

# PACIFIC FINANCIAL TECHNICAL ASSISTANCE CENTRE

## QUARTERLY REPORT

November 2020



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

This report covers the second quarter of the 2021 Fiscal Year (FY2021/Q2) for the period August 1 to October 31, 2020. Given the protracted impact of the COVID crisis, the pace and breadth of PFTAC's remote delivery of Capacity Delivery (CD) has accelerated, particularly as techniques to deliver and receive the assistance have improved. At the mid-point of FY2021, a total of 55 remote missions or training events have been delivered (versus 81 at the same point in FY2020 with no travel restrictions or constraints), utilizing 556 technical assistance (TA) days versus 1,121 TA days by mid-FY2020. Remote missions typically require fewer remunerated short-term expert days given the savings in travel time and days worked on weekends. While the PFTAC experience with remotely delivered CD is broadly positive, it is not a perfect substitute for in-country face-to-face delivery. At the midpoint of FY2021, budget utilization is tracking just under 20 percent, while program delivery is between 24 percent (in TA days) and 29 percent (by mission count) against the workplans that were updated and endorsed by the Steering Committee in August, but remain very ambitious and were predicated on a resumption of travel in the second half of FY2021. These workplans will be carefully reviewed and amended by late November, and will likely be revised downwards if remote delivery is the only option through the remainder of the fiscal year.

## II. News

### Steering Committee and Governance Issues

A 90-minute Steering Committee update was convened remotely on August 20 for more than 65 participants following the success of the April 2020 virtual briefing of Steering Committee members and observers. The tightly packed agenda included a briefing by the external evaluators; an overview of the recently published Working Paper on PFM reforms in the Pacific (see below); informative updates by member country representatives about their experiences with CD delivered remotely by PFTAC; updates on several recent PFTAC initiatives; and perspectives of the impact of COVID-19 from Australia and New Zealand. The updates to the FY2021 workplans were explained ahead of a lapse-of-time review period for members to endorse the changes. If the level of interest and participation experienced with the August meeting is maintained, another short virtual briefing could be contemplated in early 2021. A January or February 2021 update may be particularly worthwhile given a 2021 scheduling shift of all IMF center Steering Committee meetings, moving from before the end of the fiscal year (March as has been past practice) until after the start of the new fiscal year (May or June). Considerable uncertainty prevails whether the annual 2021 Steering Committee meeting can be held in-

<sup>1</sup> PFTAC is generously funded by Australia, Korea, New Zealand, and the Asian Development Bank (ADB) and the European Union, and from November 2019, the Government of Canada. 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.

person in some manner or must be convened virtually if travel restrictions persist. A decision will be required by late March for a May/June meeting whether virtual or otherwise. The 2021 Steering Committee meeting will need to address crucial strategic issues about the future priorities and resource requirements for PFTAC given just a year remaining of Phase V. If an in-person event is viable, a venue will need to be identified, possibly Suva for ease of participation by stakeholders with representation in Fiji.

**The external evaluation is well advanced.** An extensive program of interviews is drawing to a close, as well as a series of online surveys for various stakeholder groups. Given the travel restrictions, the information gathering and interviews have all been conducted remotely by the Canadian based evaluators. The first draft of findings and recommendations are anticipated in December, and following an iterative review and feedback process, the exercise should conclude in early 2021 with a final report and recommendations well in advance for the consideration of the 2021 Steering Committee meeting and as an important input into Phase VI planning.

### Resumption of PFTAC Office Operations

**From September, PFTAC staff were authorized to gradually resume work from the Suva office after five months of work-from-home (WFH) arrangements.** In recognition of the effective suppression of COVID in Fiji, and in accordance with strict IMF risk mitigation policies, office operations are resuming in three phases: (1) limited essential staff – concluded early October; (2) workforce rotation – concluding mid-November; and progression to (3) the ‘new normal’. However, staff may for now continue WFH arrangements if they prefer. Plans are underway for the return or arrival of staff who have been working remotely from outside Fiji, with the return of the coordinator on October 1, and arrivals of recently appointed PFM and FSS advisors in November and the second PFM advisor in December. All staff arriving in Fiji from overseas are subject to a mandatory 14-day quarantine period.

### Piloting PEFA Assessment Climate Change Module in Samoa

#### Samoa: Pilot PEFA Assessment – Climate Change Module

The first pilot of the recently released PEFA climate change module is being trialed in Samoa. This assessment, the first anywhere in the world is being undertaken as a stand-alone exercise, building on the full PEFA assessment completed in Samoa in 2018.

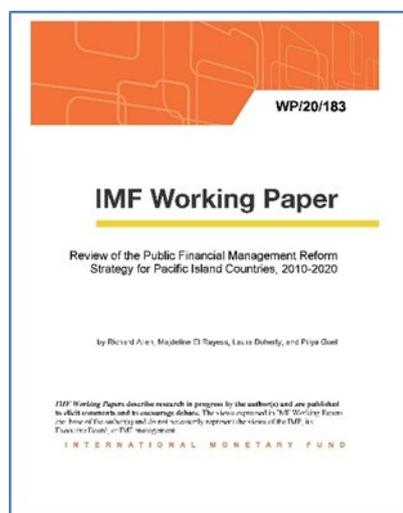
The assessment team led by PFTAC, includes members from a number of regional partners. The draft report will be peer reviewed by a team comprising members of regional entities (including the ADB, Australia, the European Union, IMF Fiscal Affairs Department, the PEFA secretariat, the Pacific Island Forum Secretariat, New Zealand, and the World Bank), all who have shown a great interest in understanding the newly designed module and its relevance for the Pacific and beyond.

The assessment will examine the responsiveness of Samoa’s PFM systems to the country’s climate change policies and objectives. The final output will assist the Samoan government to understand if their PFM systems support the government’s climate policy approach and identify opportunities to make PFM more climate responsive where gaps are identified. The pilot will also provide feedback to the PEFA Secretariat to further develop the module and refine the calibration of the indicators and dimensions, and to incorporate references to good practices and useful case studies. Further information is available from the PEFA Secretariat website: <https://bit.ly/2HyVad4>



## FAD Review of the Pacific Reform Strategy 2010-2020 Working Paper

### Review of the PFM Reform Strategy for 16 Pacific Island Countries



A recent IMF Working Paper<sup>2</sup> reviews the Public Financial Management (PFM) reform strategy for 16 Pacific Island Countries (PICs) during the period 2010-2020. This strategy was set out in the “Public Financial Management Roadmap for Forum Island Countries” which was published in 2010 and endorsed at the meeting of the Forum Economic Ministers Meeting (FEMM) in the same year.

The FEMM Roadmap, which was drafted jointly by the Pacific Islands Forum Secretariat and PFTAC, focused on three broad objectives: (i) PICs should undertake Public Expenditure and Financial Accountability (PEFA) assessments every three years; (ii) practical, shared action plans should be derived from these PEFA assessments and used as the basis for delivering capacity development (CD) activities; and (iii) this work would receive support from dedicated regional PEFA resources and development partners, coordinated by PFTAC. The Roadmap also provided for an expansion of PFTAC’s resources to support capacity development activities related to PFM: the number of resident PFM advisors was increased from one to two in fiscal year 2013.

The Working Paper analyzes more than 30 PEFA assessments carried out across the region, as well as the action plans (roadmaps) prepared by the PICs, and the CD activities provided over the past ten years by PFTAC and other development partners which are active in the region. The region shares the generally slow pace of PFM reform that is also a feature of most developing countries. Some PICs have improved their PFM performance significantly, while in others PFM reforms have stagnated. Reforms have suffered from the small size and low capacity of many PICs, poorly designed PFM roadmaps, variable political support for reform, and vulnerability to natural disasters.

The Working Paper recommends that in the next five years, there should be a more granular and targeted approach to PEFAs. PICs should focus on basic PFM reforms and more transparent public finances, as well as (where capacities allow) better management of climate change considerations, public infrastructure, gender inequalities, and state-owned enterprises. Perseverance by countries in implementing reforms and leadership by finance ministries are critical. The COVID-19 crisis has shown that new technologies and ways of communication could benefit future modalities of CD delivery, making it more interactive and flexible. The use of webinars, peer learning through remote exchange, or even remote CD missions could be good supplements to hands-on in person CD delivery.

## Debt Management Program

**The IMF in partnership with PFTAC is launching a three-year capacity development project in debt management for the Pacific region.** The project, which is funded by the Japanese government and implemented over FY 2021–23, will primarily assist PFTAC member countries to strengthen public debt management capacity.

