

# PACIFIC FINANCIAL TECHNICAL ASSISTANCE CENTRE

## QUARTERLY REPORT

May 2022



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## I. Introduction<sup>1</sup>

This report covers the fourth quarter of the 2022 Fiscal Year (FY2022/Q4) for the period February 1, 2022, to April 30, 2022. All capacity development (CD) continued to be provided remotely with 32 distinct missions or activities launched or completed that utilized 638 TA days during the quarter. This represented a third of the TA Days used in FY2022 and 29 percent of activities. A busy fourth quarter usually follows a slightly lower level of activity in the third

quarter that overlaps with the holiday period. The continued virtual delivery of all missions and training events has faced head-winds to maintain engagement that has competed with challenges faced by some member countries in continuing to deal with the pandemic and other crises. As reflected in the 2022 Annual Report (link here: <https://bit.ly/3PkC7kH>), the average mission duration rose by 4.5 days to 17.4 days. With borders reopened in Fiji and several other Pacific Island Countries (PICs), expectations of a gradual return to in-person missions and training from the start of FY2023 are reasonably well founded. This is much anticipated given the many requests to defer previously agreed activities until travel resumes.

## II. News

### Steering Committee

The 2022 Steering Committee (SC) meeting is scheduled for May 24 and 25 and will be a hybrid event for those able to travel to Nadi, Fiji, and virtually for others. IMF Deputy Managing Director Dr. Bo Li will attend the May 24 program and with the Fiji Minister for Economy and Attorney-General, Hon. Aiyaz Sayed-Khaiyum will jointly sign a Memorandum of Understanding that provides for the ongoing hosting of PFTAC, formalizing a very hospitable and effective arrangement in place since PFTAC was established in 1993. The two-day program is compressed to a few hours per day to cater to participants joining remotely, but will cover a range of important issues. With the next and sixth phase of PFTAC now clearly defined and documented in the Program Document that was finalized and circulated in late April (link here: <https://bit.ly/3wfKp5J>), discussions will turn to fund-raising and the prospects of support and financing from existing and prospective donors. SC members will be asked to consider several measures to enhance SC governance that partly arose out of the external mid-term evaluation. Members have been polled in a survey on their views on the issues that will be further discussed with endorsement sought for measures that have consensus support. These issues were outlined in the February 2022 Quarterly Report. On May 25, presentations and discussions about program execution and results during FY2022 are scheduled, including for the first time since COVID, short briefings by each of the PFTAC experts on the execution of their program workplans and plans for FY2023.

<sup>1</sup> PFTAC is generously funded by Australia, Korea, New Zealand, the Asian Development Bank (ADB), and the European Union, the Government of Canada from November 2019, and from December 30, 2020, the United States Treasury. From the start of Phase V in November 2016, member countries have also agreed to financially contribute to PFTAC costs. The IMF covers the salaries for the coordinator and local administrative staff, as well as various administrative costs.

Finally, endorsement will be sought from the SC to approve a very ambitious workplan and budget for FY2023 that has been developed around expectations of travel fully resuming by the end of 2022. Given the very large balance of Phase V funds on-hand on May 1, 2022, these ambitious plans also include the early launch of new or expanded Phase VI programs to facilitate recruitment of three new advisors, so they are in place with their programs fully executing by the start of FY2024 in May 2023.

### PFTAC Team Shares their Knowledge with University Students

**Continuing a long-standing commitment, the PFTAC director and team of advisors deliver guest lectures to a post-graduate PFM class at the University of the South Pacific (USP).** PFTAC is delivering a series of six 2-hour lectures to a post-graduate class of students attending the main USP campus in Suva as well as remotely for students based in **Samoa, Solomon Islands, and Tonga**. Most are mature students already working in various government and development roles. PFTAC Director David Kloeden launched the annual program with an overview of the history, organization, and role of the IMF, and the contribution that PFTAC makes in the region. The entire team of advisors then explain the contribution of their programs and how their individual expertise contributes to capacity development in the region. The interests of the class and the organizing USP Senior Lecturer Dr. Haruo Nakagawa extends beyond PFM to all facets of macroeconomic management. COVID lockdowns and work from home arrangements have not interfered with delivery of the program, with Director David Kloeden fortunate to present in-person for each of the past three years including as seen in the picture on April 19, 2022



### March Staff Retreat

**An annual team-building retreat of PFTAC staff was held in mid-March.** Good fortune has allowed the event to proceed each of the past three years despite COVID disruption. The 2020 event preceded the pandemic, 2021 occurred just ahead of a lockdown from a serious delta-outbreak from April 2021 that fortunately eased by late 2021 allowing Fiji borders to reopen allowing a restart of tourism that has now rebounded. The short 2022 event was convened in Port Denarau near Nadi. The theme of the 2021 retreat of **'Moving from COVID affected 2020 towards Phase VI'** was equally applicable in 2022, given the protracted impact of COVID.



However, discussions this year differed given the very well advanced preparations for the sixth phase of PFTAC funding and operations. All but two PFTAC staff were in Fiji and able to attend, a well appreciated coming together of the team after more than six months of working from home. The informal event focused extensively on the future and a return to normality, as well as extensive knowledge sharing about the intricacies of the IMF's CD-MAP platform for managing and monitoring CD delivery that has been operational for almost one year.

## Staff Updates



**In his own words, Marcus Scheiblecker bids adieu.** *'I joined PFTAC in October 2018 as resident advisor in Real Sector Statistics (RSS) with my term ending in April 2022. The 3 ½ half years of working together with statistics offices in the Pacific region have been an exciting experience for me as a citizen of Austria, from the other side of the world. Due to the productive cooperation with member countries and donors, substantial progress has been achieved in many countries of the region. During my term, 40 technical assistance missions in National Accounts were executed of which 12 were delivered by short-term experts. Furthermore, six National Accounts workshops took place during this period, providing training to 129 participants from all member countries. Thanks to the good cooperation of the member countries, even during times of travel restrictions due to the COVID19 pandemic, the number of missions and workshops delivered during these difficult times hardly changed. I not only experienced the Pacific hospitality and friendliness during my time with you, but also many friendships that developed. All this makes my farewell a very emotional event for me, but I am sure we can keep in touch in one or the other way. A big thank you to all of you for this valuable and heartening life experience.'* Marcus Scheiblecker

**After 5 ½ years, PFTAC Director David Kloeden and his wife Denise are due to depart Fiji at the end of May.** They are pictured right at an early farewell event at the PFTAC residence on April 13 that enabled the PFTAC team to come together with the Suva-based diplomatic and development community and our Fijian counterparts for the first time since COVID. Visiting IMF mission chief for Fiji, Todd Schneider and new IMF Regional Resident Representative, Neil Saker were also present. David notes: *'the time Denise and I have spent in Fiji in the center of the Pacific has been the pinnacle of an IMF career spanning 30 years, entirely focused on Capacity Development, and including resident assignments in Sri Lanka, Albania, Turkey, Saudi Arabia, and Barbados before Fiji. It has*



*been an incredible honor to work for such a prestigious organization of dedicated and experienced professionals who have the interests of the member countries at heart. It has also been a privilege to play a part with the PFTAC team to share these talents and knowledge with the Pacific in the well regarded, but often little known IMF mandate of Capacity Development. I had the good fortune of visiting 15 of the PFTAC member countries before COVID stopped travel that allowed me to meet our counterparts in-person who form an incredible regional network. There is no substitute for experiencing a place first-hand, even for a few days, from the low-lying atolls of Kiribati, Tuvalu and Marshall Islands that are threatened by rising sea-levels, to the incredible diversity and beauty of Papua New Guinea and across the island nations of Melanesia, Polynesia, and Micronesia. I bid farewell to my many colleagues and friends in the Pacific, including a very supportive and collaborative donor and development community as well as the many regional entities that work effectively towards important outcomes in the Pacific way. Life on another island beckons us, a little further south and cooler – Tasmania!'*



**Matthew Powell joined PFTAC in March 2022 as the new RSS advisor** replacing Marcus Scheiblecker and was able to benefit from an overlap in early April for a handover with Marcus. Matthew is a United Kingdom national, and prior to coming to PFTAC he spent 12 years as a consultant in Economics and Statistics, mainly in Africa and South and South-East Asia. His professional experience includes ten years with the UK Office for National Statistics, and ten years as a resident adviser in Economic Statistics in both Africa and the South Pacific.

