

RECENT & UPCOMING TA MISSIONS

June		
PFM	PNG	Support to Res Rep mission on budgeting issues
Tax	Samoa	Policy Review Small Business Presumptive Tax
Banking	Vanuatu	Banking Legislation
Statistics	Fiji	National Accounts - Expenditure
July		
PFM	Fiji	Implementation of International Accounting Standards
	Kiribati	Debt/Cash Management Law/Instructions
Tax	Tonga	Revenue Review follow-up
	Tuvalu	Strategic guidance
Banking	Vanuatu	Financial Sector Supervision
Macro	Tonga	Improving medium-term forecasting techniques in NRBT
August		
Macro	Fiji	Identifying the long-run determinants of inflation
	PNG	Measuring the output gap in Fiji
		Macroeconomic modeling course
PFM	Cook Is.	Public Financial Management
	Fiji	Budget analyst training
		USP/PICPA Budget preparation/PEFA issues
	Kiribati	Debt/Cash Management Law/Instructions
	Samoa	PEFA Assessment
Tax	Fiji	Assist in Implementing Assessment and Final PAYE
	FSM	Implementation of VAT
	Nauru	Revenue Reforms Implementation Strategy
	Palau	Introductory Visit
	Tonga	Small Business Regime/Presumptive Tax Compliance
Statistics	Solomon Islands	National Accounts
	Kiribati	National Accounts - Expenditure

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September		
Macro	Tonga	Improving medium-term forecasting techniques in NRBT
	Samoa	Macro-fiscal analysis as input into budget preparation process
PFM	RMI	Social security issues
	Tonga	FMIS enhancements and joint scoping with ADB for proposed ABD/AUSAID support for FMIS
Tax	Solomon Islands	Follow up on natural resources/PITAA
	Tonga	Follow up on legislative drafting notes
Statistics	Tonga	National accounts production
Banking	Solomon Islands	RBNZ FSIS Project

MEETINGS, SEMINARS & WORKSHOPS

NATIONAL ACCOUNTS SEMINAR, SUVA, FIJI, 16-22

JUNE

The seminar, organized by statistics advisors [Michael Andrews](#) and [Greg Legoff](#), was attended by 22 participants from 12 countries. The seminar focused on GDP expenditure measurement issues including (i) GDP compilation and selection of indicators; (ii) methods for estimating price and volume measures; (iii) linkages with government finance statistics (GFS) and external sector statistics (ESS); and (iv) economic analysis of macroeconomic statistics.

TRANSFER PRICING AND TAX TRANSPARENCY

WORKSHOP, NADI, FIJI, 25–27 JUNE

PFTAC revenue advisor [John Hayes](#), the IFC, World Bank, and the Fiji Revenue and Customs Authority, co-hosted the workshop, bringing together tax administrations and finance ministries in the region, as well as transfer pricing experts and participants from international agencies. The aim was to address the policy challenges of dealing with transfer pricing in a small country context, including by cost-effective compliance management that seeks to make use of regional capacity while maintaining a good private investment climate.

FORUM ECONOMIC MINISTERS' MEETING (FEMM), TONGA, 3–5 JULY

PFTAC Coordinator [Scott Roger](#), and Regional Res. Rep. (PICs) [Yongzheng Yang](#), attended the FEMM, which brings together finance ministers and permanent secretaries from around the region, together with international agencies and Forum officials. The meeting covered a wide range of issues, including (i) the scope for leveraging off Asia's growth; (ii) progress in strengthening public sector financial management and statistics (PFTAC contributed papers in both areas); (iii) access to climate change finance; and (iv) priorities for post-MDG development goals to push at the 2014 SIDS conference in Samoa.

PASAI WORKSHOP ON PUBLIC DEBT, NADI, FIJI, 22– 26 JULY

The Pacific Association of Supreme Audit Institutions held a workshop to provide training in planning cooperative performance audits on public debt. PFTAC PFM advisor [Ron Hackett](#) participated, making a presentation on public debt management issues. Major challenges identified included: (i) the need for a more systematic approach to setting debt limits; (ii) inadequate processes for review and approval of debt or guarantees; and (iii) strengthening monitoring of information on liabilities.

HOPS CONFERENCE, NOUMEA, NEW CALEDONIA, 22–26 JULY

The conference of the Heads of Planning and Statistics of Pacific states reviewed progress with implementing the Ten Year Pacific Statistics Strategy (TYPSS) over its first three years. PFTAC Coordinator [Scott Roger](#) and statistics advisor [Greg Legoff](#) both made presentations. The conference covered a wide range of issues. Key areas of agreement included: (i) progress made in strengthening statistics in recent years; (ii) inadequacy of staff and skills in most NSOs; (iii) need to promote establishment of national statistical development strategies to strengthen

NSO relationships with key users and suppliers of data; (iv) the importance of economic statistics and the usefulness of administrative databases as source data; (iv) the potential for technological advances to facilitate data collection and quality control.