With both the size and the complexity of the debt stock increasing throughout the region, debt levels and debt management are areas of widespread and significant macro-critical concern for Pacific Island Countries, and the

<sup>2</sup> Allen, R., M. El Rayess, L. Doherty, and P. Goel. “Review of the Public Financial Management Reform Strategy for Pacific Island Countries, 2010-2020”. *IMF Working Paper*, WP/20/183, September 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>

COVID-19 crisis has only increased the importance of delivering technical assistance to help address these issues. The project will adopt a comprehensive and programmatic approach to target country needs, and will focus on building institutional capacity on a sustainable basis through the close support of a long-term resident advisor based in PFTAC.

The project is designed to strengthen the debt management capabilities of PFTAC member countries by: (i) building capacity in debt-related analyses and reporting; (ii) building capacity to implement debt and risk management strategies; (iii) strengthening the institutional arrangements for debt management; and (iv) improving the functioning and depth of domestic debt markets. The placement of a regional advisor is expected to enable the type of responsive, frequent, and customized technical assistance that has been successful in building similar capacities in other regions, such as West Africa and the Caribbean. Enhancing capacity in debt-management activities strongly complements PFTAC's current work program, which includes a focus on public financial management, macroeconomic analysis, and macroeconomic statistics. The project will aim to leverage and closely integrate capacity development efforts by other development partners.

### Staff Updates

#### Farewell to Richard Neves



After more than 15 years working in some way, shape or form in the Pacific, I will be off to an IMF role in Mozambique. I would just like to thank everyone for the friendship and opportunities the region has provided me with during this time.

My time in the Pacific has included four years with PFTAC, four and a half years as the Cook Islands Financial Secretary, and five years as an advisor in the Ministry of Finance in Timor shortly after it gained independence.

Many changes in the Pacific have occurred during that time but the relationships which are formed don't change, they endure. A really difficult aspect of COVID-19 is that people are not able to physically convene and just get to know each other.

A key point during my tenure in PFTAC has been to ensure that development partners work closely together to ensure a better understanding of the challenges countries face, and work more closely to provide their clients with an optimal service and provide assistance which is practical and sustainable.

Working closely with countries on various issues has been a great personal satisfaction, but if I were to pick one thing out, it would be the work we have done to improve information (both regionally and in country) sharing and management of fishing revenues.

I wish you all well and hope to catch up sometime in the future, and don't forget I am only a WebEx meeting away.



**Paul Seeds**, a British national, is replacing Richard Neves as resident PFM advisor. Paul joined PFTAC October 1, 2020 from East AFRITAC, IMF's technical assistance center for East Africa, where he has worked for the past five years. Starting his overseas career in Kiribati, he has worked extensively with many development partners covering 20 countries, in a career spanning nearly 40 years.

Paul has a wealth of experience designing and implementing broad ranging PFM reforms, including the implementation of financial management information systems in several countries. Paul is a fellow of the Chartered Institute of Management Accountants and holds an MBA from the CASS Business School, City University of London. He has been working remotely but arrived in Fiji on November 5.

### III. PFTAC Developments

#### FY2021/H1 Activity – by country and program

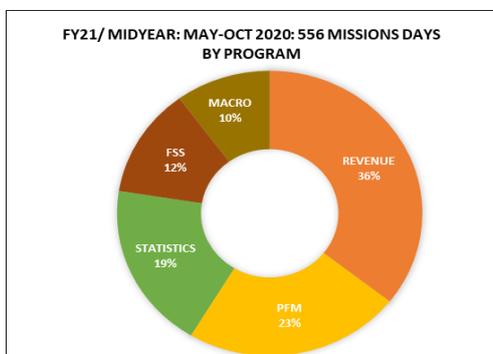
##### Activity – by program

Program	Midyear Outturn			
	LTX	STX	Total	Missions
Public Financial Management	61	67	128	11
Financial Sector Supervision	33	36	69	10
Government Finance Statistics	40	0	40	4
Real Sector Statistics	65	0	65	8
Revenue Administration	14	164	178	13
Legal/Tax Policy	0	20	20	4
Macroeconomic Programming and Analysis	44	12	56	5
<b>Total</b>	<b>257</b>	<b>299</b>	<b>556</b>	<b>55</b>

**PFTAC delivered 556 days of Technical Assistance (TA) over 55 distinct missions or activities during the first half of FY2021 (May – October 2020).**

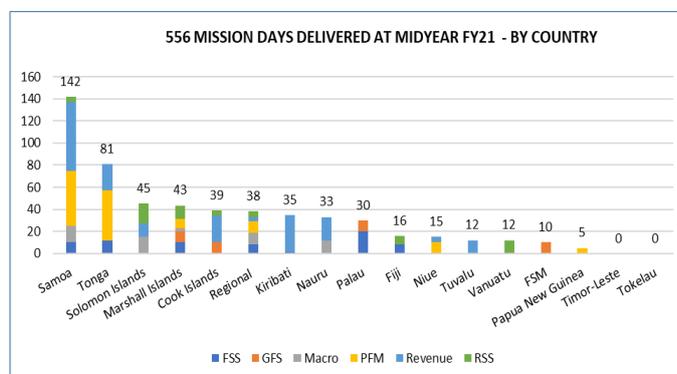
Mission delivery at the end of Q2 remained modest against the updated workplans at only 24 percent of TA days and 29 percent of planned mission/activities based on the August post-COVID revised workplan. Typically, the mid-year outturn is within a range of 40 – 50 percent. The current outturn is a

result of delivering remote TA because of border closures and international travel restrictions that are expected to ease and allow a limited resumption of in-country TA activity by late 2020 or early 2021.



More positively, the resident advisors remained actively and productively engaged with country authorities in delivering remote TA missions across all program areas. The fiscal sector accounted for more than half of PFTAC’s effort at 60 percent with Revenue program at 36 percent and PFM at 23 percent. This was followed by Statistics program at 19 percent comprising the Real Sector Statistics (RSS) and Government Finance Statistics (GFS) sub-programs; then Financial Sector Supervision (FSS) at 12 percent; and finally, Macroeconomic Programming at 10 percent.

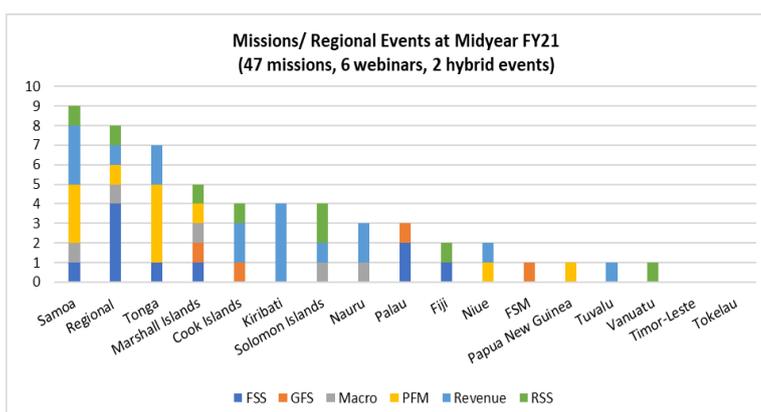
In terms of TA support by country, 14 of 16 PFTAC member countries received direct CD support (except **Timor-Leste** and **Tokelau**) with 47 remote missions delivered requiring 518 TA days and 8 regional activities comprising 6 webinars and 2 hybrid events required 38 TA delivery days. **Samoa** received the highest number of missions (9) with 142 TA days across 5 programs followed by **Tonga** with 81 TA days (7 missions), and **Solomon Islands** receiving 45 TA days (4 missions) across three program areas. Of 556 TA days delivered in the field, 299 were delivered by short-term experts (STX) and 257 by the resident long-term experts or advisors (LTX). Revenue and PFM continued to utilize STX along with the FSS program given the success of remote delivery leveraging off the well-established network relationship the experts have with their Pacific



Program	Percent of Updated Plan Delivered at Oct-31			
	LTX	STX	Total	Missions
Public Financial Management	29%	25%	27%	31%
Financial Sector Supervision	27%	16%	20%	28%
Government Finance Statistics	39%	0%	31%	31%
Real Sector Statistics	49%	0%	27%	38%
Revenue Administration	20%	20%	20%	23%
Legal/Tax Policy	0%	29%	29%	57%
Macroeconomic Programming and Analysis	28%	27%	28%	26%
<b>Total</b>	<b>32%</b>	<b>19%</b>	<b>24%</b>	<b>29%</b>

counterparts. The Macro program delivered a single STX mission while the Statistics missions continue to be delivered by the resident advisors. Several of the missions initiated during the first half of the fiscal year are envisaged to be completed over several months due to multiple factors affecting remote work such as connectivity and communication between the mission experts and the authorities.

