

PFTAC Steering Committee

March 28, 2019

FY2020 Plans

PFTAC Coordinator: David Kloeden



AGENDA OF COORDINATOR'S PRESENTATION

FY20 PLANS

Program focus areas

Steps and consultation in preparation of the workplan

Resource allocation

Planned training events

Planned TA inputs by country

Finalization of the workplan



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FY20 PROGRAM FOCUS AREAS

Public Financial Management (PFM):

- *Implementing PFM Reforms* based on PFM roadmaps/PEFAs, with stronger legal frameworks.
- *Supporting stronger budget preparation*, more integrated planning and budgeting, improved budget transparency and execution, and strengthened debt, asset, and risk management
- *Helping to strengthen budget monitoring, reporting, and accountability*

Revenue Administration

- *Building stronger core functions in:* (1) taxpayer services; (2) on-time return filing; (3) timely tax payment and arrears management; and (4) stronger audit capacity
- *Supporting better management and governance through:* (1) reform strategies (large taxpayer offices, effective organizational arrangements and function based structure); (2) better compliance and risk management; and (3) modernized legislation.
- *Responding to revenue mobilization needs* to address declining trade taxes (PACER Plus) and revenue mobilization needs including revenue volatility (e.g. natural resources and fishing).



FY20 PROGRAM FOCUS AREAS

Financial Sector Supervision (FSS):

- *Implementing enhanced bank supervision frameworks:* financial analysis, developing & finalizing prudential standards and on-site examination reform.
- *Regulatory reforms:* finalize banking frameworks in the Northern Pacific- support extended to **Kiribati** and **Tuvalu**. Insurance laws and regulations for **Fiji**, **Samoa** and **Tonga**.
- *Regional initiatives* on effective regulation of cross border banking and sound governance; AFSPC Annual Meeting.

Macroeconomics

- *Ongoing strengthening of macro frameworks* and forecasting capabilities, including expanded regional training in conjunction with World Bank, ADB, STI, and facilitating more peer-to-peer initiatives.



FY20 PROGRAM FOCUS AREAS

Macroeconomic Statistics:

- *Assisting compilation* and improvement in National Accounts statistics, focused on: (1) rebasing constant price estimates; (2) production of quarterly national accounts data; (3) develop additional GDP measures using recent censuses and HIES; (3) improving business process documentation and BOP coverage.
- *Assisting compilation* and improvement in GFS statistics, focused on: (1) improving the standards and methodology implemented for adoption of *GFSM 2014* ; (2) improving methods to derive reconciled GFS time series for General Government; and (3) facilitating integration of GFS data into financial programming framework to assist with debt sustainability analysis.
- *Strengthening dissemination of National Accounts and GFS data* in a timely manner through the IMF guided dissemination standards (SDDS, GDDS and e-GDDS)



FY20 WORKPLAN: THE DEVELOPMENT PROCESS

Consultation with
Member Countries

Consistency with Fund
priorities (APD, TA
Depts.)