Indeed, early in Matthew’s career he worked at the Pacific Island Forum Secretariat (PIFS) in Suva where Iulai Lavea was a colleague. After separate careers of several decades that began in Suva, Matthew and Iulai find themselves back together on the same team at PFTAC. Matthew has an undergraduate degree in Economics and a post graduate degree in Mathematical Economics and Econometrics. We welcome him back to the Pacific!

### III. PFTAC Developments

#### FY2022/Q4 Activity – by country and program

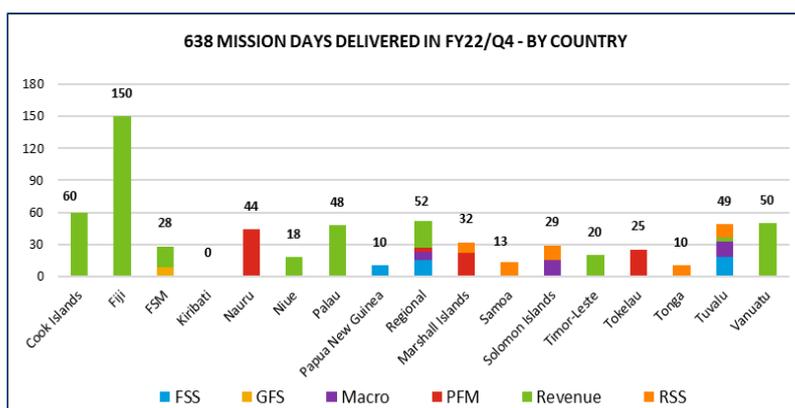
##### Activity – by program

Program	Quarter 4 Outturn			
	LTX	STX	Total	Missions
Public Financial Management	44	51	95	4
Financial Sector Supervision	29	14	43	4
Government Finance Statistics	0	8	8	1
Real Sector Statistics	20	40	60	5
Revenue Administration	10	384	394	16
Legal/Tax Policy	0	0	0	0
Macroeconomic Programming and Analysis	28	10	38	2
<b>Total</b>	<b>131</b>	<b>507</b>	<b>638</b>	<b>32</b>

PFTAC delivered 29 missions and 3 regional events over 638 TA days during the fourth quarter between February and April 2022. As FY2022 drew to a close, CD delivery gained momentum with activity levels higher than preceding quarters. All 16 PFTAC member countries received direct CD support through 29 missions utilizing 586 TA days except **Kiribati** that

however benefitted from 3 regional events utilizing 52 TA days. The Revenue program dominated the period accounting for exactly half the activities but utilizing 62 percent of the TA days followed by PFM at 15 percent, RSS at 9 percent, FSS at 7 percent, FSS at 7 percent, Macro at 6 percent, and finally GFS at 1 percent. Up until April, all CD engagements continued virtually, however mission travel to member countries and a return to in-person training is envisaged for the FY2023 work program beginning May 2022.

The Revenue program delivered 16 missions to 8 member countries, three each to **Fiji** and **Vanuatu**, two each to **Cook Islands**, **Palau**, and **Timor-Leste** and one each to **FSM**, **Niue**, and **Palau** plus a regional event on Leadership, Integrity, and Good Governance. First time PFTAC assistance to **Fiji** was provided under the third objective of the Revenue Results Based Management (RBM) framework that seeks to improve customs administration functions. Additional support was provided with a review of the VAT Monitoring System (VMS) and a current state assessment of the tax administration to provide management a baseline assessment to determine reform priorities and outline a subsequent CD program. **Vanuatu** received assistance to strengthen their audit function, to develop a taxpayer service strategy, and received training on Tax Administration Diagnostic Assessment Tool (TADAT) in preparation for a future self-assessment.



CD support to **Cook Islands** focused on developing Standard Operating procedures (SOPs) for core tax functions and a review of processes and systems to enable exchange of information with tax authorities to reduce global tax evasion in line with Automatic Exchange of Information (AEOI) requirements. Following the recommendations of the tax administration diagnostic review for **Timor-Leste**, a mission was delivered to improve taxpayer services plus legal assistance on implementing an electronic tax system. CD to **Niue** and **Palau**

assisted the authorities with the implementation of tax reforms. Further, support to **FSM** included assistance on modelling the impact of options for a possible tax reform package while **Tuvalu** received a follow-up mission on implementation of their compliance improvement strategy and operational plan. Finally, the regional webinar on **Leadership, Integrity and Good Governance** completed the final two modules on Enterprise Risk Management and Compliance Risk Management between February and April 2022.

Under the PFM program, support to the **Marshall Islands** was provided on enhancing transparency in the presentation of the budget. This work is part of an ongoing project where progressive improvements in the budget book are envisaged over successive years. Assistance to **Tokelau** spanning both April and May focused on strengthening budget and planning linkages with the national strategies identified in the 2021-26 Tokelau National Strategic Plan (TNSP). The Agile PEFA and Gender Responsive assessment for **Nauru** was launched in February 2022 with the assessment aimed to measure the current performance of the PFM system and track progress made since 2016; to assess the extent to which the PFM system responds to gender related considerations; and to identify areas of progress and weakness, including gender related issues that could be the focus of further PFM reforms going forward. PFTAC collaborated with the Pacific Island Forum Secretariat (PIFS) in hosting a **PFM Symposium** held March 22 – 25, 2022. The Symposium brought together Ministry of Finance heads, senior officials, private sector representatives, civil society representatives, and development partners to share knowledge and to network on topical PFM issues currently facing the region, particularly in respect to COVID-19 and the ensuing recovery measures.

The Financial Sector Supervision (FSS) program continued supporting enhancements to prudential and risk management standards. A follow-up mission to **Papua New Guinea** assisted the authorities to conduct impact studies of enhanced prudential standards to guide implementation, while support to **Tuvalu** was provided on developing consolidated prudential standards for commercial and development banks. A second mission to **Tuvalu** on the Supervisory Framework Enhancement Program (SFEP) focused on strengthening the off-site financial risk analysis framework. Further, a virtual regional workshop convened between April 26 – 29, 2022 provided training to the supervisory authorities on the **Basel III Framework**. The workshop complemented the bilateral CD provided by PFTAC over the last two years to assist PICs to upgrade their prudential standards to align with the Basel III Framework and the Basel Committee’s guidelines on risk management.

On Statistics, the RSS program delivered five missions with training to **Marshall Islands** on the recommended methods to compile value-addition for non-market producers and assistance to **Samoa** Bureau of Statistics on improving experimental GDP by expenditure estimates and finalizing the data for publication. CD to **Tonga** continued work on the implementation of an experimental Quarterly National Accounts (QNA) program while assistance to **Solomon Islands** commenced work on developing Supply and Use Tables (SUT) for a coherent and consistent framework for estimating GDP. An external sector statistics mission was provided to Tuvalu on balance of payments. The GFS program delivered a single mission to **FSM** on refining compilation techniques. The Macro program provided follow-up support to the Central Bank of the **Solomon Islands** on the recently developed inflation forecasting model. Additionally, the **Tuvalu** Ministry of Finance authorities were assisted to construct a new GDP(P) forecasting model incorporating the Tuvalu Statistics office new National Accounts time series. Macro support on Correspondent Banking Relationships (CBR) continued during the quarter.

Program	% Midyear Plan Delivered			
	LTX	STX	Total	Missions
Public Financial Management	56%	48%	51%	54%
Financial Sector Supervision	87%	73%	80%	81%
Government Finance Statistics	100%	80%	84%	86%
Real Sector Statistics	75%	114%	89%	83%
Revenue Administration	72%	85%	84%	67%
Legal/Tax Policy	-	63%	63%	75%
Macroeconomic Programming and Analysis	85%	123%	99%	74%
<b>Sub-Total</b>	<b>74%</b>	<b>81%</b>	<b>79%</b>	<b>70%</b>
Debt Management	67%	114%	98%	75%
<b>Total</b>	<b>74%</b>	<b>82%</b>	<b>80%</b>	<b>70%</b>

Despite the challenges, PFTAC delivered 111 missions/activities, 70 percent of the 158 activities planned for FY2022 against mid-year plan adjustments, with a 79 percent outturn of 1,929 TA days against the mid-year adjusted plan of 2,455. The Debt Management program that is separately financed by the Government of Japan

delivered 6 of 8 planned missions/activities (75 percent), utilizing 148 of 151 planned TA days (98 percent). Field delivery by the Revenue program constituted 52 percent of all PFTAC activity, on par with the highest share reached in FY2021. Given mission delays, postponements, and extensions, the PFM program declined to 12 percent of the total, giving a total of 64 percent of all CD being of a fiscal nature. Both the FSS and Statistics program accounted for 12 percent each while the Macroeconomic program expanded its CD coverage with the program share at 13 percent.