The Revenue program mainly focused on activities around preserving the revenue base - strengthening compliance and audit functions, industry partnerships, support on functional organization structure, improving tax arrears and returns collection, and formulation of business continuity plans in light of the pandemic. Legal assistance was provided on tax legislation drafting for Kiribati, Nauru and Niue and tax policy support to Cook Islands and Nauru. With a stable and temporarily expanded PFM team, TA delivery picked up momentum. Assistance on PFM Roadmaps was provided to Tonga and Papua New Guinea with missions to Tonga on cash basis IPSAS financial statements and on cash management to Samoa. Finalization of PFM legislation for Niue is well advanced with a review of existing PFM legislation launched for Tonga. Additionally, the PFM team along with members from regional organizations commenced the PEFA assessment for Samoa piloting the newly developed Climate Module recently released by the PEFA Secretariat. The mission examines the responsiveness of Samoa’s PFM systems to the country’s climate change policies and objectives and will identify opportunities for improvement. A broad range of development partners are contributing towards this through the peer review process. This follows a successful Agile PEFA and Gender Responsive PEFA assessments in Tonga in late 2019.

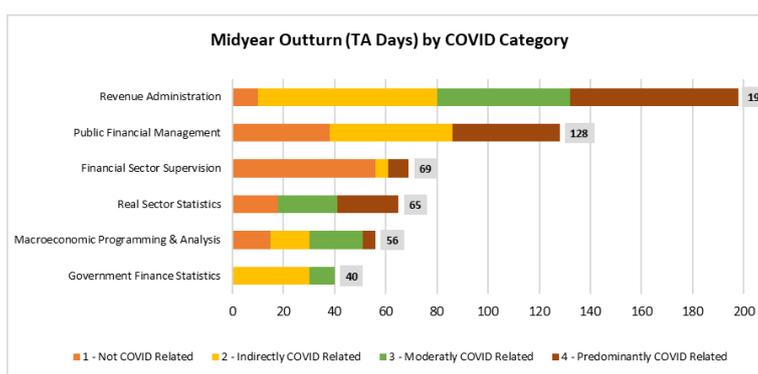


In addition to a series of FSS webinars on banking supervision and missions to Fiji, Palau, Samoa, and Tonga during the first quarter, risk based supervision (RBS) training was provided to Marshall Islands plus the contribution of the resident advisor in the peer review of Kiribati’s financial system coordinated by New Zealand’s Ministry of Foreign Affairs and Trade. Samoa and Tonga received follow-up assistance on a package of regulatory reforms for the insurance sector. Under the Macro program, Nauru received support on macro-fiscal forecasting. On Statistics, TA on GFS-for General Government (GG) Operations was provided to FSM and Palau and an RSS mission to Solomon Islands and Vanuatu helped with the compilation of experimental quarterly national accounts (QNA) plus GDP compilation assistance to Marshall Islands.

Four regional events were delivered, one each under the Macro, PFM, Revenue, and RSS program. During August, the macro advisor facilitated a remote Seminar on the Economic Impacts of Covid-19 on Pacific Island Countries in conjunction with the IMF’s Singapore Training Institute (STI). Participants were trained on modeling economic impacts and policy measures in response to the pandemic. In October, the Fiscal Affairs Department in collaboration with PFTAC, PITAA, and the IMF’s South Asia Regional Training and Technical Assistance Center (SARTTAC) organized a remote workshop on Reinventing Tax Collections and Restoring Compliance Post COVID-19. Six countries that are heavily dependent on tourism income participated and developed targeted

revenue collection plans with another session planned for Q3. In early September, a joint initiative between PFTAC, UNDP, and USP delivered a hybrid remote/in-person workshop on **Improving Budget Documentation** that focused on the basics of good budget documentation and greater fiscal transparency across the region, a critical area of focus given the COVID-19 context. Finally, the RSS advisor delivered hybrid **Training on QNA and Seasonal Adjustment** for staff of National Statistical Offices and Central Banks of six participating countries from the Fiji Bureau of Statistics (FBOS) office with resident FBOS staff participating in person. The Australian Bureau of Statistics (ABS) financed an external expert to assist PFTAC on selected sessions of the training.

At the FY2021 midpoint, 75 percent (419 TA days) of total delivered TA days is associated with member country priorities responding to the COVID-19 pandemic. The Revenue, PFM, and RSS programs account for a significant portion of TA efforts that are predominantly COVID related. These relate to missions around strengthening tax compliance and mitigation efforts such as development of business continuity plans. PFM focuses on strengthening cash management, PFM Roadmaps and budget documentation with RSS support on production of QNA data as timely high frequency economic data are needed for effective policy interventions.



**The current workplan endorsed in August by the Steering Committee is predicated on the resumption of travel from late 2020**, but will be further revised in November in light of current COVID restrictions that will likely continue into 2021. PFTAC will continue to consult member countries on TA priorities and absorptive capacity challenges over the coming months and as necessary will shift TA to better reflect new or evolving needs while working within the constraints faced by members in terms of connectivity and communications. Although there are no immediate budgetary constraints, a small number of missions that are not conducive to remote delivery will be adjusted (postponed or dropped), particularly where the authorities have asked for a delay until the resumption of travel.

**Against the current workplan, TA delivery is between 24 percent (in TA days) and 29 percent (missions) suggesting the year-end outturn is on a trajectory towards 50 – 60 percent of the current workplan if travel restrictions are not lifted before FY2022**, but conversely, the outturn percentage could be higher if some travel resumes. The budget outturn for LTX travel and workshops/training at midyear is unsurprisingly zero while the outturn for short-term experts is only at 13 percent covering the salary component for experts performing remote missions without any travel costs, and the resulting fewer mission days required. All three budget categories will underspend at yearend even if activity outturn is reasonably robust. Savings from the current fiscal year will be carried forward to the FY2022 budget envelope – currently the final year of PFTAC’s fifth operational and funding phase.

### Financial Report

**Donor and member contributions reached US\$ 32.78 million for Phase V with US\$ 500,000 received from Korea and US\$125,000 from Fiji during the quarter.** While receipt of any outstanding member contribution is gratefully appreciated, they are not being actively solicited given the COVID crisis and the financial stress some

countries face. Two final donor commitments are expected soon to finance the final year of Phase V operations, namely a further AU\$ 2 million from Australia and US\$ 500,000 from Korea.

	Proposed Contributions for Phase V (US\$)	Contributions Received	LoU Status
<b>Member Countries</b>			
Fiji	\$ 687,500	\$ 625,000	v
Cook Islands	\$ 110,000	\$ 80,000	v
Nauru	\$ 82,500	\$ 82,026	v
Tokelau	\$ 11,000	\$ 11,000	v
Vanuatu	\$ 165,000	\$ 150,000	v
Kiribati	\$ 82,500	\$ 65,905	v
Tonga	\$ 110,000	\$ 49,921	v
Samoa	\$ 165,000	\$ 165,000	v
Tuvalu	\$ 27,500	\$ 17,500	v
Niue	\$ 27,500	\$ 9,950	v
Solomon Islands	\$ 165,000	\$ 165,000	v
PNG	\$ 1,375,000	\$ 875,000	v
Marshall Islands (RMI)	\$ 110,000	\$ 50,000	v
Palau	\$ 110,000	\$ -	Pending
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>\$ 2,386,302</b>	
<b>Donors</b>			
ADB	\$ 800,000	\$ 800,000	v
Korea	\$ 2,500,000	\$ 2,000,000	v
New Zealand	\$ 12,145,192	\$ 12,145,192	v
Australia	\$ 9,004,929	\$ 7,488,820	v
Canada	\$ 1,136,191	\$ 1,136,191	v
EU	\$ 6,829,713	\$ 6,829,713	v
<b>Sub-Total Donors:</b>	<b>\$ 32,416,025</b>	<b>\$ 30,399,916</b>	
<b>Total</b>	<b>\$ 36,304,525</b>	<b>\$ 32,786,218</b>	

**Expenditure to October 31 is US\$ 1.5 million, only 19.5 percent of the US\$ 7.8 million budget for FY2021 (excluding the trust fund fee).** Under normal circumstances, projected expenditure outturn at the mid-point of the fiscal year would be expected to be close to 50 percent. However, FY2021 is not a normal year given the impact of COVID-19. Even with relatively robust program delivery via remote and hybrid modalities, several budget allocations have little if any charges that is unlikely to change until travel resumes. This includes the resident advisor travel budget (US\$ 460,000), and most of the US\$ 1.3 million workshop/training budget.

