

**PACIFIC FINANCIAL
TECHNICAL ASSISTANCE
CENTRE**

Supporting Macro-Financial Stability and
Sustainable and Inclusive Growth in the Pacific



**ANNUAL
REPORT
2021**



2021 PFTAC Steering Committee Meeting

JUNE 29, 2021

(DAY 1 OF 2)

David Kloeden
PFTAC Director

Our Phase V Contributors (so far)



Introductory Speakers

Mr. Roger Nord

Deputy Director of the IMF's Institute
for Capacity Development (ICD)



Mr. Esala Masitabua

Deputy Governor of the Reserve Bank of Fiji (RBF)
Chairperson of the 2021 PFTAC Annual Steering Committee Meetings

A circular portrait of Mr. Roger Nord, a man with a shaved head, wearing a dark suit, white shirt, and a red patterned tie. He is smiling slightly and looking towards the camera.

“The IMF is also a development institution, with a long track record of building capacity on public financial management, revenue administration, tax policy, financial stability, and economic statistics.

And we are now increasingly active on inclusion, climate, gender, anti-money laundering, and digitalization.”

Roger Nord
Deputy Director, IMF Institute for Capacity Development

#IMFPartners

IMF.org/CapDev

Agenda

Time (Suva time)	Duration (minutes)	Description	Speaker	Organization
11:00 am - 11:12 am	2	Welcome	David Kloeden	PFTAC Director
	5	- Introductory remarks	Roger Nord	IMF Deputy Director (ICD)
	5	- Opening comments by Fiji	Esala Masitabua	Fiji Chair - RBF Deputy Governor
11.12 a.m. – 11.20 a.m.	8	Economic Outlook for the Pacific	Leni Hunter	IMF Regional Resident Rep
11:20 a.m. - 11:45 am		Review and report of FY2021		
	10	- Summary of Outturn and Activities, Challenges, Accomplishments	David Kloeden	PFTAC Director
	5	- Key Findings of Pacific Revenue Review 2017 - 2020	Peter Mullins	IMF Tax Policy Expert
	5	- PFTAC Financial Report	James Yoo	IMF TA Officer (ICD)
	5	- Questions and Answers		
11:45 am - 12:20 pm		Phase V Mid-Term External Evaluation		
	20	- recorded presentation of findings and recommendations by evaluators	Peter Bracegirdle	Universalialia
	10	- Questions and Answers	Gerry Coonan	Universalialia
	5	- Initial IMF Response	David Kloeden	PFTAC Director
12:20 p.m. - 12:25 p.m.	5	Introduction to new PFTAC Debt Management Program	James Knight	Snr Fin Sector Expert (MCM)
		- Introduction to new Resident Advisor	Briar Ferguson	PFTAC Debt Mgmt Advisor
12:25 p.m. - 12:30 p.m.	5	Expanded Macroeconomic CD Program for PICs by IMF Institute for CD	Paul Cashin	Asst Director, IMF/ICD
		- Overview of program objectives and delivery model		
12:30 p.m. - 12:45 p.m.	10	Overview of FY2022 priorities, workplans, and resources	David Kloeden	PFTAC Director
	5	- Questions and Answers		
12:45 p.m. - 12:55 p.m.	10	Issues for Steering Committee Endorsement	David Kloeden	PFTAC Director
		- Extension of Phase V		
		- FY2022 Workplan and Budget		
12:55 p.m. - 1:00 p.m.	5	Wrap-up and Concluding Observations		
		- Closing Remarks	Esala Masitabua	Fiji Chair - RBG Deputy Governor
		- Call for Chair/Host for 2022 Steering Committee last week May 2022	David Kloeden	PFTAC Director



**ASIA AND PACIFIC
DEPARTMENT**

Economic Context and Outlook









**Leni Hunter
Regional Resident Representative**

PFTAC Steering Committee

June 29, 2021

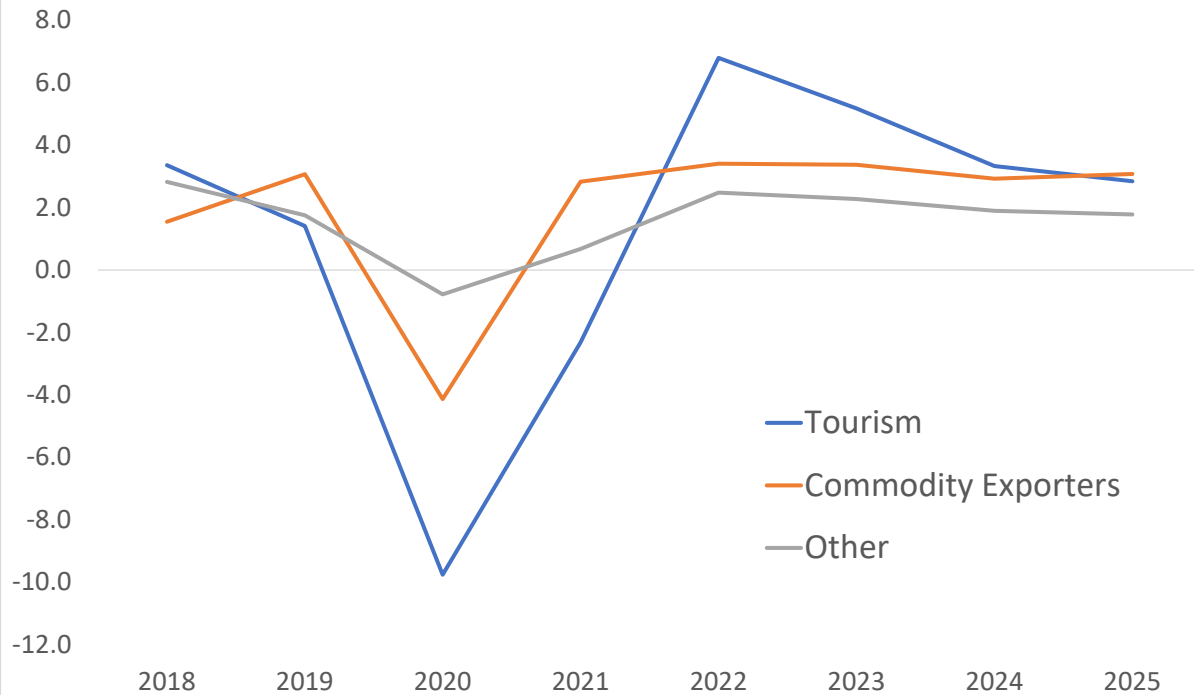
Growth outlook for key export markets and tourism sources

(Percent change from a year earlier)

								
	World	United States	Asia	Australia	New Zealand	China	Korea	Taiwan PoC
2019	2.8	2.2	4.4	2.0	2.4	5.8	2.0	3.0
2020	-3.3	-3.5	-1.5	-2.4	-3.0	2.3	-1.0	3.1
Revision from last WEO	0.2	-0.1	0.1	0.4	-2.1	0.0	0.1	0.5
2021	6.0	6.4	7.6	4.5	4.0	8.4	3.6	4.8
Revision from last WEO	0.5	1.3	0.3	1.1	0.6	0.4	0.5	0.9

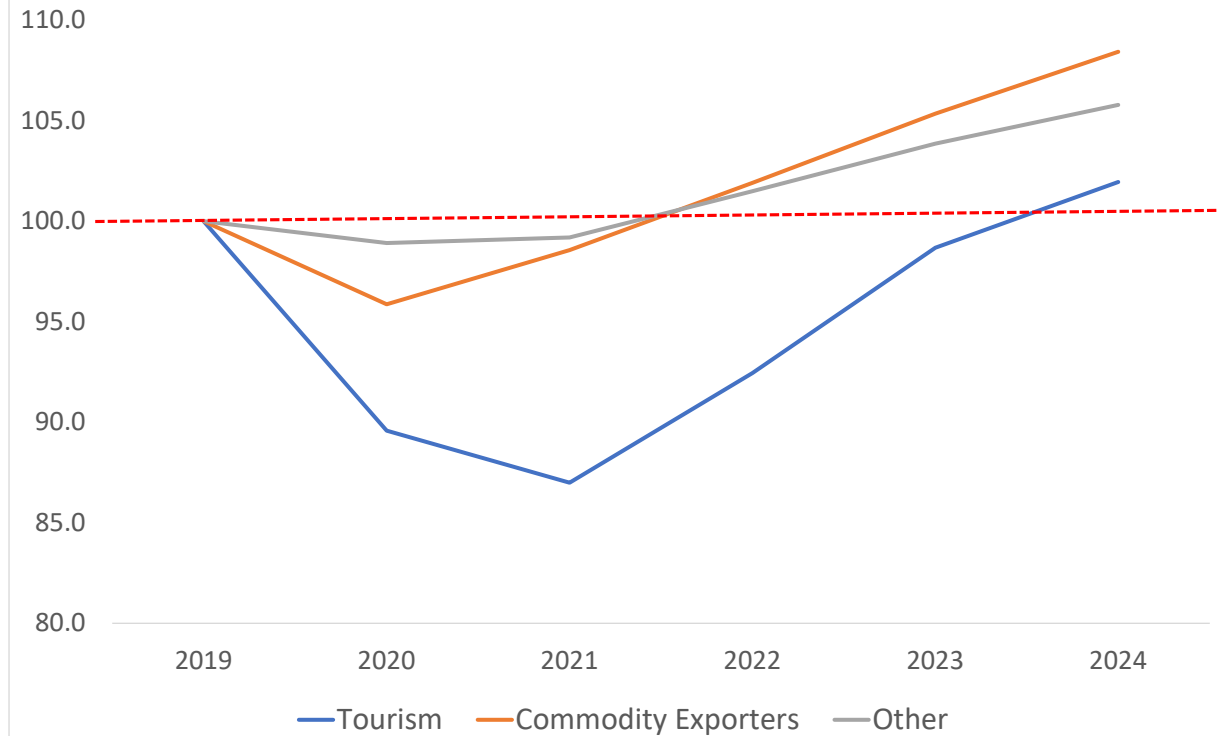
Economic Scenarios

Pacific Islands -- A Multispeed Recovery
(Median real GDP growth)