FY2022 was the first year of a new accounting and budget system and the associated CD-MAP platform. The

Member Countries	Proposed Contributions for Phase V (US\$)	Contributions Received	LoU Status
Fiji	\$ 687,500	\$ 687,500	v
Cook Islands	\$ 110,000	\$ 90,040	v
Nauru	\$ 82,500	\$ 81,968	v
Tokelau	\$ 11,000	\$ 11,000	v
Vanuatu	\$ 165,000	\$ 150,000	v
Kiribati	\$ 82,500	\$ 65,975	v
Tonga	\$ 110,000	\$ 49,975	v
Samoa	\$ 165,000	\$ 165,000	v
Tuvalu	\$ 27,500	\$ 17,500	v
Niue	\$ 27,500	\$ 19,975	v
Solomon Islands	\$ 165,000	\$ 167,646	v
PNG	\$ 1,375,000	\$ 1,375,000	v
Marshall Islands (RMI)	\$ 110,000	\$ 50,000	v
Palau	\$ 110,000	\$ 80,000	v
Federated States of Micronesia	\$ 110,000	\$ 40,000	v
Timor-Leste	\$ 550,000	\$ -	Pending
<b>Sub-Total Member:</b>	<b>\$ 3,888,500</b>	<b>\$ 3,051,579</b>	
<b>Donors</b>			
ADB	\$ 800,000	\$ 800,000	v
Korea	\$ 2,500,000	\$ 2,500,000	v
New Zealand	\$ 12,145,192	\$ 12,145,192	v
Australia	\$ 9,229,929	\$ 9,267,870	v
Canada	\$ 1,136,191	\$ 1,136,191	v
EU	\$ 6,829,713	\$ 6,829,713	v
USA	\$ 2,000,000	\$ 2,000,000	v
<b>Sub-Total Donors:</b>	<b>\$ 34,641,025</b>	<b>\$ 34,678,966</b>	
<b>Total</b>	<b>\$ 38,529,525</b>	<b>\$ 37,730,545</b>	
Baseline Funding Gap <sup>1/</sup>	\$ (3,229,525)	\$ (2,430,545)	
Aspirational Funding Gap <sup>2/</sup>	\$ 1,170,475	\$ 1,969,455	
1/ Baseline Budget Target	\$ 35,300,000		
2/ Aspirational Budget Target	\$ 39,700,000		

previous budget categories covering LTX salary and travel, Short Term Expert (STX) delivery, Diagnostic Missions, Training/Seminars/Workshops and Backstopping/ Project Management are now broadly classified as *Direct TA Delivery*. The expected FY2022 outturn including trust fund fee is US\$ 3.58 million, a decline of 9.1 percent from the US\$ 3.94 million FY2021 outturn. There was a slightly greater decline of 14.6 percent fewer missions/activities in FY2022 (down to 111 from 130 missions). However, the expenditure outturn was smaller given the need for 15 percent more TA days (1,929, up from 1,677) due to the average mission duration extending by more than an additional four days. FY2022 expenses of US\$ 3.58 million (including trust fund fee) constitute just under half (49 percent) of the US\$ 7.33 million budget. Only the two Statistics programs have expenses slightly exceeding half their budget allocations (RSS – 55 percent and GFS – 52 percent), with Revenue exactly half, and all other programs less than half, with the FSS program having the largest underspend of 39 percent of budget.

### Financial Report

Total donor contributions of US\$ 34.68 million was reached at mid-FY2022 with a final contribution of US\$ 500,000 received from Korea. In the past quarter, three additional member contributions totaling US\$ 152,000 were received, a total of US\$ 3.06 million from member countries. These comprised a final payment from Fiji, an additional payment from Niue, and following the signing of a Letter of Understanding (LOU) during the year, an initial contribution was

received from Palau that amounts to 73 percent of their anticipated contribution for the entire phase. With six of 16 member countries having made their full contributions, US\$ 0.84 million remains outstanding from the other nine countries that have made at least one contribution including US\$ 0.55 million due from Timor-Leste that must first sign a LOU.

Projected Phase V expenses through the end of FY2022 total US\$ 29.15 million including the trust fund fee. Available Phase V funds contributed by donors, member countries, and rolled-over balances from Phase IV total US\$ 38.25 million<sup>2</sup>, leaving a budget envelope for the remainder of Phase V of US\$ 9.1 million. A very

<sup>2</sup> Excluded from PFTAC fund-raising, accounting, and governance is the Japanese government financed Public Debt Management program over three years through end-FY2024 from a US\$ 3.0 million contribution.

ambitious FY2023 budget of \$US 9.3 million has been proposed for endorsement at the May 2022 SC meeting. While the budget marginally exceeds known available funds at the start of the year, some additional outstanding member contributions could close that gap, but in any case, there is very little chance of an overspend with close monitoring of program and budget execution that would have to be exceptionally high and record-breaking to pose any risk. Phase V will conclude on April 30, 2023, regardless of the balance of unused funds.

## IV. Report on Program Activities and Achievements

### Public Financial Management (PFM)

**Kiribati:** STX Lynne McKenzie undertook a detailed review of the current legislative framework in Kiribati. The current Public Finance (Control and Audit) Act (CAP 79) dates back to 1980, and the Ministry of Finance and Economic Development (MoFED) has recognized the need to strengthen governance, accountability, and transparency by implementing a modern and updated PFM Act which is supportive of good practice and can underpin PFM reforms in Kiribati. **Nine legal Parts forming the Act have been drafted and delivered to government** for review and discussion. Further review of the Wealth Fund Law will be undertaken in FY23 for updates to be incorporated into the PFM Act. Additional support will be provided to facilitate the finalization of the Act.

#### Nauru PEFA And Gender Responsive Assessment - Attachment



PFTAC encourages the involvement of staff of Ministries of Finance in PEFA assessments. It provides a great opportunity for them to get hands-on experience on the process involved, understanding of the PEFA indicators and broaden their knowledge of the challenges faced in reforming PFM systems and processes. That learning invariably enhances the staff's ability to better design and implement PFM reforms in their own country.

That arrangement was adopted in the Nauru PEFA exercise where Ms. Kelera Kolivuso-Ravono (Manager Social Services Sector, Budget and Planning Division, Ministry of Economy, Fiji) participated as a member of the assessment team. She was responsible for the assessment of the gender related indicators.

This is what she says about the experience.

*"...My involvement in the Public Financial and Expenditure Accountability (PEFA) assessment on the Gender Responsive Public Financial Management (GRPFM) for the Government of Nauru from February to April 2022 has contributed tremendously to the enhancement of my PFM systems knowledge and assessment skills. This has also helped me improve my understanding on the use of the supplementary framework for assessing GRPFM and the nine performance indicators to be able to gauge the degree to which a country's PFM system acknowledge the different needs of men and women and promoting gender equality. I'm sincerely grateful to PFTAC for giving me this opportunity to develop myself which will further progress the gender responsive budgeting work that the Ministry of Economy is currently doing since its inception in our 2020-2021 Budget. I trust that more capacity development will be provided to further progress our Government's goal to reduce gender gaps and address gender equality".*

PFTAC plans to have more country representatives on PEFA missions as well as other PFTAC programs, as appropriate opportunities arise.

**Marshall Islands:** two previous missions in December 2020 and August 2021 assisted the Ministry of Finance (MoF) to prepare a draft budget estimates book to accompany the FY2021/22 appropriation bill submitted to parliament. The budget book presented reflects good progress. The February 2022 mission provided further

**guidance to enhance budget transparency by presenting the budget book with the additional classifications aligned to international standards such as *GFSM2014*.** Training and guidance were provided on methodologies to analyze transfers and present them in annexes to the budget, as well as approaches for identifying annualized costs by economic item for projects. The mission also **discussed good budgeting and transparency practices, as well as standards on Chart of Accounts (CoA) design for the implementation of new FMIS.**

#### **PFM Symposium: March 22 – 25, 2022**

PFTAC participated in the **PFM Symposium** organized by PIFS that was held March 22 – 25, 2022. PFTAC programs are coordinated closely with those of other partners to leverage synergies and maximize impact and return to countries. The symposium was opened by the Head of Delegation of the European Union for the Pacific. It provided the platform for member countries to exchange knowledge and experiences in terms of strengthening PFM systems and identify niches that PFM partners could assist whether via peer-to-peer learning, capacity building, and/or policy advice and advocacy. The Symposium was designed around four core themes: PFM Reforms in the Pacific and PFM experiences during COVID; Balancing fiscal risks from multiple shock events, in highly uncertain times, with constrained resources for recovery; Financing COVID-19 recovery through urgent and sustainable funding approaches and solutions; and strengthening fiscal transparency, accountability, effectiveness and inclusion to recover stronger from the crisis.