Utilization of the short-term expert (STX) budget of US\$ 2.2 million stands at just 13 percent (US\$ 302,012) but understates the impact on the workplan with 299 TA days delivered by STX at mid-FY21 against a plan for 1,535 TA days. This 19 percent delivery of STX days against the workplan however has contributed to a higher delivery of 29 percent of planned missions/activities at midyear. A contributing factor has been a slight shift in program delivery by resident advisors (LTX) versus STX. However, there are clear STX budget savings

from remote CD delivery, the obvious being avoidance of air fares, accommodation costs, and daily subsistence allowances that is also the case for LTX travel. However, STX salary costs are reduced in the absence of paid travel days, and weekends that are normally worked and compensated while on mission. For example, a typical two-week mission entails at least 14 paid salary days comprising at least one day travel in each direction, ten weekdays, and one intervening weekend. This compares to 10 paid salary days for a remote mission, whether delivered over ten consecutive or intermittent weekdays, or say 20 half-days. Thus, a remote mission can result in salary savings of 20 – 40 percent over and above the travel savings with the same activity count and mission output.

**Expenditure by yearend may fall several million dollars short of the FY2021 budget,** more without a resumption of travel, slightly less if some missions and a few training events can resume in early 2021. If FY2021 results in a US\$ 2 – 3 million underspend and is added to the US\$ 2.2 million final FY2020 underspend, a significant carry-forward of US\$ 4 – 5 million could be available for FY2022 which is currently the final scheduled year of Phase V. However, this could be reduced by as much as US\$ 1.3 million of outstanding member country contributions, of which at least half is unlikely to be received. Assuming a net carry-forward of US\$ 3 – 4 million, the current budget for FY2022 of US\$ 5.9 million could easily scale-up to around US\$ 8 million in line with FY2019 and FY2020 budgets in an environment unconstrained by COVID. Even if a scaled up FY2022 plan could be fully delivered, there is a strong likelihood that unexpended funds will exist at the end of FY2022, April 30, 2022, the currently scheduled end of Phase V.

## IV. Report on Program Activities and Achievements

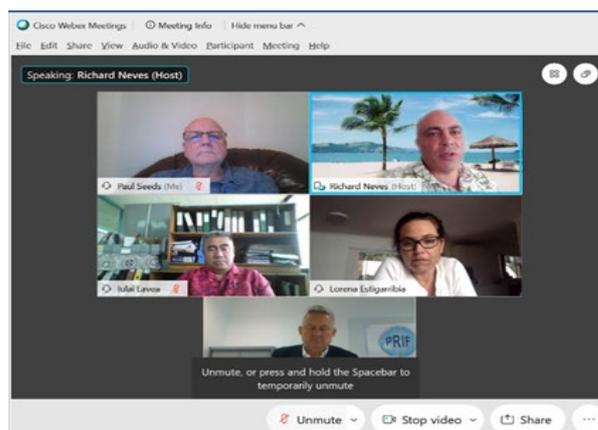
### Public Financial Management (PFM)

#### Getting to Know the PFM Advisors

PFM is a workstream supported by a multitude of development partners and regional institutions. PFTAC has always sought to coordinate its efforts with other players with a view to harnessing synergies and leveraging the maximum benefits for member countries. The PFM team's outreach activities and engagement with all stakeholder counterparts have played an instrumental role in nurturing collaboration and effective working relationships.

With the commencement of two new PFM advisors it was fitting to organize a series of virtual meetings as a means of introduction to a number of counterparts, including (to name just a few) the Pacific Regional Infrastructure Facility (PRIF), the Pacific Island School of Government, the New Zealand Ministry of Foreign Affairs and Trade (MFAT), World Bank country PFM advisors, the Asian Development Bank (ADB), advisors from the FSM, Papua New Guinea, Samoa and Tonga.

The sessions were facilitated by Richard Neves and gave the opportunity to the new advisors, Iulai Lavea and Paul Seeds, to discuss past interventions, areas and opportunities for coordination, challenges and ongoing reforms.



(WebEx discussions between PFTAC PFM Advisors and PRIF)

**Marshall Islands:** A remote mission that began in May was completed to help strengthen budget documentation. The current suite of documents presented with the Executive budget proposal was assessed against the criteria of the IMF's Fiscal Transparency Code (FTC). RMI are now preparing a document to explain the 2021 budget presented to the Nitijela (legislature) in October 2021.

**Niue:** STX Lynne McKenzie is undertaking a remote mission to update the legal framework. A draft PFMA has been provided to the Niuean authorities for feedback. The draft was developed following identification of the issues and anticipated additions and revisions of the current Act. The TA is expected to be completed by December 2020.

**Papua New Guinea:** Assistance with the development of a PFM Roadmap. Following finalization of the PEFA, the mission has been working remotely with the government and other partners to assist in the development of a roadmap that will guide reforms over the medium term.

**Samoa:** The September remote mission by STX Mark Silins reviewed the implementation of recommendations of the May 2019 mission and provided guidance on improving government cash management. It assisted the authorities to further build on recent improvements in cash management forecasting and consolidation of the current bank account structure. The mission also provided support to the authorities on usage of the Financial Management Information System (FMIS) – *FinanceOne* for efficient management of commitments and payables as well as the prerequisites for implementing a warrant system.

**PFM STX, Sue Morrison, has been working closely with the Samoan Ministry of Finance, supporting the implementation of risk-based auditing.** Building on earlier work on the government's procurement practices, this mission supported the initiation of the payroll risk-based audit. Support was provided to: (i) review progress on previously made recommendations; (ii) review preparatory work for the whole of government audit on payroll; (iii) update the draft internal audit practice guide and manual; and (iv) provide advice on the establishment of the Audit Committee.

#### Regional Workshop on Budget Documentation and Report Writing: September 22 – October 9

A joint initiative between PFTAC, UNDP, and the University of the South Pacific (USP) delivered a hybrid remote/in-person workshop during the months of September and October that aimed to create an environment similar to the experience of a physical workshop. The workshop for **Improving Budget Documentation** built on an earlier 2019 workshop to facilitate greater transparency around budget documentation.



Participants from two different functional areas of government (senior budget officials and members of legislative secretariats who provide budget analysis to members of parliament) were invited to attend the workshop that was held over a period of four weeks. Provision of a live stream link was limited to encourage participants to attend their local USP campus facility where local conditions permitted in-person participation in a COVID-19 safe manner.

The workshop comprised:

- Four live sessions involving panels of experts, hosted from the Laucala Bay USP Campus in Suva that was live streamed to the various USP campuses across the Pacific where participants were located (as opposed to their desks at home or in the office); and
- Four pre-recorded presentations to inform participants on the topic at hand and to be played locally at the USP campus ahead of the live session.

All live sessions were recorded and made available to all participants in case they could not attend on the day or experienced connectivity challenges. The covered topics included the basics of good budget documentation and how to handle the COVID response in the budget; the importance of incorporating fiscal policy into budget documentation; documenting gender responsive budgeting and disaster resilience; and developing citizens budgets to inform stakeholders.

Other stakeholders, such as development partners and line ministry representatives also joined the event at the USP campus facilities and in other cases via remote connection.

**For several years, Pacific countries have sought greater direct access to sources of climate financing such as the Green Climate Fund (GCF) and the Adaptation Fund (AF).** These funds have specific eligibility requirements such as evidence of a country's fiduciary processes. The Public Expenditure and Financial Accountability (PEFA) framework and assessments provide a snapshot of a country's PFM systems that may help inform decision making on climate financing. The recent launch of the PEFA Climate module by the PEFA Secretariat provides a

further tool that is expected (along with the regular PEFA assessment) to provide evidence to better facilitate a country's direct access to climate financing.

**At the request of the Samoan authorities, a remote mission in October led by PFTAC with a team of experts from several expert organizations<sup>3</sup> undertook an assessment of the climate responsiveness of Samoa's PFM policies and systems.** This is the first assessment undertaken with the Climate Responsive PFM module that was developed by the PEFA Secretariat. The recently designed module has been released for pilot testing over the next year with the Samoan assessment being the first application of the module. As such, the exercise has two objectives; namely (1) to assess the responsiveness of the PFM systems of Samoa to climate change and (2) to test and provide feedback on the design of the new module.

The final output will assist the Samoan government to understand if their PFM systems support the government's climate policy approach and help identify opportunities to make PFM more climate responsive where gaps are identified.

**Tonga: a remote TA mission in September by STX Lynne McKenzie commenced work on Tonga's primary PFM legislation, the Public Financial Management Act 2002 (PFMA).** The TA is planned over an extended period concluding in December 2020. It will review the current legal framework, focusing particularly on the PFMA and other relevant legislation and propose a set of PFMA amendments for the consideration of the authorities to help advance the PFM reforms identified in the roadmap recently developed with the assistance of PFTAC.