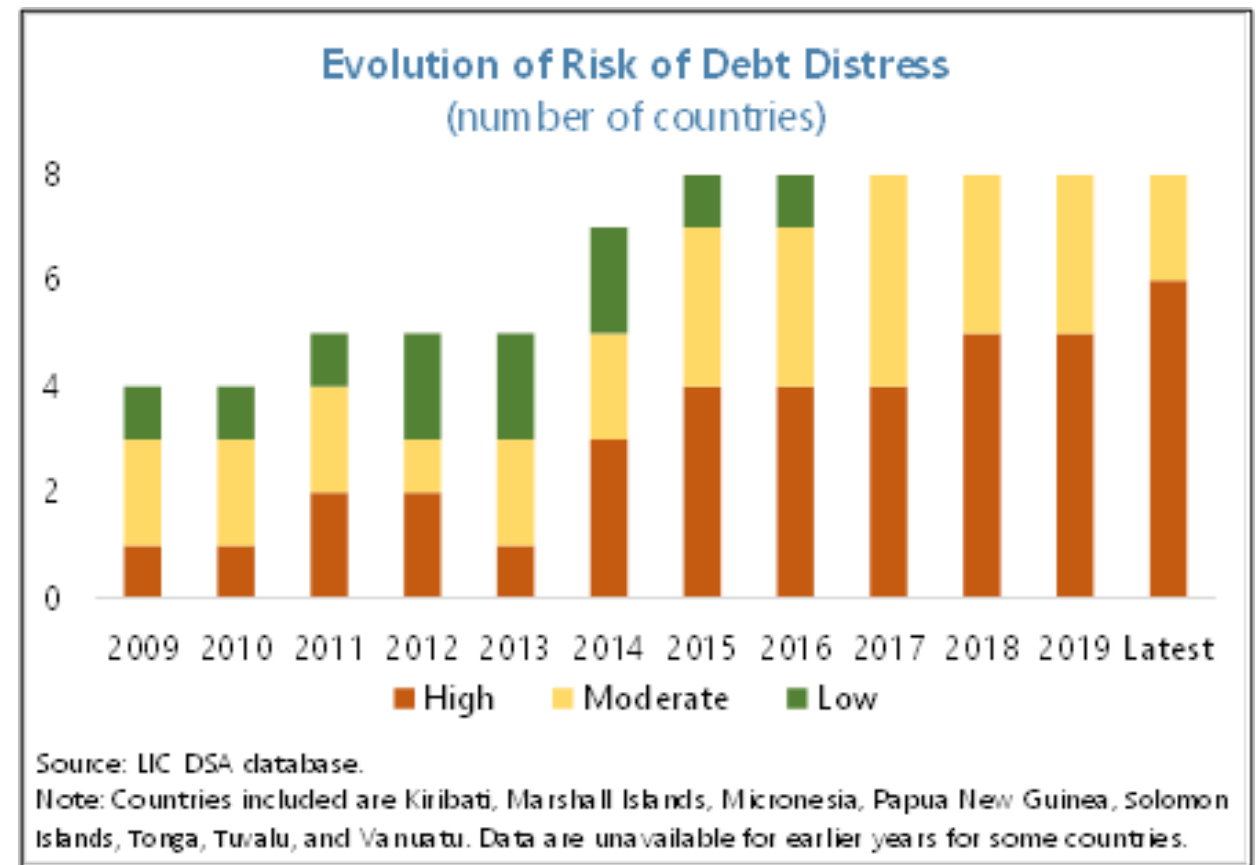
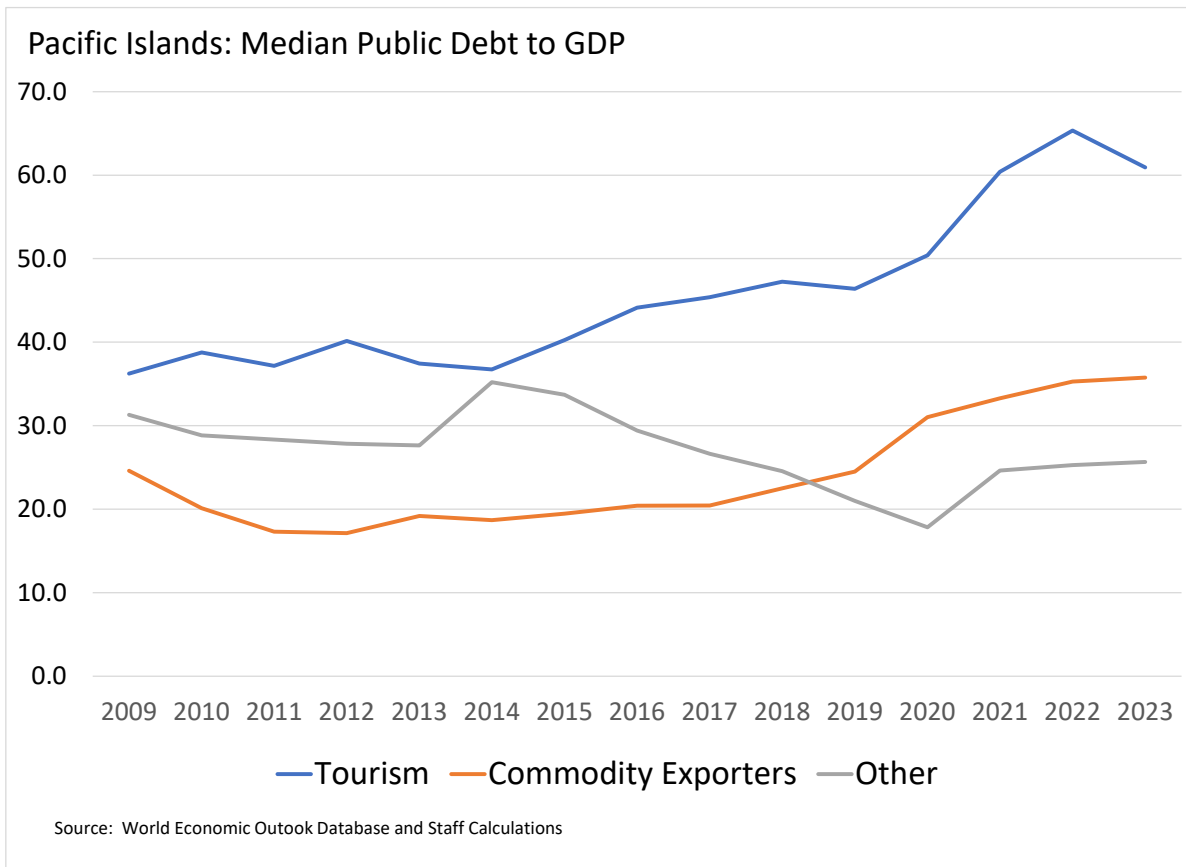
Tourism: Fiji, Palau, Samoa, and Vanuatu. Commodity exporters: PNG, and Solomon Islands.
Source: World Economic Outlook database and staff calculations.

Pacific Islands -- Projected Real GDP Growth Index (2019=100)



Source: World Economic Outlook and Staff Estimates

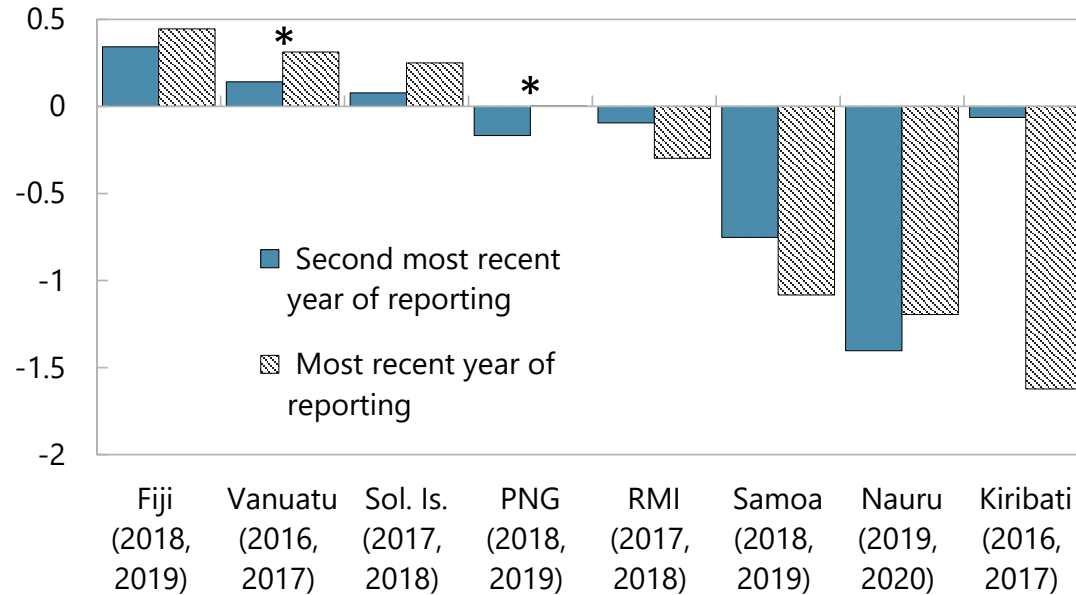
Public Debt Risks Have Increased



State Owned Enterprises – Large Contingent Risk

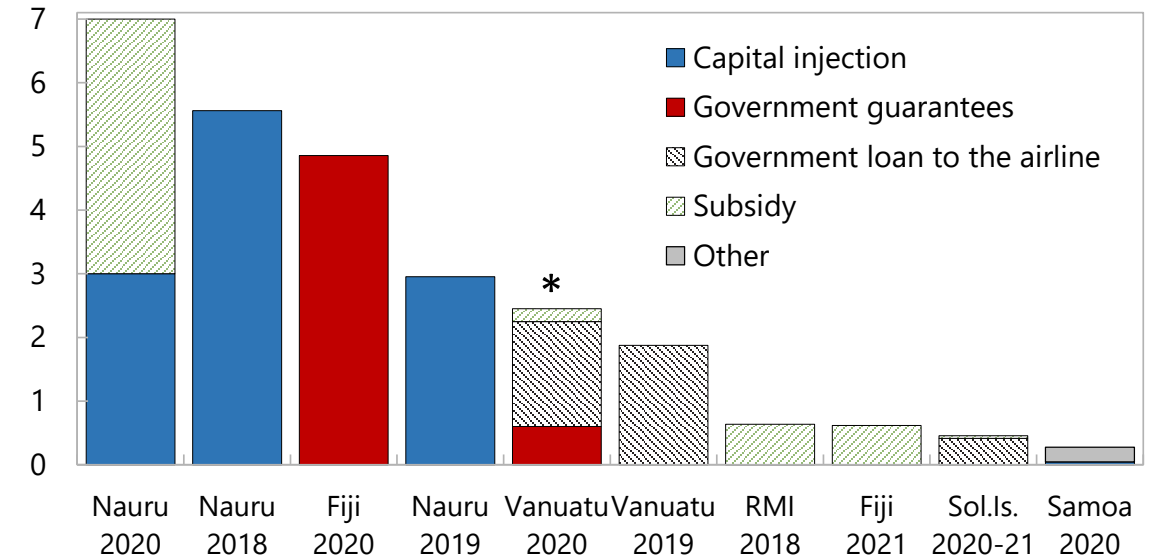
National Airlines' Profit and Loss

(In percent of GDP of year of financial reporting)



Sources: Financial statements, IMF WEO April 2021. Asterisk denotes media reports used for Vanuatu and PNG, in absence of recently published financial statements. Note: Reporting years in brackets. Excludes government subsidy/CSO payments.