PFTAC delivered the opening presentation focused on the PFM successes over the past decade, PFTAC/IMF CD delivery modalities; challenges faced in the recent past; and opportunities from adopting a strategic approach to PFM reform, specifically ensuring appropriate sequencing and prioritizing of reform actions and ensuring that the basics are addressed first before moving onto more complex PFM reforms. The session highlighted the findings and lessons learned from the FAD Working Paper Review of the PFM Reform Strategy of PICs 2010 – 2020. (<https://www.imf.org/en/Publications/WP/Issues/2020/09/04/Review-of-the-Public-Financial-Management-Reform-Strategy-for-Pacific-Island-Countries-2010-49709>) PFTAC also moderated the final session on the last day that focused on strengthening fiscal transparency, accountability, and effectiveness.

The Symposium was well attended by Ministry of Finance heads, senior officials, private sector representatives, civil society representatives, and development partners.



**Nauru:** responding to a request of the Nauru Government, an ‘agile’ Public Expenditure and Financial Accountability (PEFA) assessment with a Gender responsive component was launched in February. This involved a multi-expert team comprising the PFM resident advisors, short term experts, the PEFA Secretariat, and an official from Fiji Ministry of Economy under an ‘enhanced attachment’ arrangement. The assessment tracks progress since 2016, assesses the extent to which the PFM system responds to gender related considerations, and identifies areas of progress and weaknesses, including gender related issues that could be the focus of further PFM reforms going forward. With gender becoming a key social issue in Nauru’s development, the gender assessment will support a baseline to assess future reform progress, as well as for

the development of a reform roadmap that supports enhanced social inclusion and gender equality. The agile PEFA and gender responsive PFM assessments are expected to be finalized in June.

**Tokelau:** the Government of Tokelau has approved its third national strategic plan (TNSP 2021 – 2026). A key issue facing Tokelau is to align the cost of delivering its development agenda with the financial envelope. The remote mission **commenced work to align the national strategies against the budgeting process and financial resources**. The mission is also helping develop a monitoring and evaluation framework for the authorities to track implementation. Strengthening the linkages between the budget and planning through a robust PFM framework will ensure the national priorities are accorded priority funding in the budget and implementation is properly tracked and measured.

### Revenue Policy and Administration

**Cook Islands:** during March, a second of two planned missions **continued work on designing a set of business processes documented as Standard Operating Procedures (SOPs)**. The assistance focused on design of the SOPs, review of the first set of SOPs, analysis of business processes to identify gaps and improve operational efficiency, as well as consultation with staff to understand the functions and roles and recommend efficient ways to perform the tasks. The mission will help the Revenue Management Division (RMD) improve its ability to streamline and manage end-to-end core business processes.

In February, a remote mission by STX Kriti Velji **reviewed the processes to meet the Automatic Exchange of Information (AEOI)** requirements. The AEOI initiatives set a global standard for information sharing with the objective to minimize tax evasion. The RMD has made good progress in implementing procedural requirements to meet the AEOI global standard with six of the requirements already met and plans and procedures developed for the remaining seven. The mission **assessed the progress of those areas required to meet the ‘compliant’ status against the AEOI framework and identified actions to achieve a largely compliant status that requires RMD to develop and document administrative procedures and make effective use of data and statistics to monitor compliance**.

**Fiji:** a remote mission **reviewed Customs business processes and functionality of the ASYCUDA World (AW) system requested by the Fiji Revenue and Customs Service (FRCS) Board**. The review was requested against a background of a long history in the evolution of FRCS’s business processes, of many years of operations of its AW system, ever challenging revenue administration compliance improvement efforts, and trade facilitation targets, including World Trade Organization (WTO) Trade Facilitation Agreement commitments to implement a National Single Window (NSW).

A second mission requested by FRCS **reviewed the implementation progress of the VAT Monitoring System (VMS) and its impact on revenue collections to inform recommendations for the FRCS board on its future**. FRCS started a three phase implementation of the VMS in April 2017. The VMS is an electronic fiscal device connecting taxpayer business systems to FRCS. Phases 1 and 2 were implemented successfully with Phase 3 deferred twice, with a tentative implementation date of December 2023. Following the assessment, the mission provided a proposed way forward considering costs, benefits, opportunities and risk of the three options – full implementation, ceasing further implementation, and adopting a hybrid approach.

At the request of FRCS, a third mission **commenced work to provide a current state assessment of FRCS including a high level view of the health of the tax administration system, identification of key priority areas, and a detailed plan to address these**. FRCS has received significant CD from PFTAC in recent years and is seen as a leader in tax administration by other PICs. However, more recently, internal matters have affected FRCS’s uptake of CD and engagement in the region. The mission will provide a baseline from which to rebuild and strengthen FRCS performance as well as inform a program of CD that PFTAC can provide.

**FSM:** STX Peter Mullins undertook a remote mission to **assist the Customs and Tax Administration (CTA) with tax reform modelling**. Previous assistance from PFTAC and other donors (Australia's Department of Foreign Affairs and Trade) led to development of tax reform package. The mission reviewed previous tax reform plans for updating against recent changes to the tax system and current fiscal needs, and **provided tax policy advice and revenue modelling estimates on options to implement an income tax to replace gross revenue tax and introduction of Value Added Tax (VAT)**.

**Niue:** a remote STX mission to the **Niue Tax and Customs Department (NTCD) provided assistance with the implementation of a tax administration reform program focusing on five key areas** – facilitating the roll-out of a new function-based structure; finalizing new job descriptions relating to core tax functions; delivery of training across new core tax functions; building reporting capability; and developing a segmented approach to manage large taxpayers.

**Palau:** STX David Piper provided remote **assistance to the Palau Bureau of Revenue and Taxation (BRT) to improve its operational capabilities in preparation to implement wide ranging tax reforms**. PFTAC provided assistance to draft a legislation package, recently passed by the Congress that will come into operation in January 2023. Additionally, the BRT is in the preparatory stages to commence implementation of its 2020-2025 Operational Roadmap largely based on previous PFTAC recommendations. Building on the first assignment, the second mission **assisted with the implementation of new organizational arrangements, training of staff, communication strategy and products and implementation planning**.

A second STX mission **assisted in developing the functional Information and Communication Technology (ICT) specifications for Palau Goods and Services Tax (PGST) and Business Profit Tax (BPT) systems to support the implementation of the tax reforms**. The assignment was shortened to avoid duplication with Australian Tax Office (ATO) capacity development support and provided input based on previous IT related CD to ensure known risks or gaps in the current system are included in the ATO work brief.

**Timor-Leste:** a remote mission by STX Anna O'Keefe **assisted the Timor-Leste Tax Authority (TLTA) to review current taxpayer communication channels and available information; providing recommendations to enhance information about the domestic tax system, and expand the range of forms and guides available to taxpayers to support voluntary compliance**. A high level diagnostic of the TLTA was completed in November 2021 that provided a comprehensive long term plan for CD to support reform initiatives. The reform agenda contains a substantial set of actions of which several were highlighted for early prioritization – this mission covered one of the four areas selected for early implementation.

**A legal mission by STX Irving Aw prepared amendments to the Timor-Leste Taxes and Duties Act to implement the electronic tax system**. Electronic services will be expanded under phase 3 of the information and communication technology system (SIGTAS) upgrade that will accept annual and periodic tax declarations and payments for all domestic taxes electronically as well as provide for electronic record keeping.

**Tuvalu:** a remote mission by STX Rick Fisher **provided further support to the Tuvalu Revenue and Customs Department (TRCD) with efforts to implement its 2022 operational plan (OP) and compliance improvement plan (CIP)**. The CD reviewed progress on the implementation of the OP and CIP since the last PFTAC assignment; provided support, guidance, and advice to TRCD on implementation of the OP and CIP; and worked with the Commissioner to adapt the OP to new and emerging issues.

**Vanuatu:** the purpose of the remote mission in February was **to strengthen the Vanuatu Department of Customs and Inland Revenue (DCIR) tax audit function**. It included a review of the implementation progress of previous recommendations; assistance on developing audit SOPS and guidance material; review and enhancement of audit case and timeliness standards for turnover and rental tax; guidance to the Risk Management Unit on the use of audit materials; and development of a renewed audit strategy and audit plan

for 2021-2023. The mission also recommended improvements to the audit quality assurance system and reviewed the impact of the disputes resolution process on tax audits.