**STX Kris Kauffmann has been engaged to develop Tongan capacity in production of their financial statements consistent with IPSAS cash accounting standards.** The work is being conducted remotely and has required close work with the Tongan authorities to adopt IPSAS cash as a first step to enhance cash reporting and improve transparency of the public accounts.

### Revenue Policy and Administration

**Kiribati:** During October, STX Martin Scott delivered remote TA to the Kiribati Taxation Division (KTD) over 12 days between October 12 and November 5, 2020. The expert reviewed the status of implementation of the recommendations provided in the previous visit **and provided further assistance with enhancing the compliance improvement plans, improving taxpayer services, as well as strengthening tax arrears and return filing management.**

**Legal expert, STX Lee Burns provided further support to review the Small Business Tax (SBT) legislation and finalize the tax law amendments for seabed mining (SBM).** His assignment was a follow-up from remote assistance provided in June 2020. The SBM tax legislation is expected to be submitted to Parliament in November. To this end, the mission reviewed comments on the third draft of the SBM tax legislation to help finalize a fourth draft of the legislation, technical notes, and consequential amendments to the Revenue Administration Act (RAA). The mission also assisted the Kiribati Tax Department and the Kiribati Seabed Mining Technical Assistance Committee with stakeholder consultations.

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<sup>3</sup> PFM and climate change experts from the World Bank, the Pacific Regional Infrastructure Facility (PRIF), the Pacific Islands Forum Secretariat (PIFS), and the World Bank based Public Expenditure and Financial Accountability (PEFA) Secretariat contributed to the mission.

**Nauru:** In response to a request from Nauru Revenue Department (NRD), an October remote assignment by legal STX Lee Burns helped draft legal amendments and assisted with the consolidation of taxation laws. As a small island nation, the Nauru business profits tax (BPT) is imposed on a territorial basis so that residents and non-residents alike are taxed only on Nauru source income. The decision was taken to extend the tax base under the BPT so that residents are taxed on worldwide income. **The expert commenced work on a draft Business Tax Amendment Act 2020 providing for worldwide taxation of residents as well as the drafting of a detailed technical note explaining the amendments in the Act, and consolidation of various tax legislations.**

**Samoa:** Revenue STX Lynley Sutherland assisted the Samoa Ministry of Customs and Revenue (MCR) to further strengthen the tax audit function and develop strategies to manage real time data and reports from the Tax Invoice Management System (TIMS). The assignment was remotely delivered using email and video links to: (a) review the Audit and Investigations Division (AID) Improvement Plan; and (b) assist with developing strategies and identifying the compliance outcomes of TIMS and its impact on the audit function. An action plan was prepared to address areas of slippage against previously recommended actions and to develop and implement a TIMS data management strategy.

**An assignment between September 21 and October 8, 2020 by STXs Stan Shrobbree and Jonathan Matthews provided remote TA to the Samoa MCR to review and renew the MCR Compliance Improvement Strategy (CIS).** Previously, PFTAC assisted the MCR to develop a Compliance Improvement and Risk Response Plan and Industry Partnership Project. Developing a CIS is a key step towards tightening compliance. The experts reviewed the current CIS, including the assessment of its results and effectiveness, and provided assistance with the development of a renewed CIS that considers the COVID-19 challenges.

**An assignment launched in late October by resident advisor Georg Eysselein and STX Stan Shrobbree remotely assisted the Samoa MCR with the development of Business Continuity Plan (BCP).** The BCP will assist the MCR to respond to an epidemic, pandemic and other natural disasters, giving priority to preserving the health and safety of staff and taxpayers while safeguarding the MCR's most critical tax collection functions and returning to normal operations as quickly as possible after disruptions subside. The BCP will be closely aligned to the new CIS and include managing the MCR's interactions with taxpayers whilst meeting business objectives and collecting revenue.

**Solomon Islands:** The remote assignment by STX Stan Shrobbree to the Solomon Islands Inland Revenue Department (SIIRD) reviewed implementation of a function-based structure and establishment of the Large Taxpayer Office (LTO). Guidance to ensure successful outcomes included: (a) reviewing the project plans and governance arrangements; and (b) identifying bottlenecks and barriers to implementation and providing solutions to further progress the implementation of the new structure and the establishment of the LTO. **Although compliance activities for LTO taxpayers have only recently commenced, the mission noted positive trends such as a reduction in debt and improvements to filing and payment rates.** The expert additionally facilitated the development of a Modernization Business Case in support of the introduction of SIIRD's new structure and staffing arrangements to present to key Government stakeholders including the Ministry of Finance (MoF) and the Public Service Commission (PSC).

**Tuvalu:** The Inland Revenue Department Director requested assistance with the development of a three to four-year corporate plan that is aligned with the recently finalized Government of Tuvalu (GoT) National Strategic Development Plan. **The remote assignment by STX Rick Fisher raised awareness of an effective strategic management framework; assisted with environmental (internal and external) scan and analysis; facilitated**

workshops with staff on renewed strategic planning and assisted with the drafting of corporate plan and the first-year operational plan.

### Regional Workshop on Re-Invigorating Tax Collections Post COVID-19

A cross-regional workshop series is being trialed to deliver capacity development (CD) during the COVID-19 travel restrictions, bringing together countries across regions with similar issues and characteristics.

A workshop on *reinvigorating tax collections and restoring compliance post COVID-19* was delivered jointly by the Revenue Administration Division of the Fiscal Affairs Department with PFTAC, PITAA, and the IMF's South Asia Regional Training and Technical Assistance Center (SARTTAC), with two webinar sessions delivered in October and a third planned for early December to assist in developing country-specific action plans, key deliverables of the workshop series.



Six countries are participating in the workshops, namely **Bhutan, Cook Islands, Fiji, Maldives, Samoa and Tonga**. These countries were selected on the basis that they are small administrations with economies that are highly dependent on tourism. The tourism industry has been one of the most severely impacted sectors from the COVID-19 lockdown with these countries specifically impacted. The workshop focuses on revenue enhancing strategies, but recognizing the impact of the pandemic on the economy.

The drafting of country-specific and targeted revenue collection plans are key outcomes from the first workshop session. The second workshop session provided support by answering questions from participants and providing further advice. This will be followed by engagements with each country to discuss their plans and make recommendations for improvements and refinement of the action plans before the final feedback and evaluation session on December 1.

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**Regional:** the revenue advisor, Georg Eysselein attended the *Pacific Islands Tax Administrators Association's (PITAA) 17th Annual Heads Meeting 2020* that was convened remotely with the attendance of 13 PITAA member countries. Additionally, the revenue advisor joined the *Asian Development Bank (ADB) Webinar on Achieving the Sustainable Development Goals and Strengthening Domestic Resource Mobilization and International Tax Cooperation* during the 53<sup>rd</sup> Annual Meeting between September 17 – 18, 2020.

### Financial Sector Supervision (FSS)

**Country Discussions:** Rajinder Kumar, the newly appointed resident FSS Advisor, reached out to 13 out of 16 PICs served by PFTAC to establish contact and to acquaint himself with the countries' financial systems and supervisory priorities. During the discussion sessions, LTX Kumar took the opportunity to brief the authorities about upcoming FSS missions. He acknowledges the openness of the countries in their discussion of the supervisory issues they face and is grateful for the time spent by the senior supervisory management and staff in the WebEx calls. Rajinder looks forward to working closely with the authorities and intends to follow-up the introductory calls with more detailed discussions with each country on their TA priorities over next two-three years, and hopefully in-person as travel resumes.

**Kiribati:** the resident FSS advisor participated remotely from Albania in the peer review of the New Zealand Ministry of Foreign Affairs and Trade (MFAT) sponsored work to strengthen the supervision of the Kiribati financial system. The project is planned over three stages between September and January 2021 with peer review of a draft inception report, review of the project objects and purposes, and a review of draft legislation and prudential standards. Although not a directly delivered PFTAC project, the PFTAC assistance through the peer review of the New Zealand supported assistance is consistent with PFTAC objectives to strengthen the supervision of the financial system in Kiribati and a good example of partner collaboration.

**Marshall Islands:** During September and October, resident FSS expert Rajinder Kumar and STX Tijs De Bie provided remote training to the Marshall Islands Banking Commission (MIBC) on the operation of risk-based supervision (RBS) frameworks (focusing on components) and key areas of banking risk management (credit risk, operational risk, liquidity risk and market risk). PFTAC has been working with MIBC for several years on banking regulatory reform. This work is a continuation that is expected to be completed by the end of FY2021 with the finalization of a redrafted banking law and suite of regulations. The mission team developed training material that included a PowerPoint presentation for each of the training subject areas (operation and structure of RBS frameworks, credit risk, operational risk, liquidity risk, and market risk) that was delivered via recorded WebEx video. After the authorities complete the training, a bilateral Question & Answer session will be held and documented with a written summary of the Q&A sessions.