Government support and transfers to national airlines in percent of GDP, 2018-2021

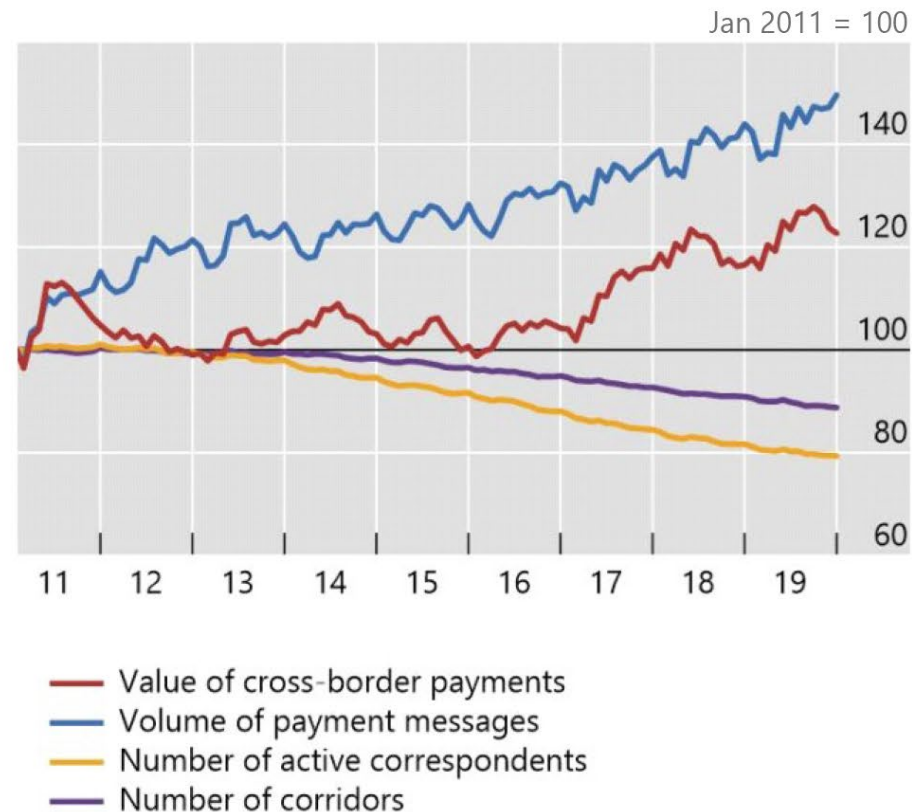


Sources: IMF Staff estimates, budget documents, financial statements. Note: Calendar years. Asterisk denotes media reports used for Vanuatu 2020. Some government support may not be fully captured, or may not yet be implemented (Fiji 2021 subsidy). Samoa "other" is compensation part payment for Fagalii airport land use.

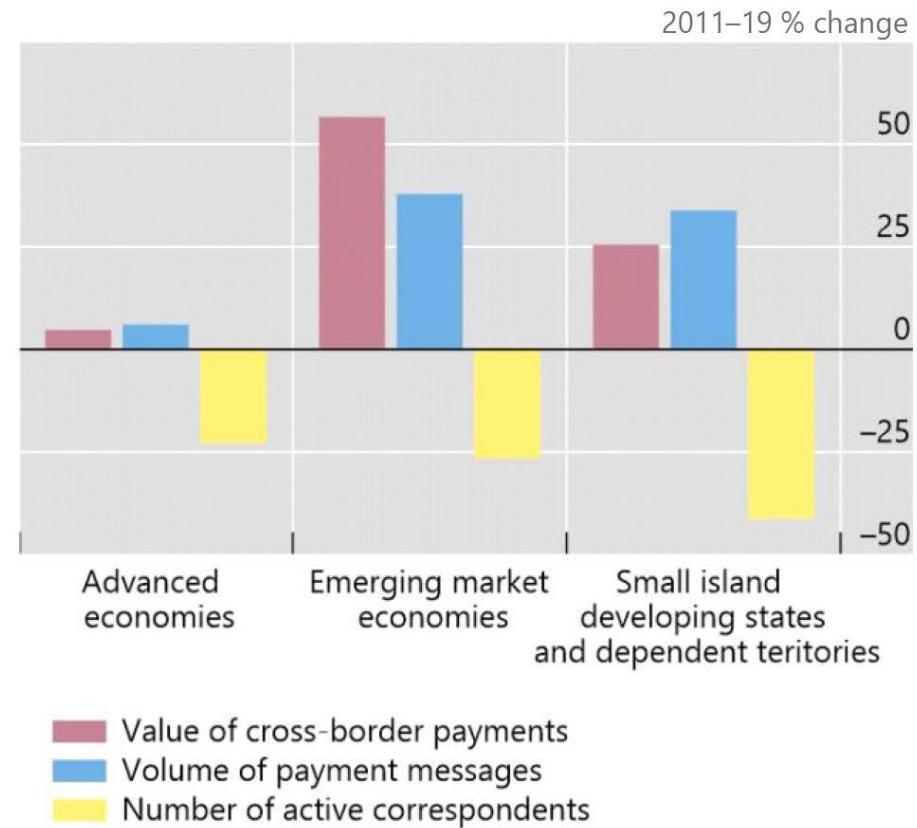
Correspondent Banking Relationships

Correspondent banking relationships are still declining

Banks have been retreating...¹



...across countries of all development groups²



¹ Three-month moving averages. ² BIS and United Nations Statistics Division classification.

Policies for Sustained Recovery

Near Term

Continued Support—Tighter Targeting
Blueprint for Exit and Support
Correspondent Banking Relationships

Medium Term

Diversification and Growth
Climate Change Adaptation
Removing Structural Barriers

Review and Report on FY2021

■ A year like no other:

- **Adapted nimbly:** to the new and ongoing needs of the membership to respond to COVID, delivering an impressive program of virtual TA and training
- **Worked Remotely:** from home in Fiji or elsewhere, back to office from Nov – April, and now return to home
- **Stronger Engagement:** with most member countries, stakeholders, Steering Committee members, and IMF colleagues as a byproduct of everyone's effort to engage remotely

■ Some accomplishments:

- **Stepped up Climate Change efforts:** first PEFA climate assessment in Samoa; co-chairing regional effort led by PIFS on PFM and Climate Financing
- **Innovative** efforts like hybrid training events leveraging USP campus facilities
- **Maintained scaled-up Revenue program** to safeguard revenue collections and ensure business continuity

■ And a few highlights.....

- **Welcomed US** as newest donor
- **Completion of several reviews:** external evaluation, PFM review and WP, Updated Revenue Review
- **Launched a Debt Management Program** and resident advisor co-located with PFTAC

FY2021 Highlights: In Numbers



1,677

field person days of CD delivered



493

professional government staff (of which 45 percent were women) were trained from the 16 PFTAC member countries in 17 regional training events totaling 1,850-person days of training



68%

of CD was fiscal, either PFM or Revenue (1,144 of 1,677 field days), with 52% just Revenue (877 days)



130

activities executed by PFTAC advisors and experts, comprising 17 seminars and 113 missions to member countries or support for regional activities



32%

of CD is delivered by the team of seven resident PFTAC advisors (538 of 1,677 TA field days), and 68 percent by members of the IMF's roster of short-term experts



\$ 37.1 million

contributions received of approx. \$US 39.2 million pledged by seven donors including the recent addition of the US Treasury and 14 of 16 PFTAC countries so far



72%

execution rate of the pre-COVID-19 work plan (1,677 TA days versus 2,341 planned), and 71% of missions (130 of 183 planned)



\$ 3.78 million

of projected expenses from a budget of \$US 7.47 million (approx. 51%), excluding the 7% trust fund fee



24%

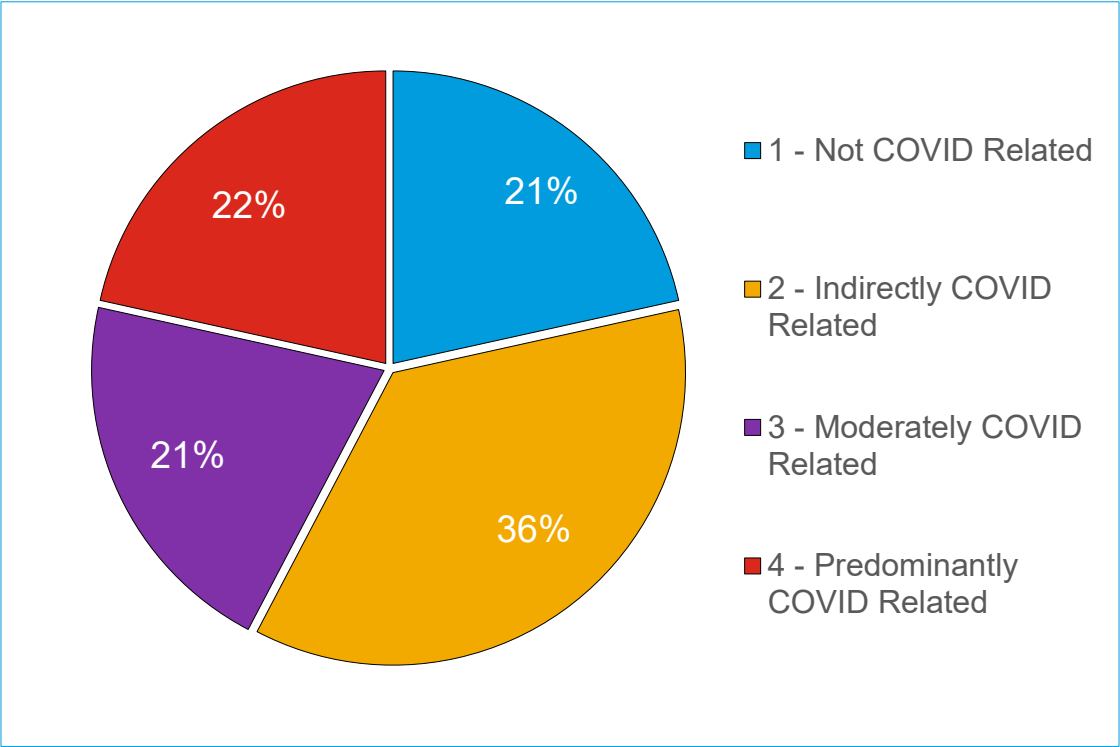
of resources (395 days) provided to seven PFTAC countries designated as fragile (Kiribati, FSM, RMI, PNG, Solomon Islands, Timor Leste, and Tuvalu)

PFTAC has always operated a ‘demand-driven’ CD model that reflects the highest priorities and needs of the member countries.