**A second mission provided assistance to DCIR on improving taxpayer services and communication.** The mission reviewed the progress in moving towards an integrated and efficient taxpayer service delivery model with broader service and communication functions in support of DCIR strategic objectives and challenges from COVID-19. Assistance to develop a taxpayer service and communication strategy was provided as well as recommendations to improve service delivery, communication channels, and awareness and education to taxpayers.

At the request of DCIR, **virtual Tax Administration Diagnostic Assessment Tool (TADAT) awareness training was organized during April 25 – 29, 2022.** The training will enable DCIR to prepare staff for a future TADAT assessment and share international good practices of modern tax administration with DCIR staff.

### Financial Sector Supervision (FSS)

**Papua New Guinea:** the remote mission by resident advisor Rajinder Kumar **assisted Bank of Papua New Guinea (BPNG) to develop templates to carry out an impact study on various topics of the recently revised/developed prudential regulations.** A previous mission conducted in March 2021 had assisted BPNG in reviewing and developing the prudential and risk management standards. The comprehensive suite of prudential regulations including one on consolidated supervision were developed to align with the Basel Core Principles (BCPs) and relevant Basel standards. It is necessary to assess their impact on the financial position and lending capacity of banks so that the introduction of revisions could be planned in a manner that would avoid disruption of bank financing activities in PNG.

**Tuvalu:** PFTAC has been **assisting the Banking Commission, Tuvalu Ministry of Finance and Economic Development (MFED) to strengthen the regulation and supervision of its banks.** A mission conducted in July 2021 had trained the staff attached to the Office of the Banking Commissioner in reviewing the prudential returns received from the two banks and undertaking effective financial risk analysis of these banks. The mission inter alia noted the absence of a prudential regulatory framework as a major financial sector risk in Tuvalu and recommended that the authorities introduce a consolidated prudential standard setting out key prudential requirements on an urgent basis.

In response, two PFTAC missions were convened in February and March respectively to address financial risk analysis and development of prudential standards. The first mission by resident advisor Rajinder Kumar and STX William Jones **assisted the Tuvalu Banking Commission to develop templates for Bank Risk Profile and Banking Industry Risk Report** and trained staff in preparing these documents. The second mission by the resident advisor **commenced work on developing core prudential standards for the two Tuvaluan banks.**

### Real Sector Statistics (RSS)

**Marshall Islands:** a remote mission by LTX Scheiblecker during February – March 2022 **assisted the Marshall Islands Economic Policy Planning and Statistics Office (EPPSO) to improve the conversion of available source data into national accounts concepts and classifications, necessary for independently compiling GDP(P).** Furthermore, the mission **provided peer-to-peer training** to the two compilers on the compilation of output and value-added of non-market production including price adjustment. Training was also provided on the differences between value and volume-based taxes and subsidies and their price adjustment using budget data.

### Regional Workshop on Basel III Framework: April 26 – 29, 2022

MCM and PFTAC jointly conducted a workshop to provide training to the PIC supervisory authorities on the Basel III Framework. This virtual workshop was open to all PFTAC member countries and attracted 56 staff members of supervisory authorities.

PFTAC has been assisting the PICs to upgrade their prudential standards to align them with the Basel III Framework and Basel Committee's guidelines on risk management for the last two years. During FY2021 and FY2022, PFTAC TA missions assisted Papua New Guinea, Marshall Islands, the Federated States of Micronesia, Solomon Islands, Palau, and Tonga in upgrading selective prudential standards. The bilateral missions so far have covered prudential standards on definition of capital, large exposures, related party transactions, liquidity risk management, credit risk management, operational risk management, and interest rate risk in the banking book. During FY2023 and beyond, this initiative is expected to be extended to the remaining PICs.

The 4-day virtual workshop was intended to complement the bilateral TA being offered by PFTAC. The workshop included an overview of the Basel III Framework including macro-prudential supervision, introduction to the standardized approaches of Basel capital framework and devoted 50 percent of the time to the Basel standard on interest rate risk in the banking book which has been found to be challenging for PICs due to its highly technical nature.

The workshop generated significant interaction by the participants who found the contents relevant for their work. The workshop involved presentations and Excel-based illustrations. The speakers tried to relate the content to the specific situation of the PICs and provided guidance as to how to apply proportionality while adopting international standards. Hee Kyong, Senior Financial Sector Expert from MCM provided an overview of Basel III capital standards and the macroprudential overlay to capital regulations. She emphasized that there is no one size fits all strategy to adopt Basel standards in developing countries and therefore each country should take account of its specific characteristics in their implementation such as the state of their financial development, financial structure, risk profile of banking sector, and supervisory capacity. She noted three key factors in successful implementation of Basel standards - strong incentives and drive among banks and supervisory authorities to implement new standards and risk-based supervision, capacity building for supervisors, and implementation of various standards in a sequential manner. Careful calibration, effective communication with the industry, and sufficient timeframe were noted by her as other critical considerations in ensuring successful implementation of Basel standards.

PFTAC will continue supporting the PICs in implementation of Basel III at a pace considered appropriate by the authorities. More detailed inputs will be provided during bilateral TA missions.



**Samoa:** Quarterly GDP(P) estimates at current and constant 2013 prices are disseminated by the Samoa Bureau of Statistics (SBS) on a regular basis for use in economic policy development, compiled using the International Standard Industrial Classification of All Economic Activities, Revision 4. However, there is scope to improve the data indicators and compilation methods with a strong interest for GDP(E) estimates from the Ministry of Finance and the Central Bank of Samoa to make macroeconomic projections for fiscal and monetary policy purposes, as well as the IMF's Asia and Pacific Department (APD) for use in surveillance. A previous PFTAC mission assisted SBS to complete the development of the quarterly GDP by expenditure (GDP(E)) compilation system, however, the release of the provisional GDP(E) estimates was postponed due to the annual statistical discrepancy between GDP(E) and GDP(P) estimates. **The February mission by resident advisor provided advice and assistance to reduce annual statistical discrepancy between the two GDP measures.**

**Tonga:** the remote mission in April **continued to assist the Tonga Department of Statistics with the implementation of the QNA program which started in 2020.** Following a request by the authorities, PFTAC undertook a feasibility study on the implementation of a QNA program. Subsequently, two QNA missions were delivered in November 2020 and September 2021. QNA compilation tables were set up and for several industries, benchmarking of annual data took place. This mission further **assisted improving the quarterly source data of indicators to be used for benchmarking, assisting the statistics office to improve benchmarking models and update quarterly value-added series for several industries, and provided training on direct and indirect price adjustment in QNA of gross value-added.**

**Solomon Islands:** a remote mission provided training in supply and use tables (SUT) compilation techniques and developed a workplan to help the Central Bank of Solomon Islands (CBSI) and Solomon Islands National Statistics Office (SINSO) to develop a SUT and input-output tables (IOT) in 18 months with capacity supplementation that could be extended to four years to build capacity. Discussions with the Solomon Island authorities is continuing to coordinate this workplan with the other PFTAC assistance provided to the CBSI.

**Tuvalu:** a remote mission on external sector statistics (ESS) was provided for the Central Statistics Division (CSD) of the Tuvalu Ministry of Finance and Economic Development during March 7–18, 2022. The main purpose of the mission was to **compile the balance of payments and international investment position (IIP) statistics for 2020, and produce preliminary data for 2021, as well as to work on strengthening the compilation framework and data sources.** The mission discussed a possible follow-up ESS mission, and the authorities suggested March 2023 as a tentative time frame.

### Government Finance Statistics (GFS)

**FSM:** a remote follow-up mission **assisted the Department of Resources and Development and the National Statistics Office in their efforts to strengthen compilation and dissemination of GFS and public sector debt statistics (PSDS).** The mission compiled the budgetary central government and state governments GFS data for FY2020 and assisted the authorities to complete and prepare the GFS annual questionnaire template for FY2020 that was submitted to the IMF's Statistics Department during the mission. The mission used the audited financial statements (AFS) in the compilation of extrabudgetary units (EBUs) and public corporations (PCs) GFS and assisted in the compilation of PSDS for the FY2020 public sector. Data for some EBUs and PCs is still outstanding and aggregated information from the national government AFS was used to complete the time series. The mission supported the completion of the joint IMF/World Bank quarterly public sector debt questionnaire and encouraged the authorities to submit the data. The mission advised authorities to complete the time series by compiling data at least from FY2015.