Ongoing interaction
with donors, bilateral
projects and forums

LTX ongoing interaction
with counterparts



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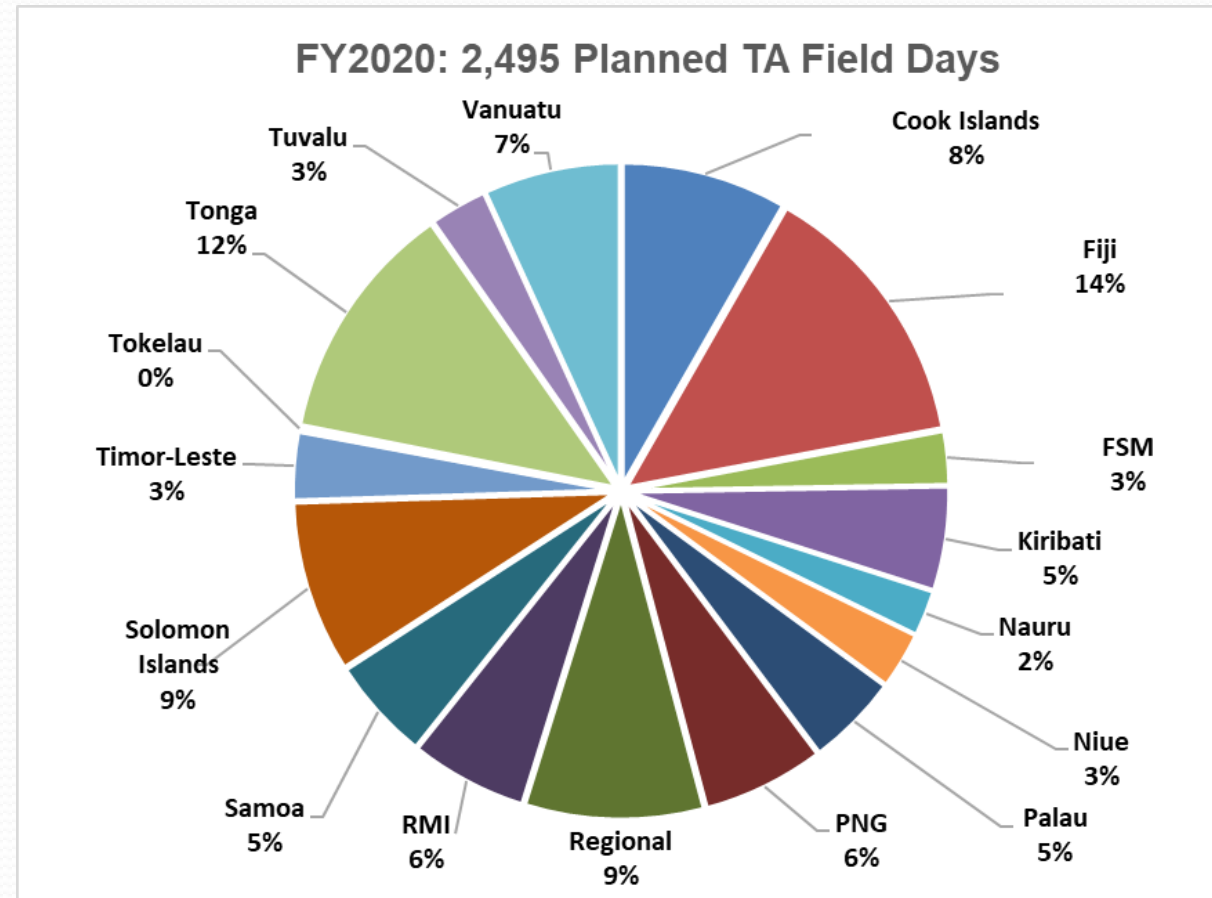
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PROPOSED FY20 WORKPLAN AND BUDGET

- **Financial: Budget \$8.50 m, 25 % more than projected FY19 Outturn \$6.78 m:**
 - Resident Advisors (LTX): budget \$2.46 m, 23 % more than est. FY19 outturn of \$2.00 m
 - Short-Term Experts (STX): budget \$2.35 m, 17 % more than est. FY19 outturn of \$2.01 m
 - LTX Travel: budget \$0.46 m, 18 % more than FY19 outturn of \$0.39 m
 - Workshops/seminars/training: budget \$1.22 m, 25 % more than est. FY19 outturn of \$0.98 m
 - Other costs: budget \$1.14 m, 17 % more than est. FY19 outturn \$0.97m
- **Activity (LTX/STX field person days, excluding approx. 700 LTX days at PFTAC):**
 - **Planned 2,495 days, 18% more than projected FY19 Outturn of 2,110 days**
 - Of which, PFM: 668 days up from 468 (+43%); Revenue: 1,058 days up from 834 (+27%); Macro 198 days up from 132 days (+50%); FSS 236 days down from 302 (-22%); RSS 214 days down from 225 days (-5%); GFS 121 days down from 149 days (-19%)