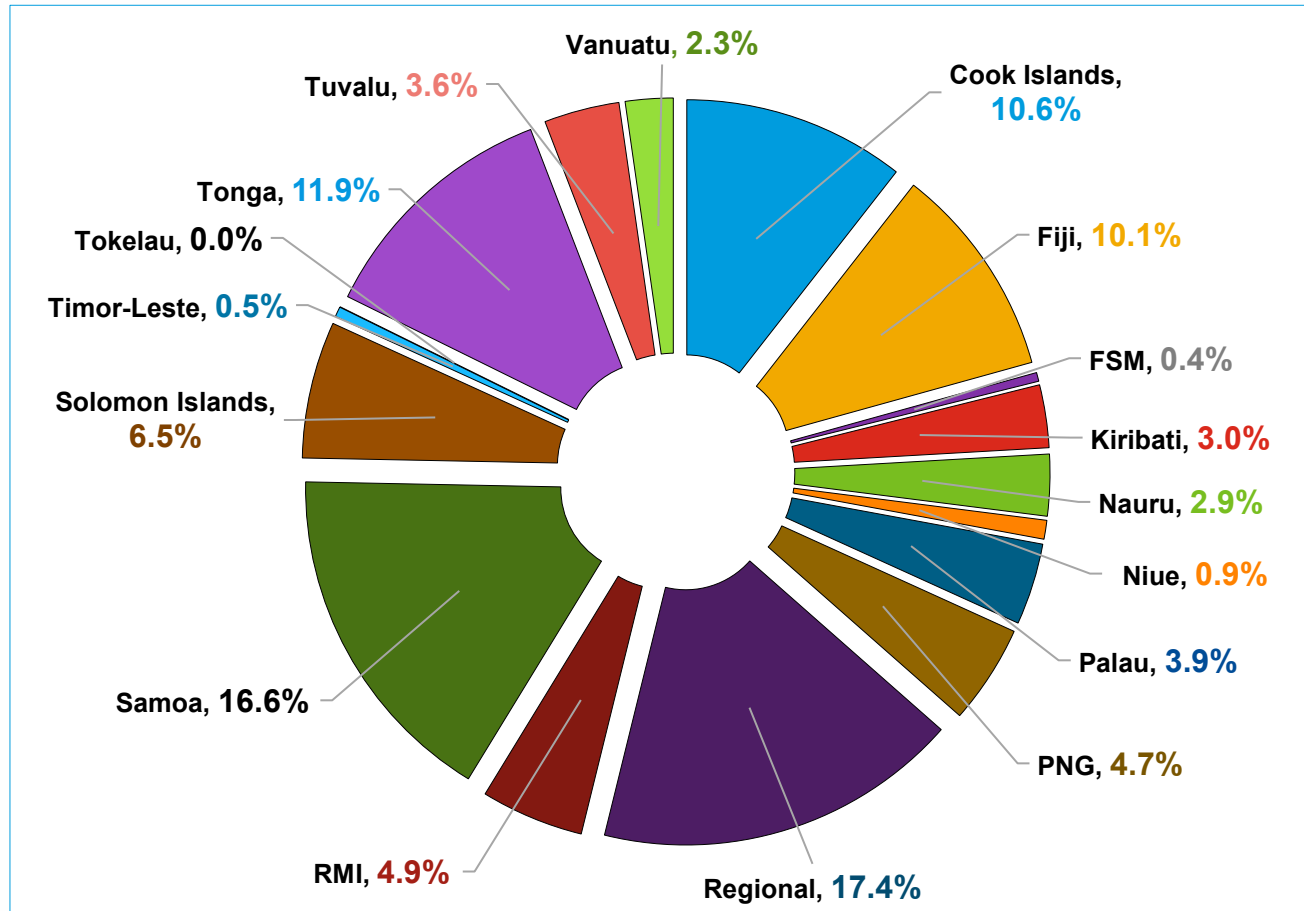
Changing circumstances requires flexibility to adjust to new and emerging priorities, and never more so than in FY2021 with the COVID-19 crisis.

A simple methodology was instituted to categorize all workplan activities as to their COVID-19 relatedness.

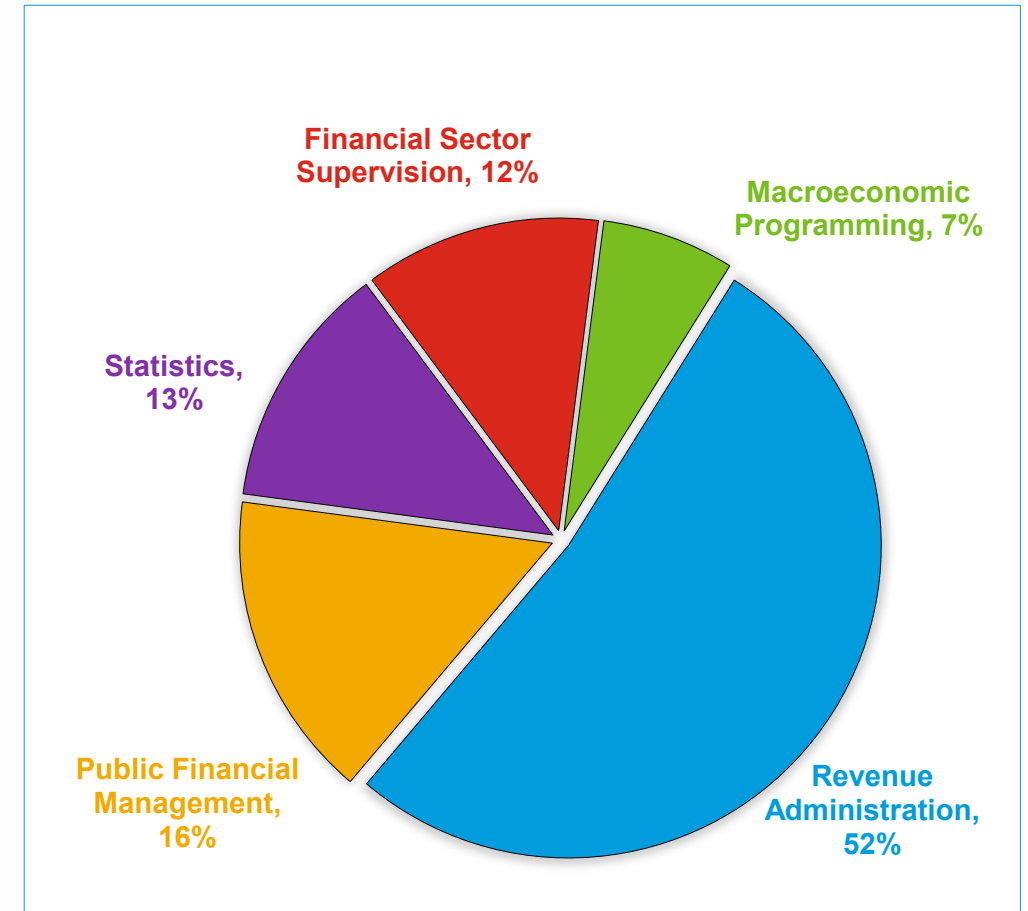
COVID-19 RELATEDNESS OF 130 MISSIONS/ACTIVITIES IN FY2021



FY2021 TOTAL TA DAYS BY COUNTRY (1,677 DAYS)



FY2021 TOTAL 1,677 TA DAYS BY PROGRAM



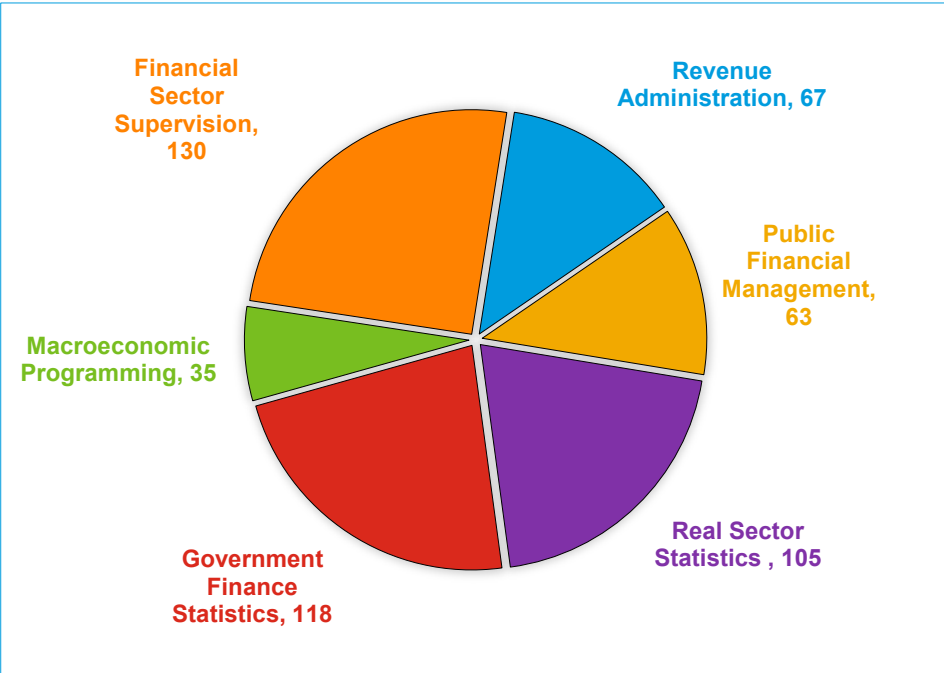
Training holds up in shift to on-line or hybrid delivery...