STAFF DEVELOPMENTS

GREGORY LEGOFF, STATISTICS ADVISOR

Gregory Legoff joined PFTAC in October 2012, increasing the complement of statistics advisors to two. Gregory is French and Australian and has extensive experience in real sector statistics at the OECD in Paris, and at the Australian Bureau of Statistics



SCOTT ROGER, PFTAC COORDINATOR

Scott Roger joined PFTAC in January, replacing [Matt Davies](#). Scott is a Canadian & New Zealander, and served in both central banks before joining the IMF. At the IMF he served in the Asia & Pacific, Monetary & Capital Markets Departments and in the IMF European Office.



JOHN HAYES, REVENUE ADVISOR

John Hayes, joined PFTAC in February, replacing [Jennifer Regan](#). John is Australian and has extensive experience in tax policy and administration, and has worked at the Australian Taxation Office, and as a technical advisor in the Pacific, South East Asia and elsewhere.



PIERRE SÉGUIN, BANKING ADVISOR

Pierre Séguin joined PFTAC in July, replacing [John Vaught](#). Pierre is Canadian and has over 30 years experience in financial sector regulation in the Ontario Ministry of Financial Institutions, the Canadian government, and as a technical advisor in Asia, Africa and the Caribbean.



COUNTRY STRATEGIES



FIJI

PFTAC TA aims to sustain the authorities' progress on fiscal consolidation and enhance the framework for macroeconomic policy making. In the fiscal area, the majority of inputs will continue to be in revenue supported by work on assessing PFM systems, fiscal forecasting, and building budget development/analysis capabilities. Enhanced statistics will support strengthened modeling capacity in RBF and Ministry of Finance which should ensure policy makers are better informed.

Public Financial Management

The main focus will be to assisting in addressing weaknesses identified in the 2012 PEFA assessment. This may include assistance in looking at the roles, responsibilities and structure of the Ministry of Finance, perhaps drawing on IMF HQ expertise. Areas of specific follow-up assistance will be influenced by the action plan drawn up following the PEFA (1.2) but are likely to be focused on accounting and financial reporting, budget execution (1.4), and continuation of training budget officers in methods for budget preparation/analysis. Assistance in cash and debt management may also be a focus (1.6), if resources are available. PFTAC will coordinate closely with the ADB's PEM TA project.

Revenue Administration

Fiji is one of the regional leaders in terms of administrative processes but is keen to improve revenue performance. PFTAC assistance in the near-term will focus on (i) finalising the legislation for PAYE Final Tax to enable the laws to be promulgated; (ii) implementing PAYE Final Tax; planning for and implementing VAT self assessment; and reviewing the planned changes to FRCA's operating model and structure relative to the implementation of PAYE FINAL and self assessment. PFTAC will also follow up on recommendations arising from the strategic review of FRCA's information

technology processes carried out in August 2012 and contribute to the enhancement of FRCA's capability to manage the fiscal regime for the mining sector and international tax issues.

Financial Sector Supervision

PFTAC will continue to be available for consultations with RBF and will work on regional issues with the RBF's head of bank supervision who is executive director of AFSPC. PFTAC will be ready to assist RBF adapt the base set of prudential returns developed by AFSPC to the Fijian context in advance of the regional implementation of RBNZ's information system (FSIS) (3.1, 3.2). RBF currently relies on APRA for support to on-site supervision; PFTAC could supplement this if requested.

Statistics

The focus of support will be further development of the national accounts. The ultimate aim is to have quarterly national accounts estimates being produced by 2014 (4.4), but in advance of that PFTAC will support the finalization of rebased estimates planned for July 2013 (4.1, 4.2) PFTAC will also support the development of GDP estimates by expenditures with the expectation to produce draft estimates by December 2013 (4.1) and will continue to provide limited follow-up on price indices with support from IMF HQ (4.8). IMF HQ will also provide support for enhancing balance of payment statistics and government finance statistics.

Macroeconomics

Work will focus on building macroeconomic modeling and analysis capacity in RBF (5.1, 5.2) with the aim of having better inflation and external forecasts to feed into monetary policy making. Key projects include the measurement of core inflation, empirical work on inflation determinants, and estimating potential growth and the output gap in Fiji. With respect to fiscal policy, the focus is on capacity building in debt-sustainability analysis (5.4), a project that builds on the development of a fiscal framework by PEM TA in 2012. Another area of support is improving the financial programming framework maintained by the Reserve Bank of Fiji by drawing on the framework developed by ICD for the regional financial programming workshop held jointly with the Singapore Regional Training Institute in 2012 that used Fiji as a case study.