## Macroeconomic Analysis and Programming

**Solomon Islands:** a mission finalized the construction of a new inflation forecasting model for the Central Bank for use in monetary and exchange rate policy setting, though the Ministry of Finance will also likely find it of use. A disaggregated modelling approach was adopted, whereby all 66 components of the CPI were econometrically estimated against a range of variables including: exchange rates, foreign inflation, various commodity prices and the money supply. The model allows the authorities to produce accurate short and medium term inflation forecasts within a few hours by updating the outlook for relevant commodities and other exogenous variables. A range of scenarios can also be produced to show the effects on Solomon Islands inflation in response to different economic variables.

**Tuvalu:** a mission worked closely with authorities to jointly produce a new GDP(P) forecasting model for use in budgetary and other settings. The model produces both constant and current price measures and has built in and changeable assumptions concerning the resumption of tourism. A necessary first step was the construction of estimates of GDP(P) for the past two years. The mission worked closely with Tuvalu Statistics to ensure a consistent treatment of the GDP data between the historical series and the forecasts. A disaggregated modelling approach was adopted to allow for a more detailed application of judgement to individual industry sectors, including those most affected by Covid-19.

## Debt Management

**Palau:** in response to a **request from the Palau Ministry of Finance, a remote mission between February 28 – March 15, 2022, assisted the authorities to develop a high-level Debt Management Policy (DMP).** A DMP is required by the new Fiscal Responsibility and Debt Management Act (Act) and provides the framework for debt management operations and risk management. The Act provides the foundation for debt management, which is in its infancy in Palau. The DMP will provide Palau with internal direction to implement key elements of debt management operations and policy, and improve transparency once externally published. The Policy will also serve as a guide for future TA.

**Papua New Guinea:** a remote mission by STX Michele Robinson and Laszlo Buzas between March 7 – 18, 2022 assisted the authorities to review the institutional arrangements for debt management. The debt management function in Papua New Guinea is incorporated in the Department of Treasury within the Financial Management Division (FMD). PFTAC was requested to review the existing debt management structure, providing an assessment of the institutional arrangements for debt management to support the authorities to establish an adequately resourced and clearly defined organizational structure on a front-middle-back office basis. Establishing effective institutional arrangements are foundational to debt management operations and good governance.

## V. Planned TA Activities FY23/Q1: May – July 2022

### May 2022 Planned Activities

Country	Program	Description	Advisor/s	Dates
Cook Islands	Revenue	Review Audit Training Products	STX – Bell STX – Matthews	May 2 – 27
Fiji	Macro	Revenue Forecasting	LTX – Beaumont STX – Mullins	May 1 – 20
	Revenue	People and Culture Assessment	LTX – Williams STX – Reardon	May 2 – Jun 10
Kiribati	FSS	Establishing Financial Supervisory Authority	LTX – Kumar STX – Fiennes	May 23 – Jul 15 (5 LTX and 15 STX days)
Marshall Islands	RSS	Balance of Payments	HQ – tbc	May 2 – 13
	RSS	Finalize non-market production compilation/ Continue training on GDP(P) compilation	LTX – Powell	May
Nauru	PFM	Develop PFM Roadmap	LTX – Lavea STX – TBC	May 16 - Jul 29
Niue	PFM	Drafting the PFMA	LTX – Lavea STX – McKenzie	May 9 – Jun 30 (1 LTX and 6 STX days)
Regional	Revenue	Leadership, Integrity and Good Governance Workshop	LTX – Eysselein LTX – Williams STX – Shrosbree STX – Vivian	May 2 – Jun 10
	Revenue	VAT Risks and Investigations	LTX – Williams STX – Hamilton	May 31 – Jun 6
Solomon Islands	FSS	Development of Prudential Standards for Non-Banking Credit Institutions (NCBIs)	LTX – Kumar STX – Awayiga	May 1 – 31
Timor-Leste	Macro	Financial Programming	LTX – Beaumont	May 23 – Jun 3
	Revenue	Develop Strategic Plan	STX – Story	May 2 – 6
Tuvalu	DM	Strengthening debt reporting capacity	LTX – Ferguson STX – Robinson	May 16 – 20
	RSS	Updating national accounts to 2021	STX – Andrews	May 30 – Jun 10

## June 2022 Planned Activities

Country	Program	Description	Advisor/s	Dates
Cook Islands	Revenue	Implementation of Organizational Structure	LTX – Eysselein	Jun 13 – 24
Fiji	PFM	Follow on Implementing Internal Audit (IA) Standards and Charters	STX – Prcevich	Jun 6 – 17
	Macro	Revenue Forecasting	LTX – Beaumont	Jun 1 – 20
	Revenue	Compliance Improvement Strategy (CIS) and RCAP	STX – Hamilton STX – Strong	Jun 6 – 24
	Revenue	Strengthening Data Analysis and Risk Management	STX – Hamilton	Jun 30 – Jul 15
Kiribati	RSS	Improving and data editing of financial accounts for large companies	LTX – Powell	Jun 6 – 17
Marshall Islands	FSS	Regulatory Framework for MIDB	LTX – Kumar STX – TBC	Jun 20 – Jul 29 (6 LTX and 7 STX days)
	Revenue	Support for Tax Reform	STX – Piper	Jun 6 – 24
Palau	Revenue	Implementation of tax reforms #2	STX – Piper	Jun 3 – Jul 3
	Revenue	ITC support for new taxes	STX – Grant	Jun 20 – Jul 22
Papua New Guinea	DM	Medium-Term Debt Management Strategy Development and Implementation	STX – TBC STX – TBC	Jun 20 – Jul 1
	Macro	Financial Programming	STX – Rogers	Jun 13 – 24
	Revenue	Develop Resource and Performance Metrics	STX – Lawrence STX – Lendon	Jun 13 – Jul 6
	Revenue	Implementation of New Performance Management System	STX – Reardon STX – Udy	Jun 13 – Jul 18
Regional	Revenue	Debt and Arrears Management Workshop	STX – Field	Jun 21 – 28
Samoa	PFM	Implementing Risk Based Audit -Quality Assurance Program	STX – Morrison	Jun 20 – 27
	Revenue	Outsourcing Debt Collection	STX – Field STX – Udy	Jun 15 – Jul 8
	Revenue	Improve Data Analysis	STX – Hamilton	Jun 27 – Jul 8
	Revenue	New Organization Structure	STX – Tamm	Jun 22 – Jul 22

Solomon Islands	RSS	QNA Training	STX – TBC	Jun 6 – 17
Timor-Leste	Revenue	Redesign/refine the Tax Clearance process in collaboration with Customs	STX – Strong	Jun 6 – 17
	Revenue	Legal Support for return registration function to sole TLTA control	STX – Aw	Jun 13 – 22
Tonga	FSS	Development of Prudential Standards for NBCIs	LTX – Kumar STX – Awayiga STX – Kacani	Jun 13 – 24 (4 LTX/ 7 & 5 STX days)
	FSS	Review/ Development of select prudential standards for banks	LTX – Kumar STX – Awayiga STX – Pailhe	Jun 27 – Jul 31 (5 LTX/ 5 & 18 STX days)
	RSS	Finalize quarterly GDP(P) compilation	STX – Scheiblecker	Jun 13 – 25
	Revenue	Strengthen tax audit and POS	STX – Bell STX – TBC	Jun 20 – Jul 1
	Revenue	Review of Revenue Services Administration Bill and POS Regulations	STX – Burns	Jun 6 – 10
	Revenue	Debt and Returns Management	STX – Field STX – Lendon	Jun 20 – Jul 1
	Tuvalu	FSS	Prudential regulations- Impact study and industry consultation	LTX – Kumar
PFM		Strengthening Cash Management Practices	STX – Cooper	Jun 27 – Jul 8
Revenue		Monitor and review implementation of CIS and Operational Plan #2	STX – Fisher	Jun 1 – 3
Revenue		Organizational structure for customs and tax administration	LTX – Eysselein LTX – Williams	Jun 15
Vanuatu	FSS	Review of prudential and risk management standards	LTX – Kumar STX – TBC	Jun 27 – Jul 31 (2 LTX and 12 STX days)
	Macro	Financial Programming Training 2.0	LTX – Beaumont	Jun 13 – 24