Sector	Partner	Location	Topic	Duration (Days)	Male	Female	Total	Training Days
Macro	STI	Virtual	COVID19 Macroeconomic Impact Webinar	2	26	28	54	108
Macro	STI	Virtual	Webinar on Macro-Fiscal Analysis	3	26	16	42	126
FSS	MCM	Virtual	Roundtable Discussion on Banking and Regulation Supervision during the COVID-19 Pandemic	1	17	10	27	27
FSS	MCM	Virtual	Roundtable Discussion on Cyber Risks of Remote Work during the COVID-19 Pandemic	1	17	10	27	27
FSS	MCM	Virtual	Roundtable Discussion on Central Bank Support to the Financial Markets during the COVID-19 Pandemic	1	17	10	27	27
FSS	MCM	Virtual	Roundtable Discussion on Insurance Regulatory and Supervisory Responses During the COVID-19 Pandemic	1	17	10	27	27
FSS		Hybrid	AFSPC Annual Meeting	1	11	6	17	17
GFS	STA	Virtual	GFS Methodological Training	1	17	11	28	28
RSS	ABS	Virtual	Quarterly National Accounts (QNA) and Seasonal Adjustment	5	6	15	21	105
RSS		Virtual	Annual National Accounts (ANA)	5	4	9	13	65
RSS	CDOT	Virtual	Balance of Payments: Methodology and Compilation Challenges	5	2	6	8	40
PFM	UNDP	Hybrid	Budget Documentation and Report Writing	5	25	24	49	245
PFM	FAD	Hybrid	Public Investment Management Assessment (PIMA) (funded by JSA)	4	24	18	42	168
Revenue	FAD/ SARTTAC/ PITAA	Hybrid	Response to COVID19 for Tourism Economy	6	9	2	11	66
Revenue	PITAA	Virtual	Managing Compliance Improvement and Effective Data Analysis	4	27	21	48	192
Revenue	PITAA	Virtual	Small State Tax Audit Training	15	12	7	19	285
Revenue		Virtual	Managing Return Filing and Tax Arrears	9	14	19	33	297
TOTALS				69	271	222	493	1850

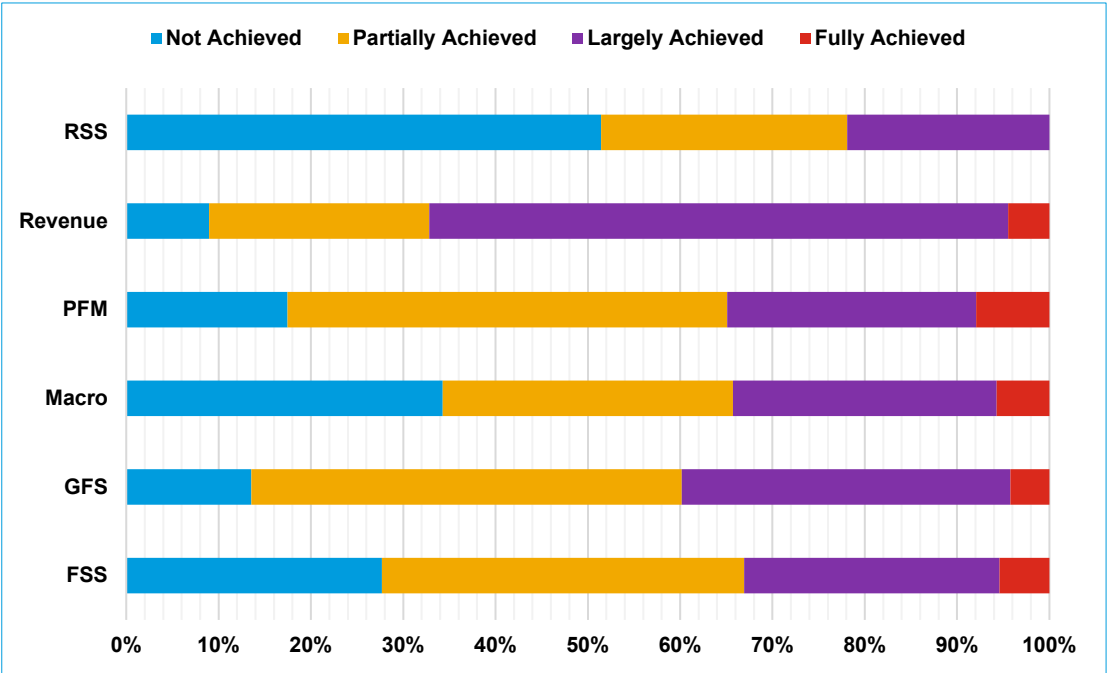
- 17 events: up 1 from FY20
- All regional events convened virtually except few hybrid arrangements
- 493 trainees (steady from 492)
- 45 percent female participation (up from 44 percent)
- Average event duration 4 days (down from 4.2 days)
- 1,850 Training Days (down from 2,015)
- Joint tailored training events with STI, CDOT and CD Departments
- Strong partner collaboration with PITAA and UNDP

FY21: Tracking Milestones towards Outcome Achievement

518 SCORED MILESTONES DUE BY APRIL 2021



PFTAC ACHIEVEMENT OF 518 MILESTONES, FY2021



PFTAC People

Newcomers:

- New PFM Advisors **Iulai Lavea** and **Paul Seeds**
- New FSS Advisor **Rajinder Kumar**
- New Debt Management Program and Advisor **Briar Ferguson**



Departures:

- Farewell to PFM Advisors **Richard Neves** & **Celeste Kubasta**
- Farewell to FSS Advisor **Ben Stefanou**



And the Rest of the Team:



FISCAL AFFAIRS DEPARTMENT

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PFTAC Member Countries

Pacific Island Countries: Third Review of Tax Reforms (2017 – 2020)

Thomas Story, Peter Mullins, Dinar Prihardini, John Ryan
and Georg Eysselein

Technical Report | June 2021



INTERNATIONAL MONETARY FUND



Updated Review of Tax Reform in Pacific Island Countries

JUNE 2021

Thomas Story External Advisor
Fiscal Affairs Department

Purpose

IMF Fiscal Affairs Department is tracking tax policy and administration reforms over the long term.

This review updates the reviews in 2008 and 2017 to:

- Reflect the changes from COVID crisis and scaling up of the PFTAC revenue program.
- Inform the priorities for Phase VI PFTAC support under the revenue program.

Approach to the Review

- Remote meetings with five “case study countries” – Fiji, Kiribati, Samoa, Solomon Islands and Tonga in February/March.
- Data, good practice examples and lessons learnt in tax policy and administration requested from all PFTAC members.
- Measured reform impacts in terms of revenue mobilization, growth and equity considerations (including gender equality).
- Consulted with support providers for regional tax reform.

Tax Policy - Main Findings

- Other than responses to COVID-19, few tax policy reforms since 2017.
- Compared to worldwide trend, revenues for many PICs less impacted by COVID-19. May reflect reliance on indirect taxes on imports.
- Key concern is continued use of tax exemptions and incentives especially for VAT and corporate income tax (CIT). Common reform is raising personal income tax (PIT) tax-free threshold. PIT reforms improved equity for individuals.
- Little progress in simplifying tax systems
- Need to recover lost revenues once COVID-19 passes and address impact of PACER Plus (over medium to longer term).

Tax Administration - Main Findings

- Administrative reforms since 2017 include advances in strategic planning, organization, and business strategy but progress uneven.
- Since 2017, good progress with new Compliance Improvement Strategies for high-risk areas.
- Attention to the administration “basics” remain important – e.g., rising tax arrears, recently lapsed filing and payment from businesses and having accurate registers of taxpayer population.
- Computer systems are often de-graded and business processes need updating
- Some PICs addressed past concerns for tax administration size and viability. With post-COVID revenue pressures likely, more administrative reforms will help. A need for cost controls across public administration is clear, but not best time to impose generalized cuts to tax administration.

Measures to Consider – Tax Policy

Revenues and COVID-19 Responses

- Developing tax policy reforms to recover revenues post-COVID-19 and to address potential revenue losses from PACER Plus.

Income Taxes

- Introduce small business tax. Reassess CIT rates and review PIT tax-free threshold, consider small increase in top PIT rate.

Indirect Taxes

- Maintain VAT rates. Review: VAT thresholds, refund process, favorable tax treatments, and excise tax rates – e.g., fuel.

Exemptions and Tax Incentives

- Rationalize exemptions and tax incentives, especially for VAT and CIT.

International Tax Issues

- Cautious approach to international tax initiatives (including the taxation of digital services), be aware of developments, prioritize improving domestic revenues.

Measures to Consider - Tax Administration

Budgets for Tax Administration

- Prepare financing strategy for future reforms and investment - revenue benefits to government

Organization of Tax Administration

- Prioritize planning, new operational responses and monitoring.

Taxpayer Register

- Focus on integrity of taxpayer registers

Filing and Payment

- Mandate electronic filing and payment for large taxpayers.

Build Capability for Large Taxpayer Units

- Developing regional approaches for building greater capability in newly established large taxpayer units. Consider more “on-tap” approaches (perhaps through PITAA) for securing resources to conduct more complex work (e.g., international and transfer pricing issues)

Information technology

- Develop regional view of information technology system upgrade plans and identify timeframes for securing funding and capability assistance.