### Real Sector Statistics (RSS)

**Marshall Islands:** In response to a request from the authorities and with the support of the IMF Asia Pacific Department (APD), a remote TA mission assisted the Marshall Islands Economic Policy Planning and Statistics Office (EPPSO) during August 17 – 28, 2020. **The mission provided basic training in national accounts for the recently hired staff member and reviewed progress of value-added compilation by industries since the last mission in September 2019.** The mission evaluated the work to date on estimating electricity, fishing, and water production and worked with staff to establish data sources and methods to estimate value added for the construction industry. **The mission recommended EPPSO to broaden its data collections from these industries to replace the large amount of assumptions currently included in its calculations and to resume the business survey to acquire tailor made data for national accounts purposes.**

**Quarterly National Accounts:** The COVID-19 pandemic has severely affected the economies of PFTAC member countries. Governments, businesses, and citizens require timely, high frequency data in order to track the depth of the recession and the pace and shape of the recovery. Given the current situation and the need for timely fit for use sub-annual indicators, **the IMF's Statistics Department worked with PFTAC to establish a program that could help PFTAC member countries to remotely compile experimental Quarterly National Accounts (QNA) for all those Pacific countries that currently only compile annual estimates.** This is intended to serve as a starting point for a permanent implementation by the countries at some future point.

**During the second quarter, PFTAC resident advisor Marcus Scheiblecker mobilized two remote QNA missions, respectively to Solomon Islands and Vanuatu.** In July 2020, the Governor of the Central Bank of the Solomon Islands requested PFTAC to support the country with the implementation of a QNA program. The mission commenced work with the authorities to produce QNA statistics by industries. GDP(P) quarters in nominal and volume terms will be derived and sent to the authorities for information and eventually endorsement and continued production.

### Regional Workshop on Quarterly National Accounts and Seasonal Adjustment: September 15 – 30, 2020

PFTAC conducted a remote workshop on **Quarterly National Accounts and Seasonal Adjustment** during September 15 – 30, 2020. The workshop targeted staff of National Statistical Offices and Central Banks responsible for producing quarterly national accounts (QNA) and applying seasonal adjustment (SA) methods with participants from **Cook Islands, Fiji, Samoa, Solomon Islands, Tonga** and **Vanuatu**. The PFTAC resident advisor held remote trainings from the Fiji Bureau of Statistics with staff participating in-person. Two observers from the Australian Bureau of Statistics (ABS) attended with ABS financing an external expert from Canada to support PFTAC during the Seasonal Adjustment sessions.

Currently, only two out of PFTAC's 16 member countries compile QNA. Over the last year, in the wake of the COVID-19 pandemic, the demand for timely high frequency economic data has increased considerably. The two countries currently compiling QNA (the Cook Islands and Samoa) do not yet produce seasonally adjusted data. In 2019 PFTAC conducted missions to Vanuatu and Tonga and produced feasibility studies on the introduction of a QNA program for both countries. In 2020, the Central Bank of the Solomon Islands requested PFTAC assistance to introduce QNA. Fiji is currently implementing QNA and requires additional training for its staff. This workshop therefore was very timely given the extent of the work taking place in the region.

The workshop included presentation sessions on general and specific aspects of the QNA framework as embodied in the QNA Manual, 2017, organizational issues, QNA compilation approaches, benchmarking methods, treatment of outliers and breaks in time series, application of the software *Ecotrim* and *JDemetra+*, data editing, and quality control of input and output data with publication and revision processes.

The second core training component focused on Seasonal Adjustment where participants were trained to use analytical techniques to break down a series into its seasonal, trend-cycle, and irregular components as users may seek the assistance of compilers to quantify such effects to better understand the underlying base trends in a given time series.

Overall, the workshop was completed successfully despite the challenges of remote delivery. PFTAC recorded the WebEx presentations and shared them with those countries that could not join the sessions in real time due to network challenges. A similar workshop on Annual National Accounts compilation will be convened later in the fiscal year.



### Government Finance Statistics (GFS)

**FSM:** In response to a request from the Micronesian authorities and with support of the IMF's Asia Pacific Department (APD), a remote TA mission was conducted from Madrid, Spain by resident GFS advisor Luis Temes during October 5 – 13, 2020. **The mission assisted the National Statistics Office (NSO) in the compilation and dissemination of government finance statistics (GFS) and public sector debt statistics (PSDS).** Recommendations from the previous mission were reviewed. Due to the unavailability of audited financial statements for FY 2019 – the official source data for compiling GFS and limited capabilities of the NSO, **the mission provided hands on training on the basic GFS concepts and definitions, the compilation procedures, and Excel skills. The mission also worked on the compilation of a GFS time series for public corporations (FY2010-18), grant classification and followed-up on the CoA and FMIS reforms.**

**Palau:** resident advisor, Luis Temes conducted a remote mission from Madrid Spain during September 14 – October 1, 2020 to assist the Office of Planning and Statistics (OPS). Using provisional figures, the mission **assisted in the preparation of the GFS working files to finish the compilation of BCG GFS** and recommended the update of the relevant files once the audit is completed and resubmit the series to the IMF Statistics Department. **Assistance on consolidated general government (GG) GFS time series FY2008-18 was also provided** and issues regarding grants were addressed during the consolidation process. **Detailed practical guidelines to ensure business continuity were drafted** to assist the GFS compiler in future consolidation.

Against earlier recommendations, the mission noted limited progress and **assisted in the compilation of annual GFS data series FY2010-18 for public corporations (PCs) that will enable OPS to compile PSDS for submission to the joint World Bank/IMF debt statistics database.** The mission also assessed the GFS mapping in the Chart of Accounts (CoA) launched in April 2020 – the **structure of the CoA largely accommodates the requirements of GFS compilation**, and the inclusion of the GFS codes in the FMIS will provide a more consistent method of extracting and reporting GFS data.

#### Special Series Note - COVID-19: How to Record Government Policy Interventions in Fiscal Statistics

Governments across the world are introducing different forms of policy intervention in their battle against COVID-19, trying to keep their citizens safe and well, and to reduce the financial impact on corporations and households. Nevertheless, there is a lot of commonality between the different measures from a fiscal statistics perspective. The IMF statistics department released a note to assist recording in the government accounts the financial impact of the most commonly observed types of COVID-19 related government interventions, grouped into eight broad categories:

- Increased healthcare spending
- Provision of assistance to households
- Relaxation of tax obligations for households and corporations
- Provision of financial assistance to corporations (and other units other than households)
- Capital injections, establishment of new, or extended, lending facilities and provision of guarantees
- Emergency assistance from international organizations and foreign governments
- Liquidity and quasi-fiscal operations by public financial institutions
- Debt reorganization

The guidance is in accordance with the Government Finance Statistics Manual 2014 (GFSM 2014). Applying the recommended recording will help to ensure the accuracy of key fiscal and macroeconomic indicators, such as government deficit and GDP. The detailed note is available for download at <https://bit.ly/3mtYLYs>.

### Macroeconomic Analysis and Programming

**Nauru:** In response to a request from the Nauru Department of Treasury, resident advisor Andrew Beaumont and STX Jyoti Rahman provided **assistance on macro-fiscal modeling, economic and fiscal forecasts, and projections for analysis and scenario testing by the Nauruan authorities.** The model will aid the country authorities in making assessments about the policy tradeoffs they face in terms of government expenditure, debt, and deficits, accumulation in the sovereign wealth fund, and risk analysis, particularly around the future of the offshore processing center located on Nauru.

The remote mission commenced with a consultation meeting with the authorities followed by data gathering and the construction of an excel based macro-fiscal model with a report detailing the costs and benefits of different macro-fiscal policy scenarios.

The resident advisor also participated with the Staff consultations led remotely by the IMF Nauru team in Washington during October. The mission discussed a wide range of issues with the Nauruan authorities, including the impacts of the PACER Plus trade agreement and the COVID-19 crisis.

**Tuvalu:** the resident advisor was seconded to contribute to the APD Tuvalu mission team and undertook a Debt Sustainability Analysis (DSA) under the IMF's Debt Sustainability Framework and also participated in consultations with the Tuvaluan authorities.