## July 2022 Planned Activities

Country	Program	Description	Advisor/s	Dates
Fiji	GFS	Government Finance Statistics	STX – Temes	Jul 25 – 29
	PFM	Improving Fiscal Risk Analysis – Review of PPP and Fiji Air Risks	STX – Rahman	July 25 – Aug 5
	Revenue	Develop Change Management Strategy	STX – Byrnes	Jul 4 – 22
	Revenue	Industry Partnership approach	STX – Shrosbree	Jul 25 – Aug 5
FSM	Revenue	Diagnostic review of the Tax Administration.	STX – O’Keefe STX – Topping	Jul 11 – 22
Kiribati	PFM	Develop PFM Roadmap	LTX – Seeds STX – Higgins	Jul 4 – 15
	Revenue	Strengthen e-Filing, Payment and VAT Refunds process	STX – TBC	Jul 4 – 22
Marshall Islands	Revenue	Compliance Risk management	STX – Piper	Jul 18 – Aug 5
Niue	RSS	Updating GDP to 2020-21 and rebasing to HIES 2015-16	STX – Freeman	Jul 11 – 22
Palau	DM	Develop and implement debt management organizational structure	LTX – Ferguson STX – TBC	Jul
	Revenue	Tax Reform Bill Regulations	STX – Burns	Jul
Papua New Guinea	Macro	Financial Programming	STX – Rogers	Jul
	Revenue	Develop process flows between HQ and Operations	STX – Vivian	Jul 4 – 20
Regional	Macro	Revenue Forecasting Workshop	LTX – Beaumont HQ – TBC	Jul 4 – 8
	Revenue	Regional Sharing of Business Continuity Responses	LTX – Eysselein LTX – Williams	Jul 11 – 20
Samoa	Revenue	Debt and Returns Management	STX – TBC	Jul 18 – 29
Solomon Islands	RSS	Implementing SUT program	STX – Powell	Jul 11 – 22
	Revenue	Organizational structure and LTO operations support	STX – Shrosbree	Jul 11 – 22
Timor-Leste	Revenue	Improve filing and tax arrears management	STX – Lawrence	Jul 18 – Aug 3
Tonga	Revenue	Development of Business Continuity Plan (BCP)	STX – Shrosbree STX – Topping	Jul 6 – 30

Tuvalu	PFM	Strengthening Budget Process	STX – TBC	Jul 25 – Aug 5
	Revenue	Organizational Structure for Customs and Tax Administration	LTX – Eysselein LTX – Williams	Jul
Vanuatu	Revenue	POS system	STX – Hamilton	Jul 11 – 15
	DM	Medium-Term Debt Management Strategy Development and Implementation	LTX – Ferguson STX – TBC	July

## Outturn of TA Activities FY2022/Q4: February – April 2022

### February 2022 Delivered Activities

Country	Program	Description	Advisor/s	Dates
Cook Islands	Revenue	Develop Standard Operating procedures for core tax functions (remote from New Zealand and Australia)	STX – Bell STX – Field STX – Vivian	Feb 14 – Mar 15 (15 days each)
	Revenue	Review AEOI Process (remote from New Zealand)	STX – Velji	Feb 7 – 28
Fiji	Revenue	Review of ASYCUDA and Customs Processes (remote from Australia)	STX – Kerswell STX – Norkunas	Feb 7 – Apr 29 (30 days each)
FSM	GFS	Refine Compilation Technique (remote from Spain)	STX – Temes	Feb 7 – 15
	Revenue	Tax Reform Modeling (remote from Australia)	STX – Mullins	Feb 7 – Mar 14 (20 TA days)
Marshall Islands	PFM	Improve Budget Transparency (remote from Fiji and Australia)	LTX – Seeds STX – Higgins	Feb 4 – 11
	RSS	Implementing non-market production (remote from Fiji)	LTX – Scheiblecker	Feb 28 – Mar 11
Niue	Revenue	Implement Reform Process (remote from New Zealand)	STX – Shrosbree	Feb 7 – Mar 9 (18 TA days)
Palau	DM	Develop high level debt management policy (remote from Fiji and Sweden)	LTX – Ferguson STX – Boman	Feb 28 – Mar 15 (10 LTX and 14 STX days)
	Revenue	Implementation of Tax Reforms (remote from Australia)	STX – Piper	Feb 28 – Apr 30 (18 TA days)
	Revenue	Develop user specifications for new tax systems (remote from Canada)	STX – Grant	Feb 21 - Apr 29
Papua New Guinea	FSS	Prudential Standards - Development of Impact Study Templates (remote from Fiji)	LTX – Kumar	Feb 28 – Mar 31 (10 TA days)

Regional	Revenue	Leadership, Integrity and Good Governance (remote from Australia and New Zealand)	STX – Hamilton (3 days) STX – Shrosbree(6 days) STX – Vivian (6 days)	Feb 2 – Apr 12
Samoa	RSS	Reduce discrepancy between GDP(P) and GDP(E) (remote from United States)	STX – Abbasi	Feb 28 – Mar 11
Solomon Islands	Macro	Inflation Forecasting-Follow-up (remote from Fiji and Australia)	LTX – Beaumont STX – Bullen	Feb 7 – 18
Timor-Leste	Revenue	Enhance public information and website (remote from New Zealand)	STX – O’Keefe	Feb 7 – 18 (12 TA days)
Tuvalu	FSS	SFEP - Off-site financial risk analysis framework- Bank risk profile and banking sector risk reports including training of staff (remote from Australia)	STX – Jones	Feb 21 – Mar 31 (8 TA days)
Vanuatu	Revenue	Strengthening audit and audit skills development (remote from New Zealand)	STX – Home	Feb 2 – Mar 2 (14 TA days)

### March 2022 Delivered Activities

Country	Program	Description	Advisor/s	Dates
Fiji	Revenue	Review VAT Monitoring System (remote from Canada and Australia)	STX – Fisher STX – Hamilton	Mar 16 – Apr 8
Nauru	PFM	Agile PEFA Assessment (remote from Fiji and Australia)	LTX – Lavea LTX – Seeds STX – Uluinaceva STX – Crooke PEFA Secretariat	Mar 14 – May 31
Papua New Guinea	DM	Review of organizational structure TA (remote from Jamaica and Hungary)	STX – Robinson STX – Buzas	Mar 7 – 18
Regional	PFM	PFM Symposium	LTX – Lavea LTX – Seeds	Mar 22 – 23
Solomon Islands	RSS	Compile SUTs (remote from United Kingdom)	STX – Powell HQ – Achille	Mar 21 – Apr 1
Tuvalu	FSS	Development of a consolidated prudential standard for commercial and development banks (remote from India)	LTX – Kumar	Mar 7 – 31 (10 TA days)
	Macro	GDP Forecasting (remote from Fiji)	LTX – Beaumont	Mar 21 – Apr 8
	RSS	BoP mission work on updating ESS data (remote from Iceland)	STX – Rikardsson	Mar 7 – 18
Vanuatu	Revenue	Develop taxpayer service strategy (remote from Australia)	STX – Lendon STX – Vivian	Mar 28 – Apr 12 (15 TA days each)

### April 2022 Delivered Activities

Country	Program	Description	Advisor/s	Dates
Fiji	Revenue	Current State Assessment of Tax Administration (remote from New Zealand and Australia)	STX – Shrosbree STX – Topping STX – Velji	Apr 4 – 29 (20 TA days each)
Kiribati	PFM	Initial drafting of the PFM Act	STX – McKenzie	Apr 4 – 29 (12 STX days)
Regional	FSS	Pillar 2 (SREP, ICAAP, ILAAP) and Basel III (remote from India and United States)	LTX – Kumar STX – De Bie STX – Pailhe HQ – Hee-Kyong	Apr 26 – 29
Tokelau	PFM	Strengthen Budget & Planning Process for Quality Spending (remote from Fiji and London)	LTX – Lavea STX – Keith	Apr 15 – May 31 (10 LTX and 15 STX days)
Tonga	RSS	Provide training on QNA compilation (remote from Fiji)	LTX – Scheiblecker	Apr 1 – 14
Timor-Leste	Revenue	Prepare amendments to the Taxes and Duties Act to implement the Electronic Tax System (remote from Australia)	STX – Aw	Apr 4 – 18
Tuvalu	Revenue	Monitor and review implementation of CIS and Operational Plan (remote from Canada)	STX – Fisher	Apr 18 – 25
Vanuatu	Revenue	Provide training to enable TADAT self-assessment (remote from Australia)	STX – Martens	Apr 25 – 30