PFTAC

Phase V: FY17-FY22

FY21 Financials

JUNE 29, 2021

James Yoo

Senior Technical Assistance Officer

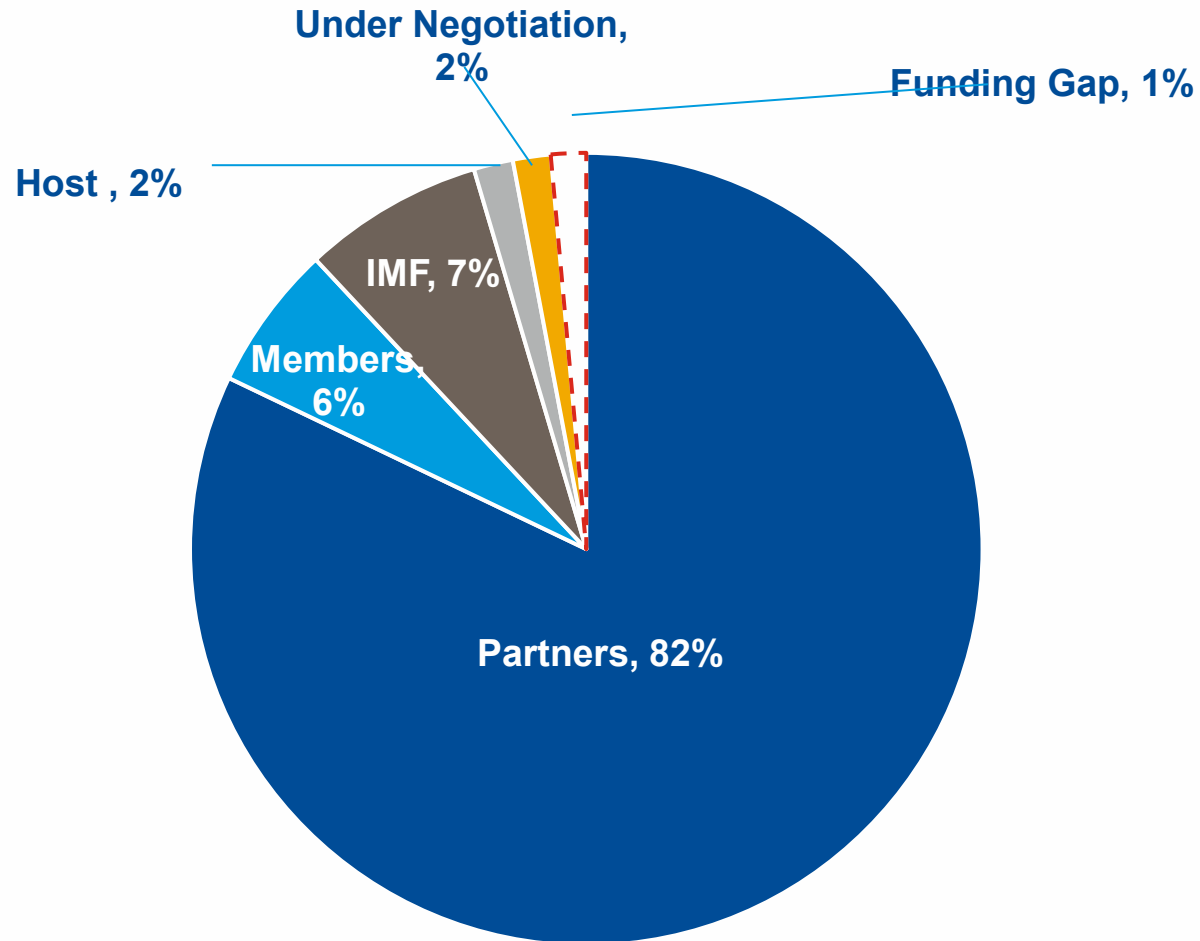
Global Partnerships Division, ICD

Thank you to PFTAC Partners



Funding Status

(in thousands of U.S. dollars; as of April 2021)



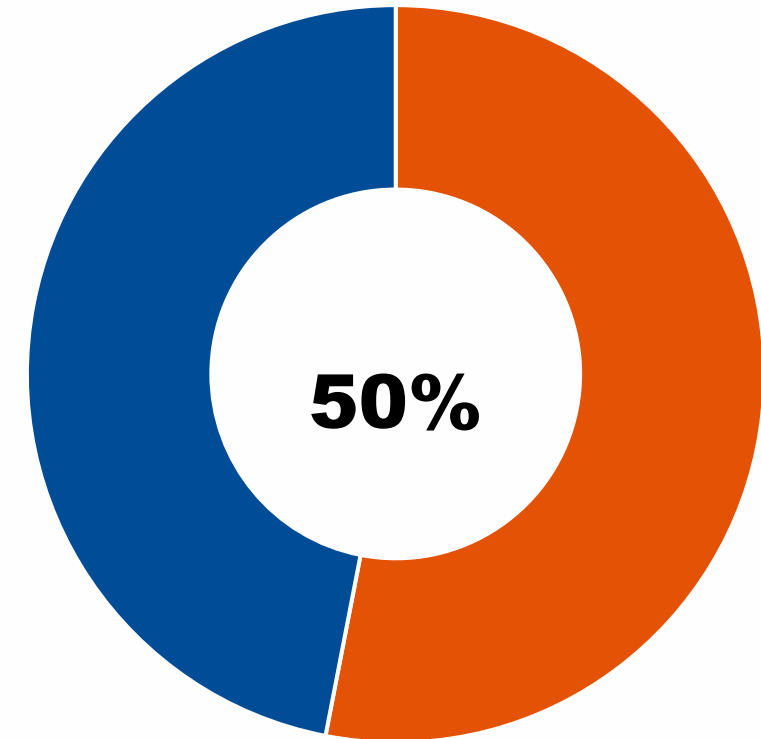
Agreement Information	
Partners/Members	Amount
Partners	34,678
New Zealand	12,145
Australia	9,268
European Commission	6,829
Korea	2,500
United States	2,000
Canada	1,136
Asian Development Bank	800
Members	2,544
Papua New Guinea	1,375
Solomon Islands	168
Samoa	165
Vanuatu	165
Cook Islands	110
Marshall Islands	110
Micronesia	110
Tonga	110
Kiribati	83
Nauru	83
Niue	28
Tuvalu	28
Tokelau	11
Partners and Members Total	37,221
Transfers and Rollovers	517
Under Negotiation	660
Timor Leste	550
Palau	110
IMF Contribution	3,164
Host Country(Fuji)	688
Grand Total	42,250
Program Document Budget	42,864
Funding Gap	615

FY21 Execution

(in thousand of U.S. dollars; as of April 2021)

Project	Phase			FY21		
	Working Budget	Expenses	Execution(%)	Working Budget	Expenses	Execution(%)
Public Financial Management	7,526	5,487	73%	1,480	921	62%
Revenue Administration	10,175	6,962	68%	2,137	1,098	51%
Macroeconomic Advisor	3,691	2,227	60%	1,027	350	34%
Banking Supervision and Regulation	4,774	3,250	68%	994	444	45%
Real Sector Statistics	4,092	2,576	63%	742	342	46%
Government Finance Statistics	2,169	1,812	84%	326	302	93%
Financial and Fiscal Law	447	304	68%	103	18	18%
Admin Project	1,161	845	73%	250	122	49%
Training project	93	93	100%	-	-	
Governance and Evaluation	468	306	65%	333	186	56%
Strategic Budget Reserve	123	-		123	-	
Subtotal	34,719	23,860	69%	7,514	3,783	50%
Trust Fund Management	2,430	1,670		526	265	
Total	37,149	25,531	69%	8,040	4,048	50%

FY21 Execution



FY22 Budget Proposal

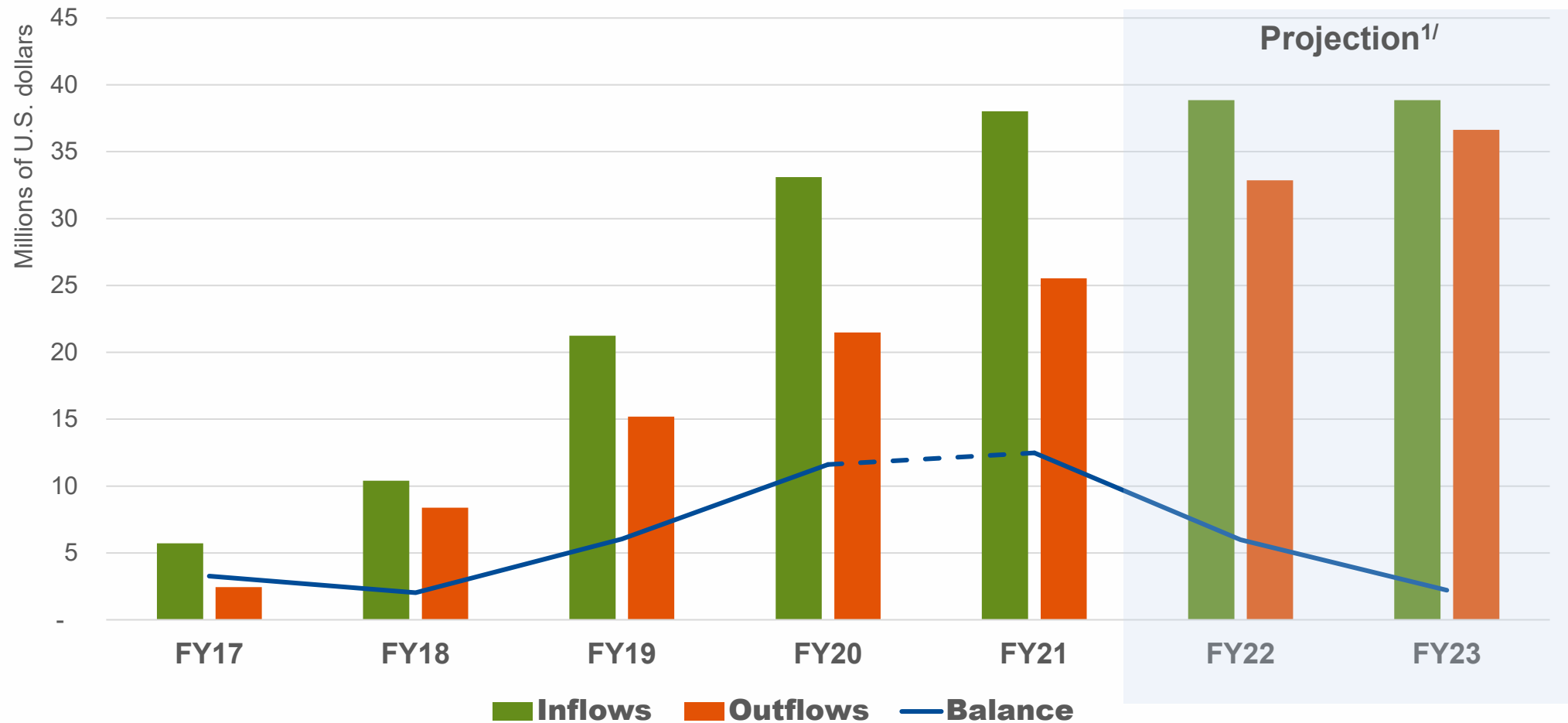
(in thousand of U.S. dollars)

- **FY22 budget will be US\$7.3 million.**

Project	FY22 Proposed Budget
Revenue Administration	2,175
Public Financial Management	1,480
Banking Supervision and Regulation	1,003
Real Sector Statistics	758
Macroeconomic Advisor	627
Government Finance Statistics	334
Admin Project	250
Strategic Budget Reserve	110
Financial and Fiscal Law	103
Governance and Evaluation	17
Subtotal	6,856
Trust Fund Management	480
Total	7,336

Liquidity Status

(cumulative as of fiscal year-end)



^{1/} Projection based on current pledges and workplan.

