.



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**Thankyou.**