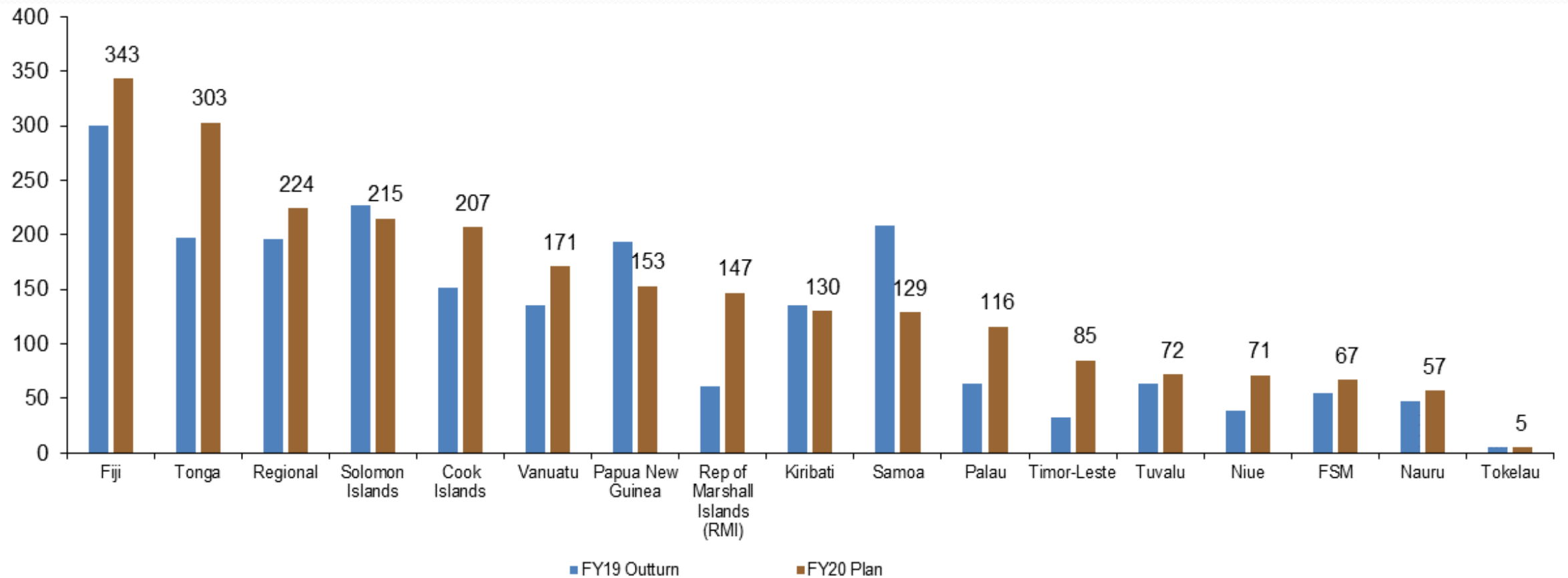


FY20 WORK PLAN: REGIONAL WORKSHOPS/TRAINING

Sector	Partner	Possible Location	Topic	Est Date	Likely Duration
PFM	IMF/ CARTAC	Washington	Joint PFTAC/CARTAC Conference on Small State PFM Reform and Climate Change and Disaster Resilience	Dec-19	5
PFM	PIFS	Suva, Fiji	PFM Leadership (fully financed by EU/PIFS)	Jun-19	3
PFM		Nadi, Fiji	Internal Audit Workshop	Jan-20	5
Revenue		Nadi, Fiji	Managing Large Taxpayers	Feb-20	5
Revenue		Nadi, Fiji	Managing Effective Compliance Improvement Strategies	Mar-20	5
Revenue		Nadi, Fiji	Managing Taxpayer Services for Operations Managers	Oct-19	5
Revenue		Nadi, Fiji	Workshop for Taxpayer Audit Managers	Jul-19	5
Revenue		Nadi, Fiji	Management of Core Tax Functions for Senior Managers	Nov-19	5
Revenue	PITAA	Majuro, RMI	Annual PITAA Conference	Sep-19	2
Statistics/GFS		Nadi, Fiji	Capacity Development for Government Finance Statistics	Aug-19	5
Statistics/RSS		Nadi, Fiji	Workshop for National Accounts Seasonal Adjustments	Jul-19	5
FSS		Guam	Risk Based Supervision Northern Pacific Sub-Region	Feb-20	5
FSS		Nadi, Fiji	Cyber Risk Regulation	Nov-19	5
FSS	AFSPC	Tonga	Annual AFSPC Meeting	Sep-19	2
FSS	AFSPC	Tonga	Cross Border Regulation	Sep-19	3
Macro	STI	Port Moresby, PNG	Fiscal Frameworks	May-19	5
Revenue/RSS/Macro	PITAA	Majuro, RMI	Effective Exchange of Admin and Tax Data for GDP Compilation	Sep-19	3
PFM/ Macro	WB	Honiara	Managing Fishing Revenues	Aug-19	5
PFM /Macro		Nadi, Fiji	Managing Fiscal Risks	Apr-20	5
PFM/ Macro	UNDP	Nadi, Fiji	Budget Documentation	Nov-19	5