Phase V Mid-Term External Evaluation

Mr. Peter Bracegirdle, Universalialia

Recorded presentation of Findings and Recommendations

Ms. Gerry Cooney, Ms. Kara Rideout, & Mr. Mike Andrews from Universalialia

Q & A with Universalialia Team

Mid-term Evaluation of PFTAC Phase V

Briefing to the PFTAC Steering Committee

June 29, 2021



Purpose of the Briefing



To share conclusions and recommendations of the evaluation with SC members

To obtain and respond to feedback from SC members on evaluation conclusions and recommendations

To inform SC members' discussions about PFTAC Phase VI

Evaluation Overview

Evaluation Objective	To assess the extent to which PFTAC is achieving its objectives, assessing the relevance, effectiveness, efficiency, sustainability and impact of its activities
Review Period	Nov 2016 to May 2019
Scope	All 6 work streams / programs, selected country-level objectives of the CD, and PFTAC processes and governance
Approach	In-depth review of 6 programs in 4 countries Light review of 4 programs in 12 countries Entity review of PFTAC governance, management, program delivery
Sources	74 of 91 projects assessed 108 stakeholders interviewed and 34 surveys completed 100s of documents reviewed
Limitations	Limited participation of national authorities and counterparts Very low survey response rates Small sample sizes in some programs

Main Conclusions

Program Performance

Relevance

Effectiveness

Impact

Efficiency

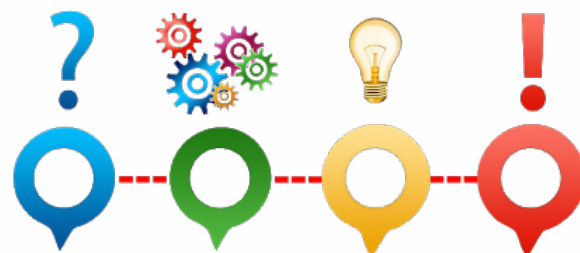
Sustainability

Entity Performance

PFTAC Governance

PFTAC Management Systems

- Entity
- Program



Program Relevance

Programs are highly relevant to countries

Aligned with and supportive of national priorities

Responsive to country requests and appropriate to country contexts

Consistent with and in some cases actively supportive of IMF Article IV engagements in the region



Effectiveness, Impact, Sustainability

Projects delivered achievements, although progress toward their objectives was incomplete

PFTAC has helped to increase decision-making capacities, reduce risks and strengthen financial positions in many countries

Some counterpart organizations would have regressed without program

Changes likely to be sustained in almost 50% of projects

Systemic HR constraints in countries limit effectiveness and sustainability



Program Efficiency

Programs were economical at converting inputs and resources into results in most program areas

- Used several approaches, systems and tools to increase program efficiency
- Collaborated to address needs

Stakeholders agreed that PFTAC provided excellent overall value for money

CD delivery is responsive and tailored but limited by short missions, delays, numbers of LTXs and STXs

PFTAC Governance

Steering Committee is partly effective in its role of providing strategic guidance, priority setting and oversight

- More engagement of member countries is needed

IMF departments and the PFTAC entity are effective in their roles



PFTAC Management

Strong systems to design and monitor quality of CD services

- Demand for service exceeds supply

Improvements to corporate memory

Inconsistent use of RBM systems

Effective coordination of PFTAC and partner activities where needed

- Capacity supplementation

Limited mainstreaming of thematic priority areas

Limited use of local and regional experts

Recommendations

5 recommendations to improve the design and delivery of the CD program

3 recommendations to improve governance and management of the CD program



Recommendations (Entity)

1. PFTAC Steering Committee should encourage and support member countries in playing a more active role in PFTAC governance
 - Establish Executive Committee
 - Develop guiding document
 - Hold more SC meetings – annually and quarterly

Recommendations (Entity)

4. PFTAC and IMF should improve HR practices with respect to LTXs
5. PFTAC should improve its support to advisors from Center staff



Recommendations (Program)

2. In Phase VI, the IMF and PFTAC should consider adopting a hybrid in-person/remote model for PFTAC TA as well as other modalities and initiatives that will enhance member countries' engagement and role in CD delivery
3. PFTAC and IMF should work together with partners to develop long-term, sustainable, Pacific-centric solutions to pervasive capacity gaps in states requiring capacity supplementation in PFTAC program areas

Recommendations (Program)

6. PFTAC should improve the use of RBM in the design and delivery of CD to support a program-based approach to country prioritization of needs and resource use, and sequencing of CD delivery to member countries within country programs
7. PFTAC and the IMF should better integrate priority thematic areas into PFTAC programs
8. PFTAC should allocate resources to develop regional expertise for engagement and use in program

Questions & Comments



Introduction to Debt Management Program



Ms. Briar Ferguson

Appointed PFTAC Debt Management advisor in March 2021

Introduction by Mr. James Knight from Debt Management Division of the IMF's Monetary and Capital Markets (MCM) Department

New Public Debt Management CD Program

- New Resident Advisor for Public Debt Management, Ms. Briar Ferguson
- Located with PFTAC operations, but financed by the Government of Japan
- Focus on core areas of debt management capacity building:

Strengthening
institutional
arrangements for
debt management

Developing and
implementing debt
management
strategy

Debt transparency
- building capacity
in debt reporting
and analysis

Developing
domestic debt
markets

- Work program integrated with the Debt Capital Markets division in the Monetary and Capital Markets Department

Macroeconomic Programming CD Developments

Mr. Paul Cashin

Assistant Director

IMF Institute for Capacity Development (ICD)

ICD's Macroeconomic Frameworks Technical Assistance

- * The demand from IMF member countries for technical assistance (TA) in macroeconomic forecasting and policy analysis has increased.**
- * This TA is intended to build on regular classroom training by developing capacity in national institutions that are expected to provide high-quality macroeconomic advice for senior policymakers.**
- * This ICD program will help policymakers better incorporate the relationships between fiscal policy, monetary policy, and exchange rate regimes into macroeconomic policy making.**
- * This end-to-end TA involves IMF experts working in the country's institutional context, allowing appropriate design of tools for macroeconomic analysis tailored to country conditions to ensure strong ownership by recipient agencies.**

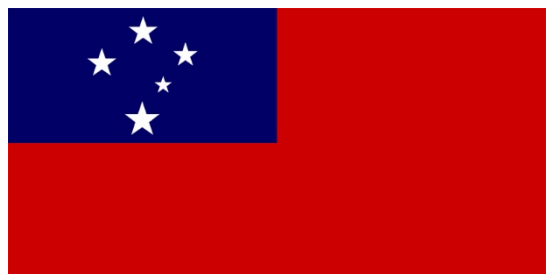
ICD's Macroeconomic Frameworks Technical Assistance

- * Strong demand for macroeconomic frameworks TA exists, which has resulted in ICD developing and strengthening its TA-delivery practice.**
- * ICD's TA on Forecasting and Policy Analysis System (FPAS) aims to modernize monetary policy and macroeconomic forecasting practices at Pacific central banks and ministries, with this work anchored by a core group of officials. This TA places particular emphasis on developing forecasting and nowcasting tools for policy analysis, establishing processes and organizational structures, and incorporating these into the decision-making process.**
- * ICD's FP 2.0 TA aims at modernizing the basic “financial programming” framework. This TA supports country authorities in putting in place and operating their own macroeconomic framework for making projections and doing policy analysis, with this work again anchored by a core group of officials.**

ICD's Macroeconomic Frameworks Technical Assistance



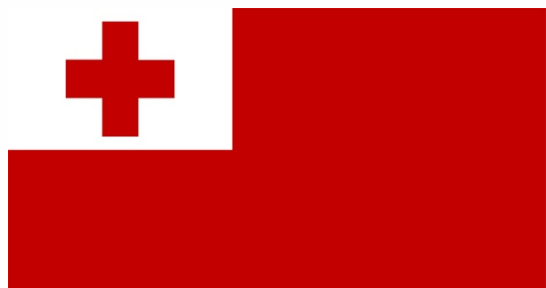
Solomon Islands



Samoa



Papua New Guinea



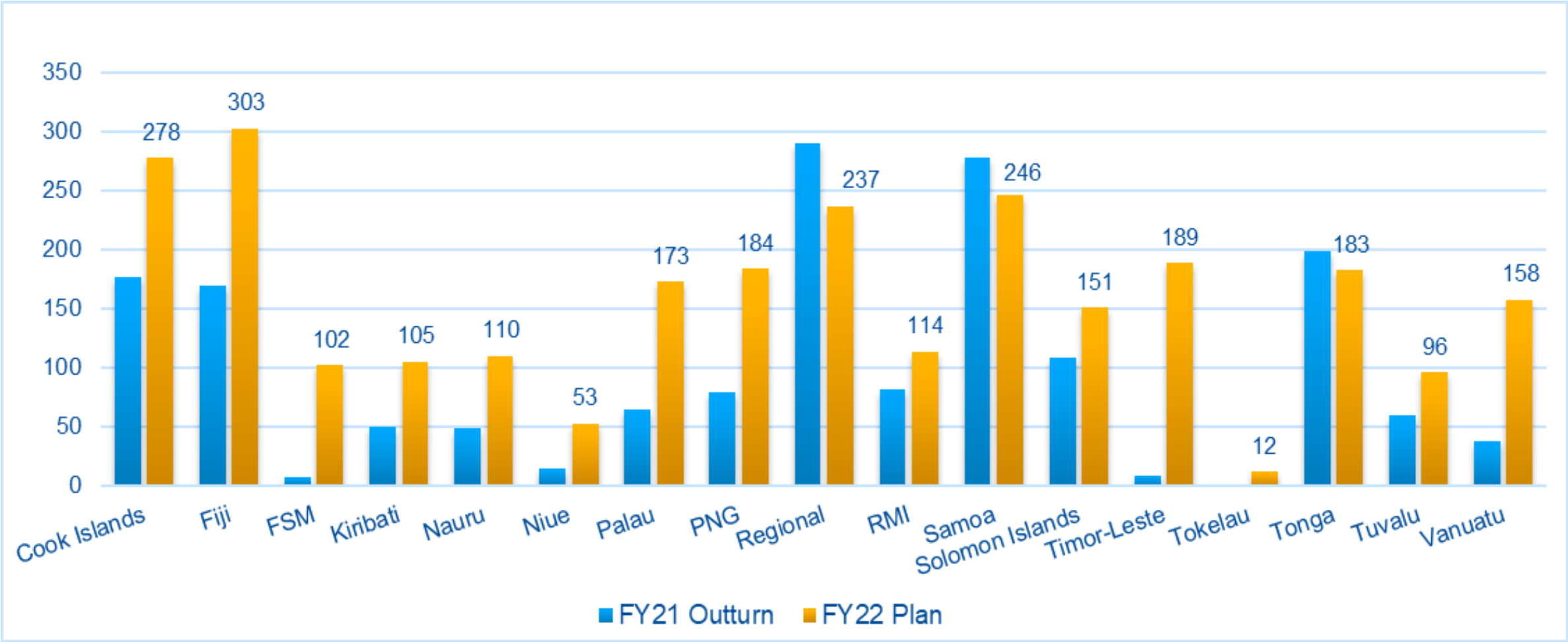
Tonga

*** Three Forecasting and Policy Analysis System (FPAS) TA projects commenced with Solomon Islands, Samoa, and Tonga in June 2021.**