**COVID19 Macroeconomic Impact Seminar:** During August, the macroeconomic adviser, Andrew Beaumont, in conjunction with the IMF's Singapore Training Institute (STI) and the Resident Representative, Leni Hunter, conducted a *Seminar on the Economic Impacts of Covid-19 on Pacific island countries*. Around 50 government officials attended the seminar from across the Pacific with economists from the Australian Department of Foreign Affairs and Trade. Representatives from Samoa and Fiji presented on the economic impact caused by the health crisis and policy responses to limit the impact of the COVID19 pandemic. Participants were also trained on the use of economic model developed by the STI to better model future economic impacts of the pandemic and various policy responses

## V. Planned TA Activities FY21/Q3: November 2020 – January 2021

### November 2020 Planned Activities

Country	Program	Description	Advisor/s	Dates
Cook Islands	PFM	PEFA Assessment	LTX – Lavea LTX – Seeds LTX - Neves	From Nov 16 (15 TA Days over several months)
	Revenue	Review reform progress	LTX – Eysselein STX – Shrosbree	Nov 11 – 20
Fiji	Revenue	Improving taxpayer service with focus on micro-and medium sized businesses	STX – Vivien STX – Williams	Nov 11 – Dec 15
Nauru	GFS	GFS for compile, review and submit data	LTX – Temes	Nov 30 – Dec 2
Samoa	PFM	Review of work and Improve Internal Audit Framework	STX – Morrison	From Nov 2 (10 TA Days thru December)
	Revenue	Review of tax codes – rules and regulations, legislation for business licenses	STX – Burns	Nov (10 TA Days)
Solomon Islands	FSS	SFEP Regulatory framework – finalization draft prudential standards	LTX – Kumar STX – de Bie	Nov 30 – Dec 4
	PFM	Review of Financial Statements for compliance with IPSAS Cash Reporting	STX – Cavanaugh	From Nov 9 (5 TA Days)
	Revenue	Workshop on MTRS Concepts and Gap	HQ – Jenkins HQ – Koukpaizan	Nov (2 TA Days)
Tonga	RSS	Compilation of experimental QNA data on GDP	LTX – Scheiblecker	Nov 2 – 13
Timor-Leste	GFS	GFS for compile, review and submit data	LTX – Temes	Nov 23 – 25
Tuvalu	FSS	SFEP - Finalize off-site financial risk analysis reform	LTX – Kumar	Nov 9 – 13
	Revenue	Enhancement of the compliance improvement strategy managing large taxpayers and improving	STX – Fisher	Nov 17 – Dec 15
	Macro	Support GDP forecasting and fiscal rules	LTX – Beaumont	Nov 23 – Dec 4
Vanuatu	FSS	SFEP - Regulatory framework – development of prudential standards	LTX – Kumar	Nov 16 – 27
	Revenue	Development of Strategic Plan	STX – Story	Nov 23 – Dec 20

### December 2020 Planned Activities

Country	Program	Description	Advisor/s	Dates
Cook Islands	Revenue	Drafting Tax Administration Law	STX – Burns	Dec 7 – 18
Marshall Islands	Macro	Assist with the operation of Marshall Islands Fiscal Model (MI-FM) and Medium Term Budget and Investment Framework (MTBIF)	LTX – Beaumont	Dec 7 – 11
Regional	Revenue	Webinar - Response to COVID19 for Tourism Economy (with FAD and SARTTAC)	LTX – Eysselein STX – Shrosbree	Dec 1
	Revenue	Workshop on Value Added Tax and Digitization	HQ – Jenkins HQ – Koukpaizan	Dec 7 – 9
Samoa	RSS	Review of GDP(E)	STX – Abasi	Dec (10 TA Days)
Solomon Islands	Revenue	Facilitate Design of MTRS	LTX – Eysselein HQ – Jenkins HQ – Koukpaizan	Dec 1 – 11
Vanuatu	Revenue	Strengthening tax arrears and returns management	STX - Field	Dec 7 - 18

## January 2021 Planned Activities

Country	Program	Description	Advisor/s	Dates
Cook Islands	FSS	SFEP – Finalization of off-site financial risk analysis reform	LTX – Kumar	Jan 11 – 15
	FSS	SFEP – Finalization of risk rating reforms	LTX – Kumar	Jan 18 – 22
	Revenue	Develop Taxpayer Service Strategy	STX – Vivien STX - Williams	Jan 18 – Feb 13
Fiji	Revenue	Presumptive Taxes, Mining provisions, Life Insurance, Transfer Pricing, Tax Treaties and Rulings Acts and Regulations	STX – Burns	Jan 25 – Feb 5
	PFM	Cash Management and TSA	LTX – Lavea LTX – Seeds	Jan 11 – 22
	Macro	Implementation of PEFA recommendations (14- 16)	LTX – Beaumont	Jan 25 – Feb 5
Kiribati	FSS	Peer review of MFAT, Govt of New Zealand-sponsored work on strengthening the supervision of the financial system in Kiribati	LTX – Kumar	Jan 25 – Feb 5
	RSS	Evaluate HIES data/ Rebase and update NA	STX – McAllister	Jan (10 TA Days)
Nauru	RSS	Rebase and update GDP	LTX – Scheiblecker	Jan (10 TA Days)
Papua New Guinea	PFM	Implementation of IPSAS Cash Reporting	LTX – Seeds	Start Jan 25 (10 TA Days over 2 -3 months)
Regional	Revenue	Workshop on Tax Investigations - VAT (joint with OCO and PITAA)	LTX – Eysselein STX – Shrosbree STX – Matthews	Jan
Samoa	GFS	GFS for general government operations	LTX – Temes	Jan 18 – 29
	Macro	Support the use of the Samoa Economic and Revenue Forecasting (SERF) Model	LTX – Beaumont	Jan 11 – 22
	Revenue	Improving debt and returns management	STX – Scott	Jan 11 – 22
	Revenue	Tax Admin reform for PACER Plus /Review reform progress	LTX – Eysselein	Jan 18 – 29
Solomon Islands	PFM	Financial Statement Reforms	LTX – Lavea	From Jan 25 (5 TA Days)
	Revenue	Enhancing the Compliance Improvement Strategy	STX – Home	Jan 4 – 15

Timor-Leste	Revenue	Diagnostic Review	STX – Story STX – O’Keefe	Jan 11 – 22
Vanuatu	Revenue	Further assistance with compliance improvement strategy	STX – Shrosbree	Jan 18 – 29
	Revenue	Strengthening Audit Implementation of the VAT Audit Toolkit	STX – Matthews	Jan 18 – 29
	GFS	Source data for GFS compilation	LTX – Temes	Jan 18 – 29

## Outturn of TA Activities FY2021/Q2: August – October 2020

### August 2020 Delivered Activities

Country	Program	Description	Advisor/s	Dates
Marshall Islands	RSS	GDP Compilation and National Specifics of Data Sources (remote from Fiji)	LTX – Scheiblecker	Aug 17 – 28
Nauru	Macro	Macro-fiscal Forecasting (remote from Australia)	STX – Rahman	Aug 31 – Sep 11
Niue	PFM	Finalizing PFM Legislation (remote from New Zealand)	STX – McKenzie	Started Aug 10 (10 TA days over several months)
Regional	Macro	COVID19 Macroeconomic Impact Webinar (in conjunction with STI)	LTX – Beaumont	Aug 6 – 7
Samoa	Revenue	Strengthen tax audit function and support for TIMS implementation (remote from New Zealand)	STX – Sutherland	Aug 17 – Sep 4
Solomon Islands	Revenue	Establish large taxpayer office and functional structure (remote from New Zealand)	STX – Shrosbree	Aug 31 – Sep 11

## September 2020 Delivered Activities

Country	Program	Description	Advisor/s	Dates
Marshall Islands	FSS	Risk Based Supervision Training (remote from Albania and Netherlands)	LTX – Kumar STX – De Bie	Sep 14 – 17 Sep 14 – 19
Palau	GFS	GFS for General Government Operations (remote from Spain)	LTX – Temes	Sep 14 – 25
Papua New Guinea	PFM	Developing PNG PFM Roadmap (remote from Australia)	LTX – Neves	From Sep 15 (5 TA days over 2 – 3 months)
Regional	PFM	Workshop – Budget Documentation and Report Writing jointly with the UNDP (hybrid remote delivery combined with in-country attendance at USP campus facilities)	LTX – Neves LTX – Lavea UNDP – Destrez UNDP – Giuliani	Sep 22 – Oct 9 (4 sessions)
	RSS	Virtual workshop on Quarterly National Accounts and Seasonal Adjustment (from Fiji)	LTX – Scheiblecker Expert – Dennis Horton	Sep 14 – 25
Samoa	PFM	Cash Management and Establishment of TSA (remote from Australia)	STX – Silins	From Sep 1 (10 TA days over several months)
	Revenue	Review and Renewal of Compliance Improvement Strategy (review from New Zealand)	STX – Shrosbree STX – Matthews	Sep 21 – Oct 4
Tonga	PFM	Streamline processes for financial reporting and budget execution to comply with IPSAS Cash (remote from Australia)	STX – Kauffmann	Sep 1 – 10
	PFM	Review existing legislation, reforms, expectation (remote from New Zealand)	STX – McKenzie	From Sep 21 (10 TA Days over several months)
	FSS	Q&A session on regulatory reforms package for the insurance sector in Tonga	LTX – Kumar HQ – Windsor STX – Claxton STX – Rush	Sep 8 – 9