- 24 % more events planned (up from 21 to 17) in FY20 vs. FY19

FY2020 WORKPLAN (2,495 DAYS) VS. FY2019 OUTTURN (2,110 DAYS)



PROPOSED FY20 WORKPLAN BY COUNTRY

- **Major beneficiaries** (above 10 percent of resources):
 1. **Fiji:** 343 days planned, up from 300 days (#1 FY19), all programs active, 13.7 % of resources
 2. **Tonga:** 303 days, up from 52 (#4 FY19), all programs active, 12.1% of resources
- **Moderate beneficiaries** (5 < 10 percent of resources):
 3. **Solomon Islands:** 215 days, down from 227 (#2 FY19), all programs active, 8.6% of resources
 4. **Cook Islands:** 207 days planned, up from 151 (#6 FY19), all programs, 8.3% of resources
 5. **Vanuatu:** 171 days, up from 135 (#8 FY19), all programs active, 6.9% of resources
 6. **PNG:** 153 days planned, down from 193 days (#5 FY19), all programs but tax, 6.1 % of resources
 7. **RMI:** 147 days, up from 61 (#11 FY19), all programs active, 5.9% of resources
 8. **Kiribati:** 130 days, slightly down from 135 days (#7 FY19), 5.2 % of resources
 9. **Samoa:** 129 days planned, down from 209 (#3 FY19) – all programs, 5.2 % of resources



PROPOSED FY20 WORKPLAN BY COUNTRY

- **Targeted TA Users:**

10. **Palau:** 116 days, up from 64 (#9 FY19), all programs active, 4.6% of resources
11. **Timor-Leste:** 85 days, up from 32 (#15 FY19), mostly fiscal, FSS & RSS, 3.4% of resources
12. **Tuvalu:** 72 days, up from 63 (#10 FY19), all programs active, 2.9% of resources
13. **Niue:** 71 days planned, up from 39 days (#14 FY19), fiscal and RSS, 2.8 % of resources
14. **FSM:** 67 days planned, up from 55 days (#12 FY19), all programs, 2.7 % of resources
15. **Nauru:** 57 days planned, up from 48 days (#13 FY19), fiscal & statistics, 2.3 % of resources
16. **Tokelau:** 5 days planned, unchanged (#16 FY19), 0.2 % of resources



FINALIZATION AND EVOLUTION OF FY20 WORKPLAN

- The FY2020 workplan has been developed with extensive consultation with all stakeholders – beneficiary countries, development partners, IMF TA Departments and the Asia Pacific Department
- ***The presented work plan is subject to change***, but unlikely more than at the margin:
 - Process at IMF Headquarters only concludes in late April that could lead to late adjustments from reprioritization discussions between Asia Pacific Department and TA Departments
 - Unplanned needs identified during SC consultations may be accommodated in mid-year update subject to resource constraints and concurrence of all parties, or earlier if urgent.
 - Close monitoring of cost and resource utilization may identify space for earlier change or rescheduling.
- ***As in FY19, execution of the Workplan will be closely monitored:***
 - Progress execution updates with Quarterly Reports
 - Mid-Year review and updated plan circulated in November 2019



FORMAL ENDORSEMENT OF THE FY20 WORKPLAN & BUDGET

The workplan and budget for FY2020 is presented for formal endorsement by the Steering Committee...



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Thank you.