*** A Financial Programming 2.0 TA project commenced with Papua New Guinea in April 2021.**

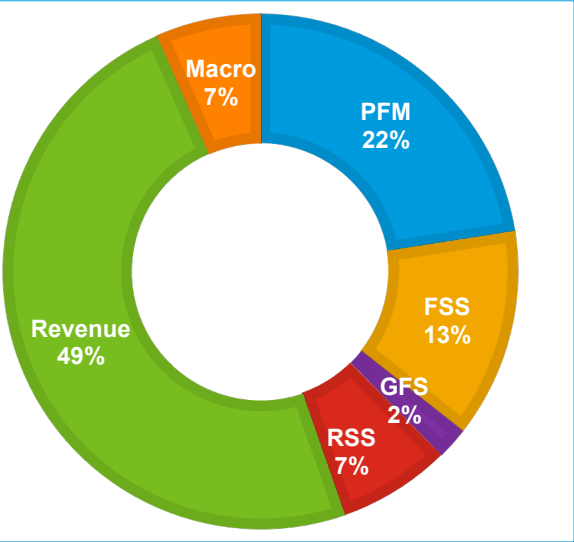
*** All four ICD macroeconomic frameworks TA projects are planned to involve up to nine TA missions/activities, spread over a three-year period (mid-2021 to mid-2024).**

FY22 Workplan (2,694 days) vs. FY21 Outturn (1,677 days)

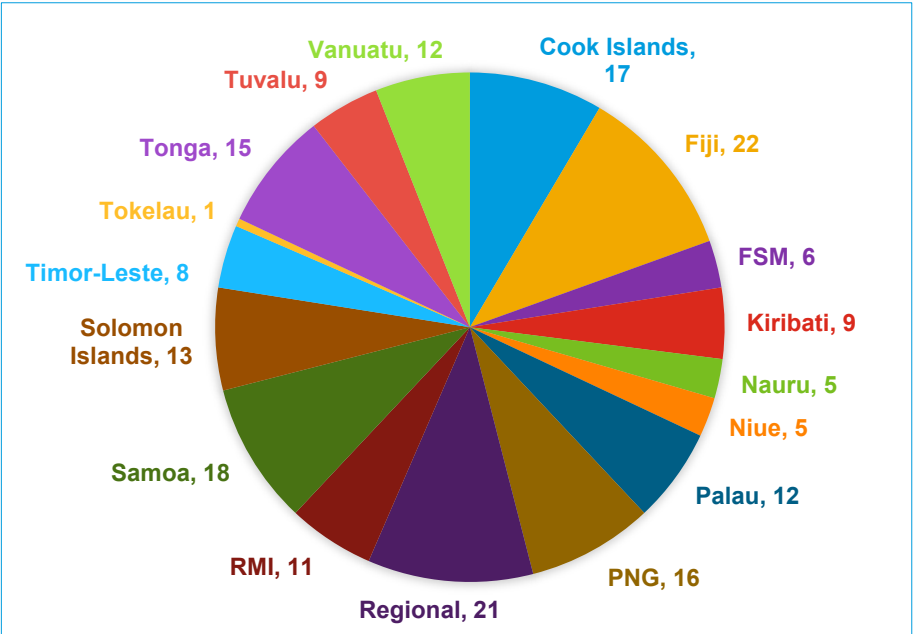


Overview of FY2022 Work Program

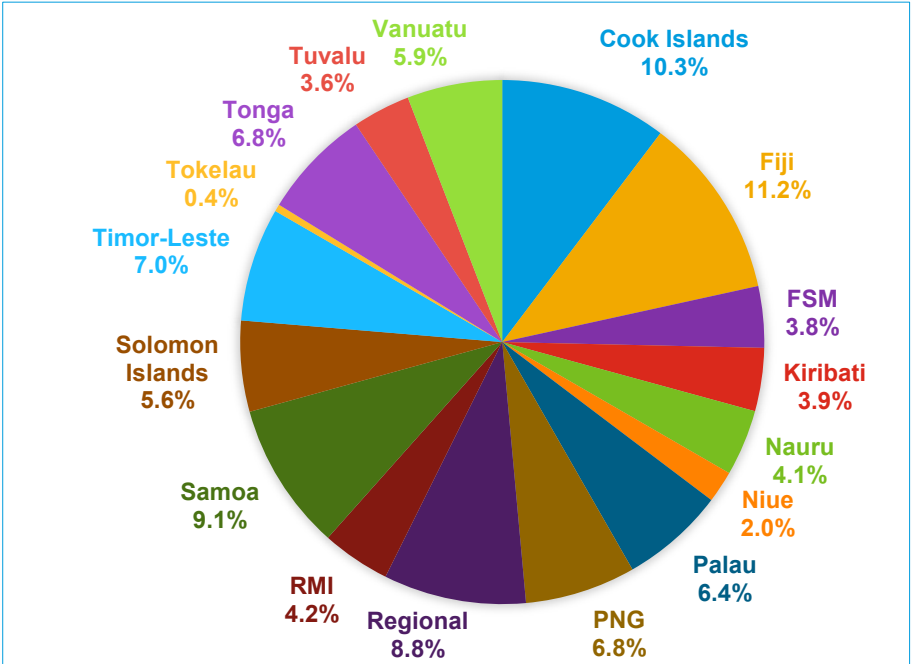
DISTRIBUTION OF FY2022 MISSION DAYS BY PROGRAM



FY2022: 200 PLANNED MISSIONS/ ACTIVITIES



FY2022: 2,694 PLANNED TA FIELD DAYS



Items for Steering Committee Endorsement #1

Workplan and Budget for FY2022

FY2022 BASELINE WORKPLAN

Program	LTX	STX	Total	Missions
Public Financial Management	227	380	607	32
Financial Sector Supervision	92	260	352	42
Government Finance Statistics	25	29	54	7
Real Sector Statistics	132	59	191	18
Revenue Administration	126	1099	1225	74
Legal/Tax Policy	0	88	88	10
Macroeconomic Programming and Analysis	119	58	177	17
Total	721	1973	2694	200

PROPOSED FY2022 BUDGET BY PROGRAM (US DOLLARS MILLIONS)

	Revenue	PFM	Macro	FSS	RSS	GFS	Other	Total
Resident Advisors (Long Term Experts - LTX)	510,000	678,126	351,790	342,083	324,189	108,063		2,314,251
LTX Travel	90,000	103,589	55,000	57,000	55,000	18,000		378,589
Short-Term Experts (STX)	1,027,998	401,524	100,000	334,722	140,000	75,000	90,000	2,169,244
Diagnostic Missions	150,000	50,000	-	-	-	-		200,000
Training/Seminars/Workshops	333,031	167,827	120,000	195,000	155,000	99,451		1,070,309
Backstopping/Project Management	42,844	79,232	-	74,415	73,842	22,967	12,962	306,262
Other Costs (Evaluation, misc, etc)	20,744	-	-		10,142	10,142	376,331	417,359
Total TA Provision/Delivery	2,174,617	1,480,298	626,790	1,003,220	758,173	333,623	479,293	6,856,014
Trust Fund Management Fee	152,223	103,621	43,875	70,225	53,072	23,354	33,551	479,921
Total Trust Charges	2,326,840	1,583,919	670,665	1,073,445	811,245	356,977	512,844	7,335,935

**Trust Fund Fee is 7 percent of funds utilized for TA delivery*

Items for Steering Committee Endorsement #2

Proposed Extension to Phase V

Phase V Financial Update @ July 1, 2021	
(all amounts in USD millions)	
Ph V Program Document (PD) Fund-Raising Target:	\$39.7
<ul style="list-style-type: none"> - Program period 66 months (Nov 1, 2016 - Apr 30, 2022) - Proposed 6 – 12 month extension, 72 - 78 months, between Oct 2022 and April 2023 	
Funds Raised (or assured):	\$38.1
<ul style="list-style-type: none"> - From 7 Donors (ADB, Australia, Canada, EU, Korea, NZ, USA) 	\$34.7
<ul style="list-style-type: none"> - From 14 countries (except Palau, Timor Leste): 	\$2.9
<ul style="list-style-type: none"> - Brought forward from Phase IV: 	\$0.5
Expenses through April 2021 (end FY21):	\$25.5
<ul style="list-style-type: none"> - Actual for FY17 through FY21 (incl Trust Fund Fee): 	\$ 25.5
Funds Available for Balance of Phase V:	\$12.6
Proposed Budget Allocation for Balance of Phase V:	\$12.6
<ul style="list-style-type: none"> - Proposed FY22 Budget (assumes travel resumes late 2021): 	\$7.3
<ul style="list-style-type: none"> - Funding scenarios for extension of Ph V for part or all of FY23: <ul style="list-style-type: none"> - Funds Available if 100 % FY22 outturn (\$7.3m): 	\$ 5.3
<ul style="list-style-type: none"> <ul style="list-style-type: none"> - Funds Available if 90 % FY22 outturn (\$6.6m) 	\$ 6.0
<ul style="list-style-type: none"> <ul style="list-style-type: none"> - Funds Available if 85 % FY22 outturn (\$6.2 m): 	\$ 6.4
<ul style="list-style-type: none"> <ul style="list-style-type: none"> - Funds Available if 80 % FY22 outturn (\$5.9m): 	\$ 6.8

Wrap-Up

- **Closing Remarks by the Secretary**
 - **Next Virtual Meeting – frequency/timing**
 - **Next Annual Meeting – venue and timing**
- **Closing Remarks by the Chairperson**