## Meetings, Seminars, and Training

February – April 2022

TA Sector	Description	Location	Advisor	Mission Days	Participants		Month
					F	M	
Financial Sector Supervision	Pillar 2 (SREP, ICAAP, ILAAP) and Basel III	Virtual	LTX – Kumar STX – De Bie STX – Pailhe HQ – Hee-Kyong	4	30	26	Apr 26 – 29
Revenue Administration	Leadership, Integrity and Good Governance	Virtual	STX – Hamilton STX – Shrosbree STX – Vivian	2	15	22	Feb 2 – Apr 12

## TA Reports Transmitted to Country Authorities & Pending Finalization

February – April 2022

TA Sector	Country	Title of Report	Author	Mission Month	Transmittal Letter Date
<b>Public Financial Management</b>	Cook Islands	PFM Roadmap	Lavea/ Marzan	Sep-Oct 21	Not Finalized
	Marshall Islands	Strengthen Budget Transparency	Seeds/ Higgins	Feb-22	13-May-22
	Kiribati	Draft PFM Act	McKenzie	Apr-22	Not Finalized
	Nauru	Agile PEFA Assessment	Lavea/ Seeds/ Uluinaceva/ Crooke	Mar-May 22	Not Finalized
	Niue	Review of PFMA	Lavea/ McKenzie	Nov-21	Not Finalized
	Tokelau	Strengthen Budget & Planning Process for Quality Spending	Lavea/ Keith	Apr-May 22	Not Finalized
	Tonga	Review existing legislation, reforms, expectation	McKenzie	Sep-20	Not Finalized
	Tonga	Finalizing PFMA	Lavea/ McKenzie	Aug-21	Not Finalized
	Tonga	Implement Improvements to Reconciliation process	Lavea/ Kauffmann	Sep-21	Not Finalized
Tonga	Implement Asset Management Framework	Lavea/ Cooper	Nov-21	Not Finalized	
<b>Financial Sector Supervision</b>	FSM	Banking Regulatory Reform	Hefty	Jun-19	Not Finalized
	FSM	Banking Legislation and Prudential Standards	Carvalho	Apr-20	Not Finalized
	Marshall Islands	Review of Prudential standards- Impact Study	Kumar	Nov-Dec 21	Not Finalized
	Palau	Review of risk Management Standards	Kumar/ Kacani	Jul-Aug 21	Not Finalized
	Papua New Guinea	SFEP-Regulatory Framework-Prudential Standards	Kumar/Pandey/Henderson	Mar-Apr 21	Not Finalized
	Papua New Guinea	Prudential Standards - Development of Impact Study Templates	Kumar	Feb-Mar 22	Not Finalized
	Solomon Islands	SFEP – Regulatory Framework – Prudential Standards	Kumar/ De Bie	Dec-20	06-Jan-2022
	Solomon Islands	SFEP-Financial Risk Analysis Process	Kumar	Apr-May 21	Not Finalized
	Solomon Islands	Review of Prudential and Risk Management Standards	Kumar/ Jones	Oct-Nov 21	Not Finalized
	Solomon Islands	FSI for Insurance Sector	Hafeman	Nov-Dec 21	Not Finalized
	Tonga	Financial Sector Diagnostic and review of select prudential standards	Kumar/ Awayiga/ Henderson	Aug-Oct- 21	Not Finalized
Tuvalu	SFEP - Off-site Financial Risk Analysis Framework- Bank Risk Profile and Banking Sector Risk Reports	Jones	Feb-Mar 22	Not Finalized	

TA Sector	Country	Title of Report	Author	Mission Month	Transmittal Letter Date
	Tuvalu	Development of a Consolidated Prudential Standard for Commercial and Development Banks	Kumar	Mar-22	Not Finalized
<b>Debt Management</b>	Palau	Develop high level debt management policy	Ferguson/Boman	Feb-Mar 22	Not Finalized
	Papua New Guinea	Review of organizational structure TA	Robinson/Buzas	Mar-22	Not Finalized
<b>Macroeconomic Programming</b>	Samoa	Tax Change Modelling	Beaumont	Feb-Apr 22	Not Finalized
	Solomon Islands	Inflation Forecasting	Beaumont/ Bullen	Jun-21/ Feb-22	11-Mar-2022
	Tuvalu	GDP Forecasting	Beaumont	Mar-Apr 22	Not Finalized
<b>Revenue Administration</b>	Cook Islands	Debt and Returns Management	Field	Jun-21	11-Jan-2022
	Cook Islands	Develop Standard Operating procedures for Core Tax functions	Bell/ Field/ Vivian	Feb-Mar 22	Not Finalized
	Cook Islands	Review AEOI Process	Velji	Feb-22	Not Finalized
	Fiji	Review of ASYCUDA and Customs Processes	Kerswell/ Norkunas	Feb-Mar 22	Not Finalized
	Fiji	Review VAT Monitoring System	Fisher/ Hamilton	Mar-Apr 22	Not Finalized
	Fiji	Current State Assessment of Tax Administration	Shrosbree/ Topping/ Velji	Apr-22	Not Finalized
	FSM	Tax Reform Modelling	Mullins	Feb-Mar 22	Not Finalized
	Marshall Islands	Review Tax Reforms and Core Tax Functions	Piper	Apr-May 21	17-Mar-2022
	Niue	Strengthen Core Tax Functions	Shrosbree	Sep-Oct 21	Not Finalized
	Niue	Implement Reform Process	Shrosbree	Feb-Mar 22	Not Finalized
	Palau	Implementation of Tax Reforms	Piper	Feb-Mar 22	Not Finalized
	Palau	Develop user specifications for new tax systems	Grant	Feb-Apr 22	Not Finalized
	Papua New Guinea	Development and Introduction of New Organizational Structure	Vivian/ Williams	Jun-Jul 21	25-Nov-2021
	Papua New Guinea	Implementation of New Organization Structure	Lendon/ Vivian	Dec-Jan 21	19-Apr-2022
	Solomon Islands	Implementation of Large Taxpayer Office	Shrosbree	May-Jun 21	Not Finalized
	Timor-Leste	Diagnostic Review	O'Keefe/ Story/ Woods	Nov-21	16-Feb-2022
	Timor-Leste	Enhance public information and website	O'Keefe	Feb-22	06-Apr-2022
	Tonga	Development of POS guidelines	Fisher	Aug-Sep 21	Not Finalized
	Tonga	Renewal of Compliance Improvement Strategy	Home/ Shrosbree	Oct-Nov 21	Not Finalized
	Tuvalu	Monitor and review implementation of CIS and Op Plan	Fisher	Apr-22	Not Finalized
Vanuatu	Strengthening audit and audit skills development	Home	Feb-Mar 22	Not Finalized	
Vanuatu	Training for TADAT self-assessment	Martens	Apr-22	Not Finalized	
Vanuatu	Develop taxpayer service strategy	Lendon/ Vivian	Mar-Apr 22	Not Finalized	

TA Sector	Country	Title of Report	Author	Mission Month	Transmittal Letter Date
Macroeconomic Statistics	Cook Islands	Decrease difference between GDP(P) and GDP(E)	Andrews	Aug-Sep 21	11-Mar-2022
	Fiji	Implement new annual benchmarks in QNA	Scheiblecker	Nov-21	Not Finalized
	FSM	GFS for General Government Operations	Temes	Oct-21	Not Finalized
	FSM	Refine Compilation Technique	Temes	Feb-22	28-Apr-2022
	Marshall Islands	Implementing non-market production	Scheiblecker	Feb-Mar 22	Not Finalized
	Marshall Islands	GFS for General Government Operations	Temes	Set-Oct 21	Not Finalized
	Niue	Update Annual National Accounts to 2018	Scheiblecker/ Freeman	May-21	14-Mar-2022
	Palau	GFS for General Government Operations	Temes	Nov-21	28-Apr-2022
	Samoa	GFS for General Government Operations	Temes	Aug-21	Not Finalized
	Samoa	Reduce discrepancy between GDP(P) and GDP(E)	Abbasi	Feb-Mar 22	19-Apr-2022
	Solomon Islands	Training on QNA Compilation	Scheiblecker	Nov-Dec 21	20-Apr-2022
	Solomon Islands	Compile SUTs	Powell/ Achille	Mar-Apr 22	Not Finalized
	Tonga	QNA Compilation	Scheiblecker	Sep-Oct 21	19-Apr-2022
	Tonga	QNA compilation - Training	Scheiblecker	Apr-22	Not Finalized
	Tuvalu	Balance of Payments	Rikardsson	Mar-22	Not Finalized