## October 2020 Delivered Activities

Country	Program	Description	Advisor/s	Dates
FSM	GFS	GFS for General Government Operations (remote from Spain)	LTX – Temes	Oct 5 – 16
Kiribati	Revenue	Further support on taxpayer services, tax arrears and returns collections (remote from New Zealand)	STX – Scott	Oct 12 – 23
	Revenue	Follow-up and Finalize Income Tax legislation on Seabed Mining and review of Small Business Tax legislation (remote from Australia)	STX – Burns	Oct 19 – 23
	Revenue	Strengthening Tax Audit	STX – Bell	Oct 30 – Nov 11
Nauru	Revenue	Tax Law Reform: Taxation of Foreign Income and Consolidation of Tax Laws (remote from Australia)	STX – Burns	Oct 12 – 16
Regional	Revenue	Webinar - Response to COVID19 for Tourism Economy (with FAD and SARTTAC)	LTX – Eysselein STX – Shrosbree	Oct 6 – 7
Samoa	PFM	PEFA Assessment – Pilot Climate Change Module (remote from Australia, USA, Samoa, and Fiji)	LTX – Neves LTX – Lavea PFTAC – Kloeden PEFA – Brule World Bank – Gitay PRIF – Estigarribia PIFS – Uluinaceva	From Oct 7 (15 TA Days over 2 months)
	Revenue	Development of Business Continuity Plans- COVID19 Impact and Post Recovery (Remote from New Zealand and Fiji)	LTX – Eysselein STX – Shrosbree	Oct 29 – Nov 10
	FSS	Q&A session on regulatory reforms package for the insurance sector in Samoa	LTX – Kumar HQ – Windsor STX – Claxton STX – Rush	Oct 6
Solomon Islands	RSS	Compilation of experimental QNA Data (remote from Fiji)	LTX – Scheiblecker	Oct 5 – 16
Tuvalu	Revenue	Develop Corporate Plan (remote from Canada)	STX – Fisher	Oct 5 – 16
Vanuatu	RSS	Compilation of experimental QNA Data (remote from Fiji)	LTX – Scheiblecker	Oct 26 – Nov 11

## Meetings, Seminars, and Training

August – October 2020

TA Sector	Description	Location	Advisor	Mission Days	Participant s		Month
					F	M	
Macroeconomic Programming and Analysis	COVID19 Macroeconomic Impact Webinar (in conjunction with STI)	Webinar	LTX – Beaumont	2	28	26	Aug 6 – 7, 2020
Public Financial Management (PFM)	Workshop on Budget Documentation and Report Writing (jointly with UNDP)	Remote/ USP Campuses	LTX – Neves LTX – Lavea	5	24	25	Sep 22 – Oct 9, 2020
Revenue Administration	Webinar – Response to COVID19 for Tourism Economy (with FAD and SARTTAC)	Webinar	LTX – Eysselein STX – Shrosbree	12	2	9	Oct 6 – 7, 2020
Real Sector Statistics (RSS)	Virtual Workshop on Quarterly National Accounts and Seasonal Adjustment	Remote/ On-site at FBOS	LTX – Scheiblecker Expert – Dennis Horton	5	15	6	Sep 14 – 25, 2020

## TA Reports Transmitted to Country Authorities & Pending Finalization

August – October 2020

TA Sector	Country	Title of Report	Author	Mission Month	Transmittal Letter Date
<b>Public Financial Management (PFM)</b>	Marshall Islands	Medium Term Budget and Investment Framework	Neves	May-20	Not Finalized
	Papua New Guinea	Operational Plan for transitioning to IPSAS Cash	Mayes	Feb-19	Not Finalized
	Papua New Guinea	Developing PNG PFM Roadmap	Neves	Sep-20	Not Finalized
	Samoa	Cash Management	Silins	May-20	Not Finalized
	Samoa	Cash Management and Establishment of TSA	Silins	Sep-20	Not Finalized
	Samoa	PEFA Assessment – Climate Change	Neves, Lavea	Oct-20	Not Finalized
	Tonga	Public Financial Management Action Plan	Kauffmann	July-20	3-Nov-2020
	Tonga	Cash Basis IPSAS Financial Statements	Kauffmann	May-20	Not Finalized
	Tonga	Cash Basis IPSAS Financial Statements	Kauffmann	Sep-20	Not Finalized
	Tonga	Review existing legislation, reforms, expectation	McKenzie	Sep-20	Not Finalized
<b>Macroeconomic Analysis and Forecasting</b>	Marshall Islands	Towards a Medium-term Fiscal Framework	Claus	Oct-19	9-Nov-2020
	Samoa	International Financial Sector Assessment	Beaumont	July-20	9-Nov-2020
	Solomon Islands	Inflation Forecasting	Beaumont	July-20	Not Finalized
<b>Financial Sector Supervision</b>	FSM	Banking Regulatory Reform	Hefty	June-19	Not Finalized
	FSM	Banking Legislation and Prudential Standards	Carvalho	Apr-20	Not Finalized
	Solomon Islands	Prudential Standards	Stefanou/ De Bie	Oct-19	Not Finalized
	Solomon Islands	SFEP – Risk Rating and Supervisory Action follow-up	De Bie	Mar-20	Not Finalized
	Vanuatu	SFEP – Risk Rating and Supervisory Action follow-up	De Bie	Mar-20	Not Finalized

<b>Revenue Administration</b>	Cook Islands	Procurement and Specification of New IT System	Norkunas	Feb-20	5-Oct-2020
	Cook Islands	Improve Ontime Filing and Payment	Piper	Feb-20	13-Oct-2020
	Cook Islands	Tax Policy Review	Mullins	July-20	16-Oct-2020
	Kiribati	Support on Taxpayer Services, Tax Arrears and Returns Collections	Scott	Oct-20	Not Finalized
	Nauru	PACER Plus Tax Policy Review	Mullins	June-20	20-Aug-2020
	Samoa	Strengthen Tax Audit Function	Sutherland	Aug-20	Not Finalized
	Samoa	Review and Renewal of Compliance Improvement Strategy	Shrosbree/ Matthews	Sep-20	Not Finalized
	Samoa	Development of Business Continuity Plans- COVID19 Impact and Post Recovery	Eysselein/ Shrosbree	Oct-20	Not Finalized
	Solomon Islands	Establish Large Taxpayer Office and Functional Structure	Shrosbree	Sep-20	Not Finalized
	Tonga	Implementing Industry Partnership Strategy	Shrosbree	July-20	9-Nov-2020
	Tonga	Tax Audit support for the Industry Partnership Strategy implementation	Matthews	Jul-20	9-Nov-2020
	Tuvalu	Develop Corporate Plan	Fisher	Oct-20	Not Finalized
<b>Macroeconomic Statistics</b>	FSM	GFS for General Government Operations	Temes	Oct-20	Not Finalized
	Cook Islands	Investigate Improved Methodologies for Tourism Related Activities	Andrews	Feb-20	19-April-2020
	Cook Islands	Improve Data for GFS Compilation and Dissemination	Temes	June-20	03-Sep-2020
	Cook Islands	Seasonal Adjustment of QNA Data	Scheiblecker	June-20	Not Finalized
	Fiji	Quarterly National Accounts	Scheiblecker	May-20	Not Finalized
	Marshall Islands	Government Finance Statistics	Temes	July-20	Not Finalized
	Marshall Islands	GDP Compilation and National Specifics of Data Sources	Scheiblecker	Aug-20	Not Finalized
	Palau	GFS for General Government Operations	Temes	Sep-20	Not Finalized
	Papua New Guinea	GDP Rebasing	Scheiblecker	Oct-19	Not Finalized
	Papua New Guinea	Improving Granularity of GDP	Scheiblecker	Feb-20	Not Finalized
	Samoa	Seasonal Adjustment of QNA Data	Scheiblecker	June-20	Not Finalized
	Solomon Islands	Compilation of experimental QNA Data	Scheiblecker	Oct-20	Not Finalized
	Vanuatu	Compilation of experimental QNA Data	Scheiblecker	Oct-20	Not Finalized